

Members

Sen. James Merritt, Chair
Sen. Scott Schneider
Sen. James Lewis
Sen. Richard Young
Rep. Robert Bischoff, Vice-Chair
Rep. Joseph Pearson
Rep. William Ruppel
Rep. Phyllis Pond



STATE FAIR ADVISORY COMMITTEE

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Authority: IC 15-13-6

MEETING MINUTES¹

Meeting Date: October 26, 2010
Meeting Time: 10:30 a.m.
Meeting Place: Board Room, Administration
Building, Indiana State Fair Grounds,
1202 E. 38th Street
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. James Merritt, Chair; Sen. Scott Schneider; Sen. James Lewis;
Sen. Richard Young; Rep. William Ruppel; Rep. Phyllis Pond.

Members Absent: Rep. Robert Bischoff, Vice-Chair; Rep. Joseph Pearson.

Call to Order. Sen. Merritt, Chair of the State Fair Advisory Committee, called the meeting to order at approximately 10:40 a.m. Sen. Merritt asked David Ellis, Indiana State Fair Commission, to review the financials of the 2010 State Fair.

Financials of the 2010 Indiana State Fair. Mr. Ellis provided a summary of the revenue and expenditures of the 2010 State Fair. (See Exhibit 1.) He noted that weather affected admissions. The Fair spent more money on ice and water and air conditioning due to the hot weather. Two concerts were sold out. The Fair also increased rain insurance to cover expensive acts. The Fair experienced a net gain of \$915,621.

Discussion of the 2010 Fair. Cindy Hoye, Executive Director of the Indiana State Fair, reviewed the demographic profile of Fair attendees. (See Exhibit 2.)

Length of the State Fair. Director Hoye explained that the number of days of the State Fair was increased from 12 days to 17 days for 2009 through 2011. There have been discussions about continuing with the 17-day format for 2012 and 2013. Generally, concessionaires do not like extending the number of days because they do not believe that it significantly increases the number of people who attend the Fair.

¹ These minutes, exhibits, and other materials referenced in the minutes can be viewed electronically at <http://www.in.gov/legislative>. Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for hard copies.

Pat Berger, Indiana State Fair Commission, distributed information regarding attendance at the Fair since 1988. (See Exhibit 3.)

Creating a State Fair Commission 501(c)(3) Foundation. Mr. Berger explained the benefits of having a 501(c)(3) foundation. He noted that a foundation would be able to apply for certain grants, and individuals are more likely to donate to a foundation rather than a governmental unit. (See Exhibit 4 for proposed language for the creation and reporting requirements of the foundation.)

Director Hoyer explained that revenue generated by the foundation could be used for renovations to the Pepsi Coliseum. The coliseum does not meet fire codes and does not comply with the Americans with Disabilities Act. The coliseum was built in the 1930s. The building has no backstage, and the sound system is not good. It is, however, used 340 days of the year. It produces more money than any other facility at the Fair Grounds. Renovations would take a year.

Adjournment. The Chair adjourned the committee at approximately 12:00 p.m.

Indiana State Fair Commission
Statement of Revenue and Expenditures - Fair Report **Exhibit 1**
From 1/1/2010 Through 12/31/2010 **State Fair Advisory Committee**
(In Whole Numbers) **October 26, 2010**

	Current Year Estimated Total	Total Budget - Original	Total Budget Variance - Original	Percent of Budget to Date
Fair Earned Revenue				
Gates	2,907,971	3,173,800	(265,829)	91.62%
Concessions/Midway	2,217,181	2,317,530	(100,349)	95.67%
Event Admissions	3,644,629	1,774,100	1,870,529	205.44%
Sponsorship	1,264,964	1,122,650	142,314	112.68%
Entry Fees	319,280	308,250	11,030	103.58%
Parking	558,239	502,500	55,739	111.09%
Merchandise Sales	124,423	55,325	69,098	224.89%
Rental Income	420,185	348,900	71,285	120.43%
Shuttle Bus Revenue	210,774	215,000	(4,226)	98.03%
Other Revenue	<u>140,103</u>	<u>62,375</u>	<u>77,728</u>	<u>224.61%</u>
Total Fair Earned Revenue	<u>11,807,749</u>	<u>9,880,430</u>	<u>1,927,319</u>	<u>119.51%</u>
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Payroll Expenses				
Salary & Wages	1,979,737	1,891,096	(88,641)	104.69%
Employer Share of Taxes	<u>153,105</u>	<u>120,110</u>	<u>(32,995)</u>	<u>127.47%</u>
Total Payroll Expenses	<u>2,132,842</u>	<u>2,011,206</u>	<u>(121,636)</u>	<u>106.05%</u>
Total Payroll Expenses	<u>2,132,842</u>	<u>2,011,206</u>	<u>(121,636)</u>	<u>106.05%</u>
Fair Operating Expenses				
Production Costs	3,930,682	2,397,415	(1,533,267)	163.96%
Security	20,462	181,750	161,288	11.26%
Judges	136,824	155,020	18,196	88.26%
Premiums	602,214	614,800	12,586	97.95%
Advertising	728,689	761,535	32,846	95.69%
Maintenance	90,361	91,400	1,039	98.86%
Clothing	36,167	52,025	15,858	69.52%
Food	130,727	105,790	(24,937)	123.57%
Fuel	10,020	23,075	13,055	43.42%
Janitorial Costs	293,677	242,565	(51,112)	121.07%
Merchandise Sales Expense	19,619	17,900	(1,719)	109.60%
Concessions Expense	437	0	(437)	0.00%
Professional Services	1,242,433	1,329,464	87,031	93.45%
Sponsorship Expense	372,999	333,200	(39,799)	111.94%
Utilities	301,996	242,700	(59,296)	124.43%
Travel & Training	48,848	40,850	(7,998)	119.58%
Supplies	212,975	154,560	(58,415)	137.79%
Parking Expense	5,584	0	(5,584)	0.00%
Printing & Postage	221,691	236,430	14,739	93.77%
Rental Expense	285,563	279,120	(6,443)	102.31%
Other Operating Expenses	<u>67,318</u>	<u>9,625</u>	<u>(57,693)</u>	<u>699.41%</u>
Total Fair Operating Expenses	<u>8,759,286</u>	<u>7,269,224</u>	<u>(1,490,062)</u>	<u>120.50%</u>
Total Expenses	<u>10,892,128</u>	<u>9,280,430</u>	<u>(1,611,698)</u>	<u>117.37%</u>
Net Gain/(Loss) on the Fair	<u>915,621</u>	<u>600,000</u>	<u>315,621</u>	<u>152.60%</u>



2010 Indiana State Fair - Margaret
Demographic Profile

- Average age of those 18 years and older – 45.7, very consistent
- 31.2% from Marion County, 29.6% from surrounding counties, 33.7% from outside of Indianapolis MSA; again, very consistent with previous years
- Of those outside of Indy MSA, majority live around Lafayette, Ft. Wayne, Muncie, Kokomo
- Average household income is \$64,587
- Length of stay – 3.8 hours; compared to 4.78 in 2009; 4.98 in 2008; lowest ever
- Average group size is 3.5
- 83.3% recognized the feature “Year of Pigs”
- 22.3% visited the “Bridges to Japan”
- Respondents visited approx 3 other statewide venues including State Parks at 51.6%, 30% Zoo and Children’s Museum
- 36.2% decided to come to fair within the last week; 10.6% decided on the day they came; 41.9% decided over 8 weeks ago
- 73.8% come every year, 6.3% this was first fair, 14.2% come every few years; in 2010 is highest % with 68.1% in 2009
- Of first time visitors, 20% said “friends wanted to go”, 15.8% said “recently moved here”, 14.2% was “free ticket”
- 54.2% came to eat the food, 45.7% to see displays and exhibits, 41.2% animals, 17.6% a “special” promotion was primary motivation, highest ever – this up from 12.7%
- 74.4% consider the fair to a good or excellent value, 18.8% consider it average; 4.2% poor value – very consistent over last several years
- Customer Satisfaction (average, good & excellent) is 96.6%; 88.7% rated experience as good or excellent, 1.9% as poor
- 81.6% said they would come back next year, 15.% said they might return
- 48.5% attended their county fair
- Racial breakdown: Caucasian 72.1%, Black 18.5%, Hispanic 3.4%, Asian 2.8%

**Exhibit 3
State Fair Advisory Committee
October 26, 2010**

9/9/2010						FINAL							
		2010	% Change	2009		2008		2007	5 year average 05-09	Average 88-09		RECORD	YEAR
Friday	8/6/2010	60,547	0.7%	60,097		NA		NA	NA	NA		60,097	2009
Saturday	8/7/2010	79,561	23.7%	64,315		NA		NA	NA	NA		64,315	2009
Sunday	8/8/2010	67,096	22.0%	55,016		NA		NA	NA	NA		55,016	2009
Monday	8/9/2010	55,442	-6.4%	59,261		NA		NA	NA	NA		59,261	2009
Tuesday	8/10/2010	37,825	22.4%	30,893		NA		NA	NA	NA		30,893	2009
Wednesday	8/11/2010	42,539	-34.8%	65,211		56,955		48,998	59,786	52,710		68,459	2004
Thursday	8/12/2010	40,913	-30.2%	58,624		53,064		42,150	52,976	49,974		86,087	1992
Friday	8/13/2010	50,382	-5.7%	53,429		88,087		74,032	70,014	67,291		88,087	2008
Saturday	8/14/2010	73,013	-25.4%	97,813		113,292		84,476	99,363	91,837		117,912	2004
Sunday	8/15/2010	68,013	-10.4%	75,927		99,003		68,453	83,611	78,627		116,112	2004
Monday	8/16/2010	40,161	33.6%	30,060		53,200		49,454	47,199	45,510		70,123	2004
Tuesday	8/17/2010	68,029	22.0%	55,777		62,213		48,846	58,474	49,614		79,726	2003
Wednesday	8/18/2010	55,353	32.1%	41,891		57,538		45,685	57,732	54,675		74,438	2006
Thursday	8/19/2010	40,757	7.2%	38,012		63,083		55,918	55,045	47,135		68,095	2002
Friday	8/20/2010	51,312	11.7%	45,943		56,239		67,346	56,337	59,041		72,453	2001
Saturday	8/21/2010	56,997	-22.3%	73,376		90,785		101,219	86,658	77,016		109,308	2004
Sunday	8/22/2010	64,080	-6.1%	68,257		66,162		64,641	73,894	57,008		93,102	2005
To Date Comparison		952,020	-2.2%	973,902									
TOTAL				973,902		859,621		751,218	855,008	742,710		973,902	2009

Add new section concerning creation of a nonprofit subsidiary:

IC 15-13-3-4.1

Nonprofit subsidiary corporation

Sec. 4.1(a) The commission may establish a nonprofit subsidiary corporation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code to solicit and accept private sector funding, gifts, grants, donations, bequests, devises, and contributions.

(b) A subsidiary corporation established under this section:

- (1) must use money received under subsection (a) to carry out in any manner the purposes under this article;**
- (2) must report to the budget committee each year concerning:
 - (A) the use of money received under subsection (a); and**
 - (B) the balances in any accounts or funds established by the subsidiary corporation; and****
- (3) may deposit money received under subsection (a) in an account or fund that is:
 - (A) administered by the subsidiary corporation; and**
 - (B) not part of the State treasury.****
- (c) The nonprofit subsidiary established under this section is governed by a board of directors. The directors shall be the members of the commission.**
- (d) Commission employees shall provide administrative support for the nonprofit subsidiary.**
- (e) The state board of accounts shall annually audit a subsidiary corporation established under this section.**

Amend statute setting forth annual reports to the State Fair Legislative Advisory Committee:

IC 15-13-3-9

Report to the advisory committee

Sec. 9. At the first meeting each year of the advisory committee, the commission shall report the following:

- (1) The activities of the commission during the previous calendar year.**
- (2) The financial condition of the commission for the commission's most recently completed fiscal year.**
- (3) The commission's plans for the current calendar year.**
- (4) The activities and the financial condition of the nonprofit subsidiary created under IC 5-13-3-4.1 for the subsidiary's most recently completed fiscal year.**

As added by P.L.2-2008, SEC.4.