

Oregon Country Fair Board of Directors
January 28, 2002

PRESENT: Charlie Zennache, Jim Newhall MD, Bear Wilner, Marlene Monette, Lawrence Taylor (LT), Jack Makarchek, Brad Lerch, David Helton and David Liberty and Diane Albino & Jim Sahr (alternates).

NOT: Lawrence Taylor

GENERAL MANAGER BUDGET

Bear moved, and Charlie seconded, that the Board approve the General Manager Budget for a total of \$375,657.00.

Notes: Line 14 Employee Benefits/Pension was increased by \$2200 to allow for the possibility of holiday/end-of-year bonuses. A \$250 net bonus to each employee actually costs \$400 gross. Salaries increased by \$16,000 which covers the step increases and allows for the possibility of making the Caretaker a full-time position and beginning at Step 1-1 and for hiring any part-time clerical or other temporary support that may arise. The Fair's liability insurance and employee health insurance increased by 20 - 25%. norma is researching health insurance options, including a medical reimbursement for a higher deductible that could save \$2,000 - \$4,000. Best Pots has increased over last year because we are paying more to dispose of the gray water. This expense is split between the GM budget and Crew Services budget. A line item for the Youth Program has also been added to the GM budget.

BOD: David H noted that the Operations Budget has increased by roughly \$80,000 this year and approximately half of the increase is within the General Manager's budget. He questioned whether the General Manager has the authority to hire temporary, part-time employees or if the Board must approve that hiring. Leslie answered that she does not need Board approval to hire temporary, part-time employees. In David's opinion, if the budget is approved with the increases then the Board is giving approval to hire for these positions. The motion passed: 9 in favor, 0 opposed, and 1 abstention (David H.).

SITE MANAGER BUDGET

Bear moved, and Charlie seconded, that the Board approve the Site Manager Budget for a total of \$29,450.00.

The motion passed: 10 in favor and 0 opposed.

BOARD OF DIRECTORS BUDGET

Dr Jim moved, and Charlie seconded, that the Board approve the Board of Directors Budget for a total of \$68,900.00.

The Membership line item was increased by \$140 to correspond with the 2001 Actual budget as it seems that this would not change. The Fair included two new memberships in 2001: Western States Center and Oregon Micro-Enterprise Network. Board Expenses for mileage, childcare, phone, etc. have been collapsed into the Miscellaneous line item. The original amount budgeted for Second Event was \$25,000. This has been split into two separate line items: \$15,000 for a concert and \$10,000 for a youth camp as seed money. The youth camp money will be partially offset by tuition, fees, and donations. It seems appropriate to keep the bulk of the funding for the youth camp in the Board budget as the program is still being developed. Funds for the Lodge Project Steering Committee could be drawn from the Research & Education line item if needed. The Meeting Rent line item, set at \$300, may have to be adjusted in order to rent another space than the Knights of Pythias. (It is terribly difficult to work underneath the tapping of the dance classes meeting above!)

The motion passed: 10 in favor and 0 opposed.

ADMINISTRATIVE ASSISTANT BUDGET

Dr Jim moved, and Charlie seconded, that the Board approve the Administrative Assistant budget for a total of \$22,120.00

The postage line item was increased by \$550 to allow for a 3% increase in rates and to send the Fair Family News by First Class Mail instead of Bulk Mail to Alaska and Hawaii.

The motion passed: 10 in favor and 0 opposed.

CREW BUDGETS

Bear moved, and David Liberty seconded, that the Board approve the amalgamated Crew budgets for a total of \$397,195.

The Budget Committee added 100 new camping passes to crews. This accommodates some graduating teens, some trade passes, and some working SO passes, and 20 new teen passes. The Budget Committee said yes more easily this year to specific requests for increased crew than in the past nine years.

The motion passed: 10 in favor and 0 opposed.

Total Operations Budget for 2002: \$893,412.00.

Charlie thanked the Budget Committee and everyone who worked so hard to prepare the budgets and then listen to the Board second-guess the results.

ENDOWMENT DISCUSSION

Jim would like to propose raising the Endowment Contribution for 2002 up to \$50,000 so that the interest generated will make the grants self-sustaining and not require additional money from the Fair to yield \$12,000. He continued, if the funds were needed

elsewhere the Fair could borrow from the Endowment fund and promise to pay it back including the interest it would have generated. Steve Gorham, (aka Grumpy), -- that would leave the 2002 budget with no money for any Capital Projects. Hilary has strong feelings against borrowing from the Endowment . Once it is spent, we don't have an Endowment fund anymore. Financial Planning has been talking about putting Endowment funds in the Oregon Community Foundation to maximize our Foundation. The (other) OCF manages the money as part of their investment pool with a contracted rate of return. They assess a one percent management fee and anything above that amount is added back to the principle. Leslie added that the rate of return would probably be higher than the maximum interest rate, 2.75%, she can currently negotiate with our banks. The Endowment is unable to be self-sustaining because the interest rates have dropped. The 2000 Endowment grants were totally supported by the Endowment interest. Jim respects that it is not appropriate to borrow from the Endowment. He opposes partnering with the other OCF. Jack opposes increasing the Endowment contribution. Given the land purchases and the drop in interest rates, the Fair has a very limited cash flow. Thus, the real question is not whether we want to increase the Endowment but, rather, does the Board want to approve a negative budget. Although Dr Jim supports increasing the Endowment, he agrees that the Fair does not have the bucks to back up that attitude. He supports partnering with the Oregon Community Foundation. Brad prefers to make the Endowment contribution after the Fair when we have a better idea what the actual revenue is.