

OUR FAIR CAROUSEL, INC.
Board of Directors Meeting
January 10, 2008

Present: Peter Boehm, Clyde Boysen, Mike Hahm, Trude Harmon, Bob Herskovitz, Lorraine Kenfield, Bob Marabella, Kerry McCartney, Mike Merrick, Bill Nunn, Nancy Peterson, Helen Warren, Jim Weichert, John Willy

The meeting came to order at 7:05 p.m. Minutes of the meeting of October 11, 2007, were approved as mailed.

Finance. Jim Weichert distributed a set of unaudited financial statements for the fiscal year ending September 30, 2007. He noted that the Statement of Financial Position shows that OFC's cash position continues to get stronger; we had a cash balance of \$171,323 at fiscal year-end compared with \$143,432 the previous year. The Statement of Activities shows ride revenue up by about \$5,000 over the previous year, with merchandise sales about the same. We spent more in operating expenses and showed a net loss from operations but an overall growth of \$2,000 in net assets. The Statement of Functional Expenses shows zero interest payments for the first time, since we retired our final loan during the previous fiscal year. Even with expenditures to paint the exterior fence and to replace the motor during the year, we had a positive cash flow. A motion was made to preapprove the audited financial statement and state filings and to authorize Weichert and Peter Boehm to sign those documents; the motion passed without dissent.

Weichert noted that the organization's cash remains entirely in a checking account, and he recommended that roughly \$75,000 to \$100,000 be moved into a 12-month certificate of deposit that will earn interest. Since we have a \$50,000 line of credit with the bank, we have an option in case we need cash quickly. Boehm reminded the board that we have discussed moving to a new bank and said he has been contacted by an individual who was very helpful to us when he was at our current bank; that individual is now at a local, community-oriented bank in St. Anthony Park and Boehm would like us to investigate the possibility of moving our business there. In discussion, there was consensus that it is a good idea to change banks, and Jim Weichert was asked to talk to the banker and work out an arrangement with appropriate flexibility.

Post-season debriefing. Clyde Boysen distributed a summary of points from the 2007 debriefing under the usual categories of what went well, what went not so well, and what should be done differently. Participants in the discussion liked several new things including the emergency stop button in the gift shop, counting the line and giving a card to the last rider for that ride, the addition of the volunteer committee and its acceptance by both volunteers and the board, and a sense that there were more experienced and well trained volunteers and fewer poorly trained ones. There were no injury accidents and there was very little damage to the carousel. There is still a sense that some volunteers need reminders or remedial training, both on the ride and with checks and credit cards. There were several suggestions for things that might fine-tune the operation (keeping the

gift shop fully stocked, standardizing the time between rides, etc.) along with a suggestion that we illuminate the weather vane at night. As always, suggestions will be evaluated and introduced when practical and possible.

Personnel. Boysen reported that he had given Tammy Beckley her annual performance review, giving her an overall satisfactory rating and asking her to come back as operations manager with an overall compensation increase of 3 percent. He said that at the beginning of the new season he would again establish expectations for her to meet in the coming year. He will discuss having more formal expectations and feedback for other staff, and getting information and training regarding emergency procedures for her and other staff. Weichert asked whether there was a way to establish incentives for specific achievements; Boysen will consider whether incentives could be incorporated in any useful manner.

Budget. Boehm discussed the budget he prepared for the 2008 season and calendar year and compared it with the previous year's. He reduced projected income to \$170,000 to more closely reflect past years' experience. We already have unusually high inventory for gift sales so he reduced the amount for new purchases. He budgeted a three percent increase for Beckley, and a \$3,000 increase for liability insurance because state law requires a larger policy. He budgeted \$10,000 for equipment, which will allow for a new speed reducer and new slip rings to be installed before the season begins. Beckley added several items for volunteers including providing new shirts, purchasing water by the jug instead of small individual bottles, and providing food when volunteers come in for special projects. At Helen Warren's request, the fund-raising budget was raised from \$1,000 to \$2,000 to allow for a small special event. Boysen moved that the budget be approved as amended; the motion passed without dissent. The board thanked Boehm for, in Weichert's words, "an excellent job of fulfilling his fiduciary responsibilities."

Volunteers. Kerry McCartney reported that the committee had recently revisited some of the topics raised previously with the hope of developing some action items. Ed Mishmash and Beckley are working to develop a new sweatshirt that volunteers will be able to buy at cost. Bob Marabella will recycle cans and bottles once we purchase the necessary bins and liners. The committee will prepare and send thank-you cards for service during the 2007 season. They suggested posting volunteer hours on a display board in the back room during the season along with adding some incentives, upgrading the year-end and cumulative-hour pins, and changing the gift certificates to something other than our own gift shop. The group also suggested a Weekend Warrior Club with special rewards to help fill weekend and holiday shifts. The committee will develop more detailed proposals and cost estimates.

Gifts. Boehm reported that gift sales again averaged about 39 cents per rider. The shop ran smoothly but we bought too much merchandise and ended the year with more inventory than we should have.

Band Organ. Mike Merrick reported that the band organ is in pieces; he is refurbishing some parts and adding a regulator, which may drop the volume a bit. The board asked

when we might have the second cd. Merrick responded that Art Curtze has the recordings but has said it probably will not be ready by the start of the 2008 season.

Carousel. The speed reducer has been removed and inspected, and the company said the gears are in great shape so we don't need a new one. They will replace seals and bearings for an estimate of \$2,000 and will reinstall it in April for an additional \$1,200. The same people will look into changing the carousel's controls to be able to stop it at a specific place in order to load a wheelchair. They say it might be able to be done for about \$1,500. This would allow us to use a mechanism that is simpler to operate than the wheelchair ramp. We will be replacing the slip rings in April and will install a drip pan to keep oil from the cheese bearing from falling onto the slip rings.

Restoration. Bob Herskovitz reported that Linda McDonald does some gold leaf replacement each time she comes to town, using a leaf that is purer than what we first used and will not tarnish so readily.

Two legs were broken near the end of the season, and Herskovitz will do the repairs. Both broke along previous glue lines. One had been glued with urethane; the other had been repaired with hide glue so that if it did break it would break at the same place and not break out new wood. Herskovitz has been looking at materials that might have greater strength, but the ones he has found are too strong, so in case of another break the material would hold and additional wood would be damaged. Therefore he is concluding that he needs to stay with the same materials.

He is planning to produce a list of all of the repairs made to the carousel, including various wood repairs in order to track what has worked, what has failed, and any other data that might lead us to change our approach to repairs.

Herskovitz also had one of the black metal steps repaired, and an extra vertical piece was added on the back and underside for stability. He said that when we make new steps, we can omit the last ridge so the step is thicker at the bend, but we probably don't have to add the vertical reinforcement, especially because today we would be using much better metal than was used for the originals more than 90 years ago.

Clyde Boysen reported that he has been looking into having new steps made. He has a bid for a CAD design at a cost of \$400 to \$500, a sand mold at \$1,900 to \$2,000. Each step would then cost \$75 to \$100 for casting and machining. We could make as many as we want at any one time; the price break is at about six.

Herskovitz said there is another system that uses a Styrofoam pattern that would be less expensive and he will look into it. In discussion, he said that we are breaking about two each year and we have no spares; meanwhile we borrowed some from another carousel years ago that we need to replace some day. Most other carousels have replaced this style with a modern butterfly style, so there is no existing source beyond making our own. Boehm asked Herskovitz to look into the method he mentioned, and talk with Boysen if necessary in order to bring back a recommendation.

Fundraising. Helen Warren said she has developed a fundraising plan that will be distributed to the board. The plan is designed to raise funds to create a maintenance fund of about a half-million dollars to cover any catastrophic repairs and a nest egg for use in the future. It would not be a traditional endowment, since the board could spend the principal if needed for a specific purpose that meets the definition of the fund. Warren's plan calls for three strategies:

- * Continue the Adopt-a-Pony program for major gifts. To identify prospects she suggests a special event to which we invite current donors for rides, refreshments, and a brief program. Helen or other board members would follow up after the event to talk with the donors about ways they might assist us by identifying or introducing us to other potential donors. A donor report might also be part of the plan.

- * Introduce a season pass for a contribution at a level somewhat below the Adopt-a-Pony program. We would need to figure out some logistics, but we currently have no way to encourage gifts at more affordable levels. It may only work for a limited period of time, after which we would need a fresh approach. The concept would be something like a "friends of the carousel" pass, rather than something we sell as a convenience.

- * Secure support from the major foundations for a capping gift that would recognize the community effort and support on behalf of the carousel, and the community asset that it has become.

Board members will be asked to identify donors and prospects as part of the effort. Bill Nunn suggested that we also create an item that would recognize a gift of more than \$25,000.

President's report. Boehm proposed a change to the bylaws in which we change officer terms to two years, the same as board terms, eliminating the need for an additional meeting of the nomination committee. The proposed change will be voted on at the next meeting.

Boehm described the new rental policy, designed to limit rentals because they usually involve behavior problems including risky behavior on the ride, rudeness to the volunteers, and the like. The new fee is \$500 an hour, there are no Friday or Saturday rentals, and the renter may be required to hire security.

The one good and consistent renting group has been ARC, and we will allow them to use the carousel free of charge one evening per year instead of renting it. We will have a maximum of four free benefits per season, roughly one per month. Two current benefits are Rein in Sarcoma and Como Living at Home Nurse Program, and ARC will be a third event. The fourth opportunity could be available on a rotating basis.

Stan Allison, a regular volunteer for about five years, died recently.

Mike Hahm passed along the messages that the Como information person needed our summer operating information by the end of the month, and that the gardeners would be back on the job in late March. There will be continuing work on the paths through the

park, and construction of a new polar bear exhibit will begin as soon as weather allows. This work will reduce parking capacity in the service drive and therefore probably will impact overall parking somewhat. From Memorial Day through Labor Day, there will be a new butterfly garden outside the Tropical Encounters exhibit, very near our building. It will be a tent-like structure shaped like a caterpillar.

New state law requires yearly state inspection plus daily inspection in which an operations supervisor must walk the circle one revolution without music. Boehm will ask Haas Wilkerson whether their inspection qualifies as state inspection.

Herskovitz said he is getting some preliminary drawings for an interior window display that would accommodate four or five figures. The plans incorporate changeable lighting and backdrop. Trude Harmon said that as a designer, she can help obtain the appropriate fabric for the backdrop.

Bill Nunn announced open houses at his farm scheduled for February 3, March 16, and April 13.

The next meeting is April 24 at 7 p.m.; location to be announced.

Respectfully submitted,

Nancy A. Peterson, secretary