

OUR FAIR CAROUSEL, INC.
BOARD OF DIRECTORS MEETING
October 7, 2010

Present: Peter Boehm, Clyde Boysen, Arthur Curtze, Barbara Deneen, Trude Harmon, Bob Herskovitz, Carrie Martinson, Herb Karow, Lorraine Kenfield, Bob Marabella, Linda McDonald, Mike Merrick, Ed Mishmash, Bill Nunn, Nancy Peterson, Muriel Poehler, Jim Weichert. Guest: Tammi Beckley

The meeting came to order at 7:07 p.m. President Peter Boehm introduced new board member Carrie Martinson, appointed by her grandfather, Jerry Cafesjian.

Minutes of the meeting of April 22, 2010, were approved as mailed.

Finances. Jim Weichert gave a brief report to say that work is beginning on the year-end report and audit for the fiscal year that ended September 30, 2010,

At the end of August, we had cash on hand of \$184,000 plus a CD of \$50,000, for a total of \$234,000.

Boehm noted that revenue to date is down by \$14,000 as compared with last year; we are at \$156,000 this fiscal year versus \$170,000 last year. Expenditures exceeded revenues by about \$3,000.

Last fall, to curb expenses, we put off some planned projects including painting and a new office computer. These will be done this year and will be incorporated into the new budget, but we will have to hold the line on other expenses to balance the budget.

Weichert said we should be able to spend some of our reserve for projects we consider important. Boehm said our goal is to build up a reserve of \$500,000. We need to ask ourselves what it would cost if we had to close for a year. For example, the zoo developed plans to close if avian flu were found in the area. Our expenses for one season would probably be in excess of \$100,000, and more if the closing were caused by needed repairs to the carousel. Weather is also an unpredictable factor, Boehm said. For example, last October we were budgeted for income of \$15,000, but the month was cold and we were closed more days than we were open. This year we were closed several days in July and August because of heat.

Clyde Boysen said there will always be some unusual problem that costs us in ways we can't predict. He suggested we plan our budget amounts in terms of ranges.

Boehm said that during the years we were paying off the loan, we always spent more than we took in. However, this is the first time in the five years since completing loan payments that we have done so.

Weichert said our goal should be to increase revenue. He mentioned gifts and rentals as sources of potential revenue and asked whether they could be expanded. Boehm said gifts have tapered off, and the two professionals whom we've recruited to the board to help with fundraising have left after concluding that there is little potential for broad-based giving, and that costs and time commitments required to identify new donors seem prohibitive. Rentals generate relatively small amounts of income and create logistical and staffing problems. This was the first season that we decided we didn't want rentals, so we raised the rates to discourage them and as a result we had none.

Personnel. Clyde Boysen reminded the board that a \$750 performance incentive had been created for the operations manager. Half of that amount was allocated at her midseason review and he will recommend that the remainder be awarded at the end of the season. He said Bill Nunn and Kerry McCartney were very helpful in the process of developing specific goals and methods for assessment. He said a new computer and new software will greatly assist with aspects of Beckley's job. Those weren't able to be implemented for this season but will be before the next season. Boysen and Beckley will schedule a year-end review.

Volunteers. Tammi Beckley reported that we recruited 16 volunteers this year, of whom about 7 became regular volunteers. Meanwhile, about a dozen former volunteers became unavailable because of illness or other reasons. As a result, we had slightly fewer volunteers than ideal, but they performed well.

Volunteers have been asking about the process of developing specialty products for the 100th anniversary. Boehm asked Beckley to work with interested volunteers to prepare a list of potential products for the Centennial.

Gift shop. Beckley reported that sales averaged 24 cents per ticket sold. Boehm noted that this figure is the lowest in our history, and is probably related to the economy. In addition, manufacturers are producing fewer carousel items. He said we seem to have a good selection of merchandise in all price ranges, especially the lower prices that seem appropriate for this economy.

Band organ. Mike Merrick reported that the reeds have needed frequent tuning due to weather changes. Bill Nunn said that Mike's careful attention has resulted in a band organ that plays extremely well, and much better than most.

Carousel. Art Curtze said the carousel is running beautifully, as usual. He said Mark Carlson really does all the mechanical maintenance very well.

Curtze had scheduled the task of cleaning the pillow blocks that support the horse hangers, and replacing the felt pieces that absorb the oil. This was Curtze's first time doing this job and he hadn't known what to expect. They found that the oil needed to be cleaned out but the felt was perfectly fine. The pillow blocks were also fine. So they have been cleaning out the old oil, carefully re-oiling, and reinstalling the horses. He said they would finish by the end of the week, instead of having to do a third of them each year

over a three-year period. A few will need regular attention, so he has made a chart that will be added to the maintenance checklists.

Curtze and Boehm discussed a situation arising from a repair made last year to a bearing on the drive gear. As a result of that repair, there is too much free play between the drive gear and the idler gear. The millwright we have worked with was consulted earlier in the day and spoke separately with Curtze and Boehm.

Curtze said the millwright had said we should install a new bearing on the idler gear and build a new drive gear. Curtze said he strongly recommended this.

Boehm said that solution would not address another issue, the amount of free play between the idler gear and the segmented gear. He said more time is needed to develop a comprehensive solution. Boehm said the millwright told him the problem with the drive gear was minor and that the millwright had detected no new wear since the work was done last year. Boehm said the millwright recommended we watch it but said no immediate action was needed.

Restoration. Bob Herskovitz reported that he had repaired two legs during the season.

He reported that the rings on the reins are wearing into the wood of the horses' cheeks. He and Linda McDonald have been thinking about ways to prevent that wear. We have a clear dip that can coat metal and give it a rubbery surface, and Mark Carlson will try that on a few horses.

It was pointed out that on real horses, a cheek protector is used. Could there be some type of cheek protector, or wood hardener? Herskovitz said he and McDonald will discuss options over the winter.

McDonald has noted that the gold leaf tarnishes badly, possibly because of our proximity to the heavily polluted intersection of Snelling and University Avenues. She will try a heavier layer of varnish over the leaf, and if that doesn't work she will try gold powder or silver leaf with a gold glaze.

Herskovitz said that in order to make informed decisions about whether or how to replace the floor, we will take off a few outer planks and edge boards near the Carmel horse to examine them and the underlying structure. This work will be done in early November.

Fundraising. Boehm said we received \$5,000 in gifts during the year in the form of a pledge payment, with no new major gifts on the horizon.

Operations. Beckley presented a list of operational details. There was a total of 14 unfilled shifts—higher than last year but still a remarkably low number given that we have 1,387 shifts per year. The budget for paid staff (shift supervisors, carousel maintenance, gift shop manager, cleaning and brass polishing) remains within suitable limits. We scheduled three free events for nonprofit groups: ARC Twin Cities in June,

Rein in Sarcoma in July, and the Como Block Nurse program in August, cancelled because of hot weather. Our own volunteer potluck was cancelled twice because of hot weather.

We had the floor painted last spring; Beckley will bring the company back in to redo some of their work and to do additional areas.

President's report. Boehm reported that the City never did the concrete work that was supposed to be done in spring or summer to repair the cracks in the patio areas.

To test new window materials for the doors, Boehm will order new panels for the entrance and exit doors: 12 acrylic panels for one and 12 tempered glass for the other. We will watch how they respond to weather conditions, cleaning processes, and general wear.

Boehm has been investigating solutions for the indoor fence around the carousel. Each potential solution introduces a new problem, and none of them addresses the fact that the new insurance representative is saying the fence needs to be 42 inches tall, not just 36 as is the existing one. The insurance representative has agreed to send us a copy of the standards for such fencing and photos of attractive fences that meet the standards. Clyde Boysen volunteered to check on the background of the standards. He and Barbara Deneen noted that if standards at the time the building was built covered these issues, we might have recourse to recover some of the cost of rebuilding the fence.

Beckley will add the board to her email list so we are aware of shift openings or other messages she sends to volunteers.

Boehm noted that the January 2011 meeting is the last of the current board term. He asked any member not interested in serving another term to let him know.

Bill Nunn announced open houses for October 17, November 14, December 12, and January 16.

Boehm will let members know the date of the spring 2011 meeting.

The next meeting is Thursday, January 13, at 7 p.m. at the Streetcar Station.

Respectfully submitted,

Nancy A. Peterson, secretary