

Overview of Our Fair Carousel, Inc.'s general operating procedures and the operating agreements with the City of St. Paul

Our Fair Carousel, Inc. (OFC), the owner and operator of Cafesjian's Carousel, is governed by a board of directors limited to 25 members. Twenty of the members are elected and serve terms of two years. Five members are appointed. Appointed members serve at the pleasure of their appointing agency. Their terms continue until the appointing agent chooses to replace them. The Cafesjian Family Foundation, the carousel's major benefactor, has two appointments to the board. The City of St. Paul has three appointments to the board, and they represent the following constituencies: a Parks Department staff person – currently Michelle Furrer, Como Campus Manager; a resident of the Como Park neighborhood; and a resident of Ramsey County outside of the City of St. Paul.

We have enjoyed a partnership with the City since November 1988, when OFC was first formed. The partnership arrangements have changed over time and we have had a series of agreements with the City. The current one, dated May 14, 1998, with an amendment dated October 3, 1998, defines the current relationship and each party's obligations. Many provisions of the agreement are related to construction of the pavilion in Como Park, and as such, are already completed and no longer relevant. This long-term agreement, by which the carousel is housed in the pavilion, runs through October 1, 2029, and is renewable after that.

OFC built the pavilion in Como Park for \$1.1 million. The building was finished in July 1999, at which time we installed the carousel. At that same time we transferred ownership of the building to the City. OFC owns and operates the carousel – officially known as Cafesjian's Carousel – and owns all other contents of the building. OFC insures the carousel and other building contents as property, and also keeps a liability policy in effect, as per the City agreements. The City self-insures the building.

We pay the City 15% of our annual earned income (not including sales tax or donations). Payment is made on December 1 for the fiscal year, which ends September 30.

OFC prepares an audited financial report by January 15 each year and sets ticket prices, rental rates and operating schedule for the coming season at that time. This information is presented at OFC's January board meeting (usually the second Thursday of January). Approval of these items by the board, with no objection from the Parks Department representative, constitutes "City approval" of these items. Price is \$2.00 per ride since 2013, after being constant at \$1.50 per ride from 2000-2012. Schedules have varied little, although in 2014 we conducted a test to see the value of an earlier opening. Some variation of that early opening test will continue in 2015. Our published schedule says we operate Tuesday through Sunday from May 1 through Labor Day, and weekends through October 31. We give free rides on one Monday each month from May through September. We are open on Memorial Day and Labor Day, and on the Monday near July 4, if the 4th falls on Sunday, Monday, or Tuesday. We are open for the two days of Education Minnesota Professional Conference in October. We operate 11-6 on summer weekends and 11-4 on all other days. We have occasionally been open at other times –

for example, for several evenings of the Zoo Boo. We rent the carousel to groups for special events, although rentals are infrequent. We do not operate the carousel if the temperature is below 45 or above 95 degrees.

OFC handles all issues related to the carousel itself, and regular interior custodial maintenance of the building. Exterior maintenance and any repairs to building infrastructure are handled by the City. The City provides water, sewer, garbage removal, and winter snow removal. OFC pays for other utilities. City staff maintains the surrounding gardens, although OFC paid for all plants and materials for original garden installation. City staff participates in, and the City pays for, the required annual fire-sprinkler inspection and test.

The City provides OFC with a meeting room in which to hold, at minimum, three board meetings and one volunteer meeting each year. We currently use the Como Streetcar Station for most meetings. Board meetings are held in January, April and October.

The City supplies us with chairs and tables for two of our three annual volunteer gatherings. A third volunteer event is held off-campus.

OFC has four dedicated parking spaces adjacent to the building for use by volunteers, and additional volunteer parking is available behind the Zoo. OFC provides volunteers with permits to use these spots, in accordance with City instructions.

OFC employs paid staff as follows:

From 2002 through 2014 daily operations were the responsibility of the operations manager, whose primary duties were to recruit, train, schedule and supervise the volunteers who provide our labor force, to act as shift supervisor four days a week, and to take care of daily finances. This was a 10-month position. Other duties, normally performed by an executive director, were handled by the founders. Beginning in 2015 we hope to put the duties of running not just the daily operations, but the organization itself, in the hands of an executive director. This is full-time, 12-month position which we hope will result in a new generation of leadership for the carousel.

During May through August we employ a shift supervisor each day. It is anticipated that in 2015-16 the executive director will perform these duties two days each week.

From April through October we employ a mechanic (about 10 hours per week) for carousel maintenance, a cleaning person (about 20 hours per week) to clean the floor and bathroom and to polish brass, and a gift shop supervisor (5-10 hours per week) to order merchandise and to stock the gift shop.

All other staffing is done by volunteers. We use five volunteers per shift, two shifts per day, to run the carousel and to sell tickets and gift items. We currently have about 75 active volunteers but need about 125. The board of directors is also all volunteer.

In addition to loans for the purchase of the carousel itself, OFC took a \$400,000 commercial loan to pay our portion of building construction costs (\$300,000) and for installation of the carousel and other start-up costs. The loan repayment was completed in October

2005. OFC has been debt-free since.

We were sued in 2012 for an accident which occurred in 2006. Our insurance company agreed to arbitration and settled in 2013 for \$42,000. There has never been any other litigation, nor is any known or anticipated.

We have discussed with the City the addition of a fountain and donor plaza, complete with seating, sculpture, and gardens, in front of our building as part of the landscaping to be done in front of the Visitor Center. This project is not on the City's short-term agenda and is not likely in the near term.

We have also discussed with the City the possibility of adding a backup generator for the building. OFC would pay for the full cost of this improvement.

OFC is a 501(c)(3) tax-exempt charitable organization. All gifts to it are tax deductible as charitable contributions. To date we have raised (through either fundraising or operations):

Purchase of carousel	\$1,132,000
1990 renovation of Town Square Park	900,000
Restoration of carousel machinery and move from State Fair to Town Square	100,000
Restoration of 68 horses and 2 chariots	135,000
Purchase and restoration of band organ	35,000
Construction of the Cafesjian Pavilion at Como Park	1,100,000
Move from Town Square to Como Park	100,000
In-kind gifts of goods and services	75,000
All costs of operation for the last 26 years, including interest on loans. Thousands of volunteer hours each season.	

We have used the Adopt-A-Pony program to raise contributions for the purchase of the carousel, for its restoration, and for the construction of the pavilion. There are 13 horses (of 68) and 1 chariot (of 2) yet to be adopted. Funds raised from the remaining adoptions will be used for a reserve to cover future repair and/or restoration needs, as well as any operational shortfall. Our current reserve is about \$200,000.

For the last fourteen years we have hosted an annual fundraiser for the Karen Wyckoff Rein In Sarcoma Fund – another 501(c)(3) organization, which supports cancer research. To date they have raised over \$800,000 through their annual event. In 2006-09 we hosted similar events for the Como Park Living at Home/Block Nurse program. In 2008, we added Arc Greater Twin Cities as a third charitable-event partner. We would be open to hosting an additional event each season, although we would like this event to support different organizations each year. We view this as an additional way for the carousel to have a positive impact on the community.

We have a detailed volunteer training and recognition program.

We have a very comprehensive website at www.ourfaircarousel.org.