

9/13/03

Jan + Julie Gordon financ. Audit Dir.

State Fair Park

- financ. cond continues to deteriorate
- new facilities instead in sh term contrib. to \$
- poor bus planning
- don't have financial ~~audit~~ reports ready
  - ↳ waiting for
  - bad thing not ready to audit
  - FY 2002 ← looking at
  - FY 2003 ended
  - critical 1+ year time passed

\* 5 year FY98 - FY03

as current as can make it

Racing - mile mile

- a couple of deep runs to racing

- reorg. an agreement 1992 - 2002 - a lot of provision

◦ eliminated annual rent payments from SFP from Racing promoter

◦ no reimbursement for bonds - if net loss - unlike to get to from contract

Net loss \$342,000 from 2002  
race season

- WI Expos. Ctr. replaced other  
exhibit halls

previous halls needed repairs  
owned & op. by a non-profit

SFP + non  $\Rightarrow$  rent = to net gain

net loss of 440,000

no rent for this facility

104 event days left SFP when  
exhibit halls torn down

$\rightarrow$  3 day event = 3 days lost

- Parking - revenue calcul.

\$73,500

costs out of pocket

Exhib. Ctr loss 400,000

no rent

SFP loss

- events left the Port

- gone to Exh. Ctr.

\$1.7 mill.

wh racing & new grand stand  $\rightarrow$  complete

may this year

initial  
assumpt.  
to support  
project  $\rightarrow$

incorrect assumptions \$10 million

namings etc., Proj 6 major races (now 4)

- concession revenue \$25/person  
\$6-13

"we want to be a bus"

- poor bus. planning

- overly optimistic

- favor other interests

- new management

4.5 mill over

↳ 2.4 elapsed to gen. fund per

DOA requirement

exp > rev. 1.8 million deficit

- better bus. planning

- adequate time to make decisions

2 days of racing went in  
house

staff brought in house paid a lot  
of money by pass leg.

incentive 27,900 bonus pay

↳

hired as employees of UT Exh. Cls.  
state employees

bypass

leg. control

auth. POS cut by 15

terminated contract → 250,000 pd. in cas

- they felt in 2002 agreement less than a yr. realized losing & wanted out of bad contractor
- 3.2 mill in debt that promoter had in debt
- 1.6 mill in assets - SFP say more b/c of market value
- but no documents to back up value

- critically imp to fair management & reporting
- heavy reliance on SFP for State Fair

- 
- CFD find b/c of audit? Bob Eberly
  - contact up next <sup>month</sup> up Joe Chernik
  - \$160,000
  - fair manager 70,000
  - facing GM 150,000

\* 2 mill stewardship. funding renew. creek through park -> show it up

fair say crown jewel - protect that invest good day today financ. manag. debt service reports need to be made where come from if continues to loss

GPR to bail out → fear  
3.3 mill year debt from PR  
2 mill "  
5.3 mill fall on state

No

OPR pickup of bonding

Yes

- state invest - valued by so many
- improved finan. mgement
- more fully explore issues by holden a hearing
- realistic estimates

CR road map out of sit.

SFP - Martin Greenberger bid.

↳ look at diff ways to enhance law.

~~\_\_\_\_\_~~

have hearing after board reportd.  
end of this mo.

race track - no race

Expos etc - empty

SFP Bid - looking at management structure  
quasi state agency - or an authority  
come BU legisl.  
not to the state

Petit managed by non profit  
but bldg owned by state

- delinquent in rent repeatedly to SFP
- owe ~~1.3~~ 1.3 million end of FY 03
- jt marketing - SFP if have to pay for it control it

→ corrective action - outline

milw. milw - poor financ mgement  
accelerated deficit situation

state spent lots of \$ upgrading -  
total 716 mill to upgrade fair ground  
facilities

spent in FY 2001 - FY 2003

combine - PR, GPR & Steward.  
bonds  
Racing  
infrastr  
new Ag Bldgs

- CEO

- Petit

- Expo back in house?

- plan - realistic

- stepping back enough

- state bent back

→ if cut loose

authority - not follow state

~~XXXX~~ K. M. W. R. G. M. A. S. T. A. S. K. M. A. N. D. U. S. O. N. on board

100 acre fairground

- WI State Fair
  - ~~56 acre~~ Milan Mile (56 acre)
  - ~~37.8~~ WI Expo Ctr (37.8 mill)
  - Pettit National Ice Center
- annual financial audit of the SFP

- SFP expenses exceeded rev. in 4 of last 5 years
- SFP required to lapse \$2.4 mill PR to SF  
Pettit ctr did not make rent pymts (\$71,600)
  - even if Pettit made pymts exp still \$1.8 mill over revenue
- SFP unable to fund all non-capital expenses w/ PR & reported a cash deficit of \$4.4 million 6-30-03.

### Reasons for fiscal decline

- reliance on WI State Fair rev. so attempt to make a yr. round attraction
- 160 mill. bldg program was initiated in 8-00
  - new renovated facilities are not self supporting given overly optimistic revenue projections
  - 2 days BU start of racing season spent \$250,000 to Kumo contract for managing miracle mile & assumed \$3.2 mill debt in exchange for \$1.6 mill

# Poor Business Plan

several

- incorrect assumptions by consultant on mile mile grandstand reports net profit in the 2nd year
- assumed SFP receive \$10 mill in naming rights for grandstand
- 6 major events/yr
- concession rev. averaging \$25/person (industry are \$6-13)

Expo ctr projected 68 events  
34 for 2003  
24 for 2004

- must improve financial management in general  
specifically financial reporting system

unable to complete statutorily required audit in timely manner b/c financial statements not accurate

## Increased Debt Service

- SFP annual PR-supported debt service payments will be more than \$3.3 mill through 2012-13

- If PR insufficient to cover debt service state called on to fund them + at least \$2 mill in annual debt service costs from SFP

Pg. 8 rec<sup>d</sup> supported bonds.  
recommendations

legis consid: 

- SFP management structure
- level of additional financial support
- level of oversight

32, 33, 37, 41



cont oversight leg audit bus.

JR not own expo + Reltit

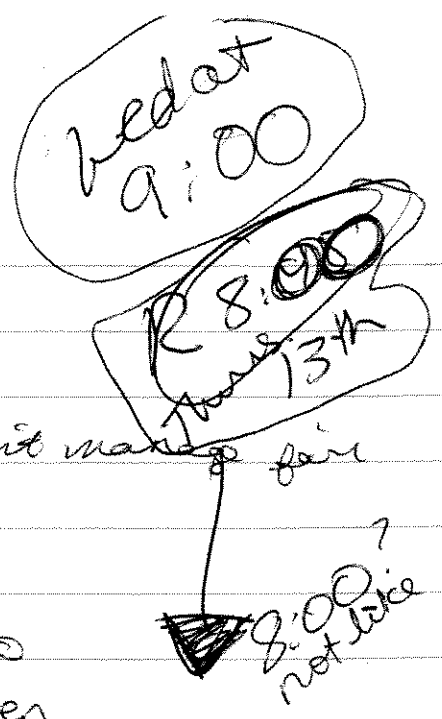
Martin Greenberg plan - non profit market fair

Next yr.

44 - 36 to bldg expo

rest put in reserves

next yr. reserve depleted



\* Where 15 staff cut?

\$1.8 add. contract

1 week after audit making bus.

not to exceed \$1.8

never met other proj's why believe you on this one

Top Thanks Always Release

- lunch time

11:30

- members at head table

Yes

nameplates

2) copies of report

① Have we received FY 2001-02 financial statements that are accurate?

①

SFP Mtg w/ Joe 10-6-03

- Julie Gordon largest perspective  
Cindy more narrowly focused

- Improvements well received  
3 wks BF - Looks good now

BF people come in

and year in a row Fair event Board

3-4 yrs ago start measuring

This yr. -

# 1.5 mill net profit

9.5% ↓ in attendance

1.8% inc in net profit

after taking 2.9 mill overhead  
out

1 mill net last year - Fair Forecast

1.5

Levelled off concessions - all vendors  
small & large some no sweat/hot  
deal

Per cap spending up -

11.9 ↓ Summerfest

20+ ↓ Brewers

10-20 ↓ Bucks

not exempt

Some good signs

SFP - Milwaukee, Expoctr & Pettit

↳ only 1

60 days out - did w/ DDA - unless  
you go w/ us (Marotta) won't say  
yes

(2)

- 10 miles naming its
- per cap forecast  
performa when legs took away  
to mill - down to 20.5 mill.  
bdg to budget → redid performa  
our performa did not have  
naming its.

12

represented new budget

- see better bus planning
- Racing
- net profit after

by end of next year of  
retiring debt serv & showing  
profit

by 2007 - bus plan for racing

\* 3 major races announce 4th  
vs. 2 majors doubled  
event weekends

not happen w/out taken internally  
milw mile - 100 yrs. old

Expo Ctr - w/o a pres. - set up as private  
co. last yr. 2002 fair - former  
chairman Bill Drew → bitter not  
renamed chair - term up in may  
marty - Expo should be folded in - SFP  
control of all these penalties

3

take internally of take

- exec hired for Expo - salesman + entrepreneur  
w/ 2 wks. + unlearn

- operational guy (Michael Meyers) - too  
many staff

Expo. Ctr. Tony Sastunes + Marty  
are the kids

down to 35 Full-time

reduce 15 more pos

9 open boxes

6 reduction of personnel

how use staff better - rent HR +

Cindy ~~Yomenter~~ <sup>Yomenter</sup> - 3 mos. former  
marketing dir from Nike  
wave

increasing hockey focus groups  
w/constits - bus plan will make no.  
Ryants. - should start immediately -  
Ryamt. every mo.

75,000 each mo. FY

- July -
- Aug. -
- Sept -
- Oct. -
- Nov. -

1.3 in areas

Pelletier

(4)

need to refinance deal - Pymt plan to address 1.3

immediate seat on the bid.

marketing our rooms + sponsorships

exclusive soft drink provider (Pepsi/Coke)

- better value combining

haven't gotten to insurance

DOA is looking at state ins for m. mile  
CR - can they be pooled?

insurance, consumables

(M est)

they are doing that - bus plan

mtg w/ Holpurn - Gov directed BY

Prog.

EX

- state fair/Ag

- ~~state fair even~~

- expo + sales

- miles mile

- PNC

Need tools for restruct.

1

Julie Jordan

Candy more niche narrowly focused

Improvements -

3 weeks before looks good w/o disguise

State Fair - 2nd year in Row Fair  
Event Budget - LAB Report - 3/4  
may be priorities - 1.5 net  
w/o Bad weather  
Purpos.

net last yr = 1m \$ net.

.95 < d

w/o Bad weather  
2.

\$1.8 net Profit

State Fair / revenues  
2.9m \$ rev.

Levelled off all contracts all - some  
no sweet heart deals.

more  
Percep spending up. ★

- ~~State~~ Summer fest < 11.9
- Bruners < 20.
- Bucks < 10 - Done

Do what state Fair & apply  
to milk mile.

HAAS Buy out - w/in 2 days  
Marotta & et al.

# On mile

\$10 m hunting ~~As~~

Per Cap for Cast Perform.

# 15 Based on 1st Perform  
20-20.5 — Bldg vs  
budget Performer clients  
we - hunting ~~As~~ \$ dollars = \$ 12  
Per Capita

Smart  
not in

~~Both - Bonus Planning~~  
~~Racing Fac B4 end no.~~  
Net Profit after 2nd yr.  
Lyn only - return debt  
= not

Run on 2 major races - 5-6yr.  
Dip down ~~4~~ Doubled  
IRL hand  
4th major  
on Race event  
wouldn't have

4 majors  
vs 2 majors

mile mile - Buzz = Buzz mile  
mile Back - 100 yr old  
= very Big (+)



②

Bill Drew <sup>Former</sup> Chair

Expo Co.  
Private Co.  
Bonology

200

mostly new chair  
expo folded in - Report need for  
control Better Be in control  
if going to be criticized for  
New exec. hired w/in next 2 wks

- Entrepreneur  
- Law  
- Sponsorships } w/in 2 wks  
w/ie.

mostly Tony Sankun's

seatboard - collaborating a lot of business  
US to 40000000

Slim - down SFPK

35 FLX

15 more positions

9 open boxes  
6 Personnel

3/4 MTS  
2/10/00  
6/5/00

owe 1.3 BK  
means reference  
reference to  
ad. 1.3  
starting  
July/AUG/SEP.

Payroll  
or mtd  
25,000  
earnings

Immediate

Rest business

Cindy Yomentas - operations  
Pattis - already - Programs  
guy  
making exec.

Hockey Business w/ Focus  
groups - US Olympic

New Budget - make no payment

also working on sponsorship ship

exclusive

Pepsi / GKS

Posted ins.

Puttler  
MM  
SF

Butter Value

Purchasing Pooling

Consumed EXPD

State ins for mile vs  
Private.

4.5

2.4 = state

Back 2  
Budget

Process

Cuts pay Assessment

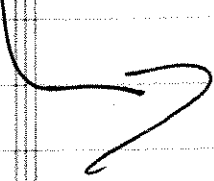
Capex

not want  
to be punished  
Self

Holder / business plan

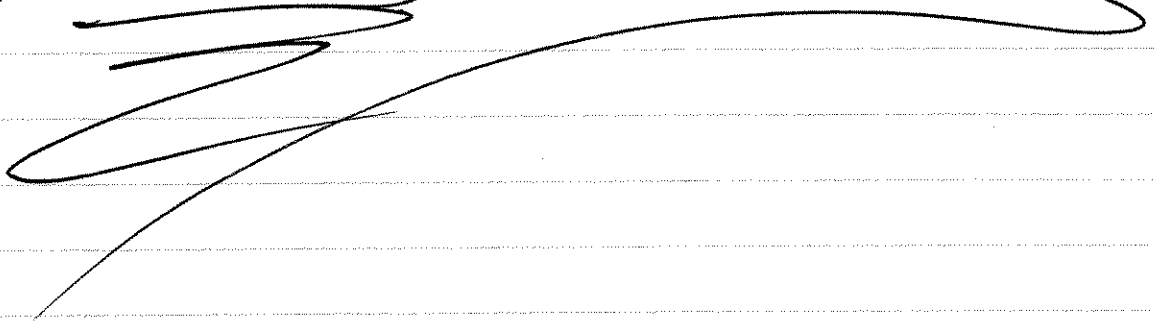
never want more than 2

③



tools

what. need



State Fair Park audit FNI Nov. 74  
Stan Shaw - Developer Computer Software for AG  
Marketing stuff.

Mexico - our strongest  
trade. > 46% in  
Mexico

Gov. Mexico  
Sec. A.  
Heliseo.

State Fair S  
50130 - Foundation President  
met w/ Greenwood Stan Shaw.  
Wad to be raising \$.

Joe Cheneluck doesn't want us around.  
Always finds a way to get a little  
something done - Tolling audit  
report - Arrogance Buddy Marc  
Mayota.

Joe called a mtg. before met w/ Greenwood  
Ask you to resign from Foundation  
isnt that Funny Joe

Two formal letters met w/  
U raise \$ to support your projects  
5. no response.

Foundations mission

Youth Programs

Youth Dev.

+ Facility Development

at state Sem  
pk  
Developing full training  
ch.  
ways to attract  
athletes  
here

thorough - research - doing studies

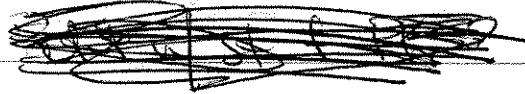
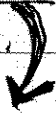
in Nation

\*

AUDIT

BUREAU STAY CLOSE

ON TOP OF



After he got down here - not sure  
where Bob

SFP

Martin Greenberg / ph. call

- format - how find permanent sel.  
CEO leaving Oct. 1
- Joe move to acquire milw. mile  
not willing to do things stupid  
state
- Joe is upset doesn't want to leave - legacy is racing  
way is structured - a lot of waste
- song this yr - 'can't resolved' → need to restructure
- have you talked to Jan / Rep Teskewitz  
+ inform Kenavos + Staskunas
- Joe your agd. person but conflicted
- new director end of July
- July 15 board mtg
- good staff - true he isn't helpful
- Gov. no way giving severance pay  
if leave now → 1/2 pay for next 3 mos.
- assure you on it. track  
understand economics
- will update after 7-15

- do know about  
→ I apologized  
profusely  
to Jan

Bob  
Blanchard  
notes

Parents problem when kid is 17  
id'd as juvenile charged:  
as adult in court  
If Drug or alcohol prob then  
charged as adults - sup parents  
can not.

Clear process where an  
emancipate to absolve legal  
liability for kids actions  
He's adult in ct by age 18  
still juvenile

Janice Dewitt - Family Law  
att. Call 914 305 -  
9280 / 262-334-9200  
at  
Belle

SKPO Private was taken as in  
Bill Drey - sue Marotta -  
Doing Using SKPO Finances  
to pay employees - not get to pay  
for SKPO Pays them - State  
funds & through to pay them

Henry State Fair deal w/  
Hensell of Henry 25 days  
Does Best Friend to us for miles

mid

Don't let spin off for  
All kinds of  
worse than under Bjorklund  
Jay, Ed. — Stakuras,  
Gundersen,

Channelick contact up  
Paul \$150,000 + do  
nothing bring in outside \$  
to  
mark ~~Reynolds~~ at deal w/ 150,000  
+ 200 gross — over 200,000.

g.

Mandy Grambling  
= NO Authority it's Fine Overlook  
better Check.

Bill Drew - or were call Bank letter  
of credit was to EXPIRE DCA  
learn to get letter of credit.

Band held out a lot

low. em

EXPO \$.



***It is critical for State Fair Park to improve its financial management and financial reporting.***

It is also critical that State Fair Park improve its financial management in general, and its financial reporting system in particular. Because State Fair Park officials have not yet provided FY 2001-02 financial statements that are materially correct and accurately reflect that year's financial activity, we have not been able to complete our statutorily required audit in a timely manner and make our opinion available to the Legislature and the Governor as they considered the State's 2003-05 biennial budget. State Fair Park has developed internal budgets for the annual fair and some of its largest events. However, these budgets do not include all expenses, such as an allocated portion of debt service. Therefore, it is difficult to evaluate overall profitability on a per event basis. In addition, State Fair Park's inability to account for expenses and revenues for the smaller events continues to be of concern.

### Management Structure

***State Fair Park's management underwent significant changes in 2003.***

State Fair Park's management structure is again in transition. A new chair of the State Fair Park Board was named in February 2003, and four new members were appointed in 2003. At the direction of the Governor, the new chair immediately created various task forces to analyze operations and to make recommendations related to revenue enhancement options, State Fair Park's management structure, and its relationship with other entities. These recommendations are expected later this year.

The existing management structure, which relies on contractors for a significant portion of day-to-day management activities, may need particular scrutiny. For example, because State Fair Park's current chief executive officer is an independent contractor, the Secretary of the Department of Tourism, to which State Fair Park is attached for administrative purposes, has had to take responsibility for certain personnel and financial decisions that contractors are not statutorily authorized to address.

It should be noted that the State does not incur fringe benefit costs for the independent contractors who fill several key positions at State Fair Park. For example, total salary costs for the chief executive officer are approximately \$150,000 annually. Similarly, the fair operations manager is paid \$69,000, and the Milwaukee Mile's general manager is paid \$150,000 annually with no fringe benefits. Cost data for other consultants and contractors on staff were difficult to obtain from the Department of Administration because many of these costs are contained within capital expense budgets.

*3-4 Bad audits in row*

*\$ 200,000  
More than most.  
Imp are.  
Gov. st.*

State employees

*GEUNDEPERSON  
Reynolds  
3/20/03*

# TheMilwaukeeChannel.com

## State Fair Park Still In Deep Debt

### ***Park Renovations Cost \$150 Million***

POSTED: 12:07 p.m. CDT September 11, 2003

**MADISON, Wis.** -- Wisconsin State Fair Park is still bleeding red ink.

A new state audit released Thursday shows the park is nearly \$4.5 million in debt.

The Legislative Audit Bureau report says new and renovated facilities that were supposed to make the park self-supporting have not met the overly optimistic revenue projections.

Park expenses have exceeded revenue in four of the last five years.

State Fair Park launched a \$160 million renovation program last year intended to transform it into a year-round entertainment venue.

They renovations included a new grandstand and expanded bleacher seating at the Milwaukee Mile racetrack and the Wisconsin Exposition Center.

*Copyright 2003 by The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.*

## 27 News Headlines

### State Fair Park

Thu 09-11-2003 , 11:41 am

Audit finds the park remains in financial jeopardy.

(Madison-AP) -- Wisconsin State Fair Park is still bleeding red ink.

A new state audit released today shows the park is nearly four and a-half (M) million dollars in debt.

The Legislative Audit Bureau report says new and renovated facilities that were supposed to make the park self supporting have not met the overly optimistic revenue projections.

Park expenses have exceeded revenue in four of the last five years.

State Fair Park launched a 160 (M) million dollar renovation program last year intended to transform it into a year-round entertainment venue.

The renovations include a new grandstand and expanded bleacher seating at the Milwaukee Mile racetrack and the Wisconsin Exposition Center.

---

[Back](#)

[Read the News Archive](#)



- Homepage
- Top Stories
- Wisconsin Wire
- National Wire
- World Wire
- Recalls
- VIDEO LIBRARY
- Weather
- Sports
- HealthWatch
- Entertainment
- Back Stage Pass
- MarketWatch
- 5 Investigates
- Hometown Hero
- Mr. Food
- Simple Solutions
- Safety Zone
- What's On
- Photo Album
- Water Cooler
- Staff Bios
- WFRV Jobs
- Contact Us



Advanced Search

In the interest of speed and timeliness, this story is fed directly from the Associated Press newswire and may contain spelling or grammatical errors.

Sponsored Links

### Audit finds State Fair Parl has financial woes

Thursday September 11, 2003

MADISON, Wis. (AP) New facilities at the troubled Wisconsin State Fair Park have jeopardized its financial condition, according to a state audit released Thursday.

The report from the Legislative Audit Bureau said the park's expenses have exceeded its revenues for four of the last five years. The park was \$4.4 million in debt at the close of the fiscal year that ended June 30, the audit said.

"New and renovated facilities that were intended to be self-supporting have not met overly optimistic revenue projections that were used to support their construction," the audit said.

Park officials launched a \$160 million renovation program last year intended to transform it into a year-round entertainment venue. The renovations included a new grandstand and expanded bleacher seating at the Milwaukee Mile racetrack and the Wisconsin Exposition Center, which replaced several exhibit buildings at the park.

The audit said State Fair Park must improve its financial management and reporting; staff were not able to provide the audit bureau with complete and accurate financial statements for the last two years.

^ =

On the Net:

Legislative Audit Bureau: <http://www.legis.state.wi.us/lab>

Wisconsin State Fair Park: <http://www.wsfp.state.wi.us>

(Copyright 2003 by The Associated Press. All Rights Reserved.)

#### Tickets, Concerts, Sports

Concerts, Plays and Sporting Events Great Prices, Guaranteed [www.primetimeseats.com](http://www.primetimeseats.com)

#### The Milwaukee Brewers

Buy tickets to the Brewers baseball games at Miller Park! affiliate [TicketsNow2.com](http://TicketsNow2.com)

#### Packers Seating Chart

Photos from every section of Lambeau Field. [www.SeatData.com](http://www.SeatData.com)

#### Live in WI?

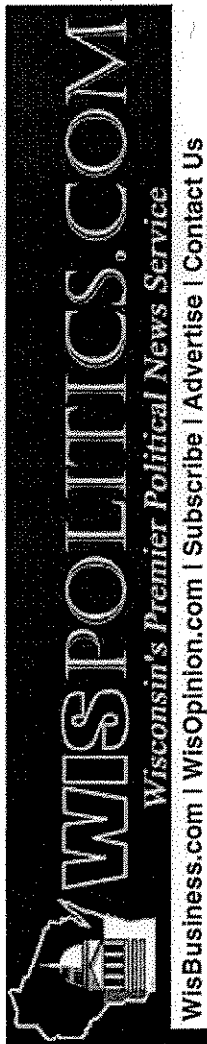
We'll Pay You \$75 Right Now To Answer a Simple Survey! aff [PaidSurveysOnline.com](http://PaidSurveysOnline.com)

#### QUICKLINKS

- Community Foundation
- Gorbachev Tickets
- Manitowoc Beaches
- Packers.com
- Salon Spotlight
- Arts and Entertainment
- Green Scene
- Green Bay Botanical Garden
- WFRV HDTV

MMIII, Viacom Internet Services Inc. , All Rights Reserved  
Advertise | Copyright | Privacy  
[Viacom Local Networks](#) | [Zope Corp.](#)



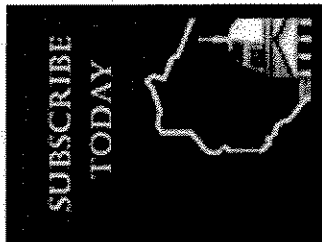


WisBusiness.com | WisOpinion.com | Subscribe | Advertise | Contact Us

INTERVIEWS ■ PRESS RELEASES ■ EVENTS

## PRESS RELEASES

Advertisement



**Wisconsin State Fair Park: Responds To Legislative Audit Bureau Report**  
9/11/2003

CONTACT: Kathleen O'Leary 414-266-7029

FOR IMMEDIATE RELEASE

WEST ALLIS, WIS., (September 11, 2003) – The Legislative Audit Bureau released the management audit review on Wisconsin State Fair Park earlier today. Responding to the report, State Fair Park Board Chairman Martin Greenberg stated, "We sincerely appreciate the professional work conducted by the Legislative Audit Bureau and we agree with the recommendations for continued improvements at State Fair Park. However, it is important to recognize that many of the problems highlighted in the report have not been created or caused by the current management. This team has made great strides under difficult circumstances towards improving the fiscal, operational and attraction aspects of the annual State Fair event. As a result, we are happy to report that the State Fair event is financially healthy and on a positive track for continued growth."

Chairman Greenberg was also quick to point out, "although the audit report correctly states that Wisconsin State Fair Park shows a \$4.5 million dollar shortfall at the end of fiscal year 2003, it is equally as important to understand that 61 percent of the shortfall was not created by the State Fair Park; \$2.4 million comes from the State lapse assessment on State Fair Park revenues to help with the larger State Budget deficit and \$370,000 is due to Pettit Center rent payment arrearages. Greenberg also stressed that the Exposition Center financial model created by the prior Fair Park Administration may have been good for the Exposition Center however it has come at the short-term expense of State Fair Park. In hindsight the Expo arrangement put too much stress on the State Fair Park financial posture by shifting \$1.7 million in annual event revenue, \$400,000 in event associated parking revenues and \$200,000 in annual rent payments from State Fair Park to Expo for use during the 11 day State Fair. That adds up to \$2.3 million in revenue diverted from normal Fair Park operations. On the positive side, we have one of the best Exposition Center facilities in the country which is necessary to build event business to achieve profitability."

The Chairman further commented "that he felt the purchase of the Milwaukee Mile promotion rights was a major step in the right direction towards gaining more control of the Fair Park's financial destiny. We've already signed on a third major race for 2004 with the IRL and look to announce a fourth shortly. Everywhere I go, racing fans approach me to express their excitement about our efforts to rejuvenate racing at the Milwaukee Mile. 100 years of racing history carries a lot of value and respect in the racing industry. Count on us capitalizing on that unique value for the benefit of State Fair Park."

**SITE RESOURCES**

**HOME**

Online Store

WisOpinion.com

WisPolitics Archive

**FEATURES**

Dem Pres Primary  
2004

Milwaukee Mayor  
2004

Salary Watch

Wisconsin at a Glance

Ad Watch

Budget Coverage

Month at a Glance

Scandal Sheet

**SEARCH**[Lobbyist Search](#)[Money Search](#)[Polling Archive](#)[State Employee Directory](#)[Find Your Legislator](#)**LINKS**[Government and Political Links](#)[Media Links](#)[LEGISLATIVE TRACKING](#)[State Legislation](#)[Congressional Bills](#)[PRODUCT SAMPLES](#)[Weekly Report](#)[Profile](#)[SUBSCRIBER LOGIN](#)

Greenberg concluded by saying; "I'm hard pressed to fault management for negative financial circumstances that they neither created nor had the ability to operationally control. This is exactly why the Governor directed creation of the Board Special Committees to recommend actions to improve the governance structure and operational aspects of Wisconsin State Fair Park. The Governor wants the State Fair Park to be healthy and so does this Board. The Special Committee Business Plan will be presented to the Board later in September for discussion and possible adoption."

We view the Legislative Audit Bureau report as further validation of the need for structural and operational changes for the State Fair Park. While dialogue for these changes continues, I am confident that management will continue implementing Legislative Audit Bureau recommendations towards the goal of an improved State Fair Park operation.

For the most up-to-date information on events held at Wisconsin State Fair Park, call our recorded information line at 1-800-884-FAIR or visit us online at [www.wistatefair.com](http://www.wistatefair.com).

APPLETON - NEENAH - MENASHA, WISCONSIN



Make a payment

Manage your subscription online with EZAccess

CLICK HERE

NEWS | VIEWS | SPORTS | PACKERS | ENTERTAINMENT | CLASSIFIEDS | CARS | JOBS | COMMUNITY | INFO

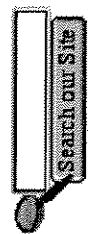
Appleton Weather

Temp: 69 °F  
Hi: 81 °F  
Lo: 58 °F



VIEW

Posted Sep. 18, 2003



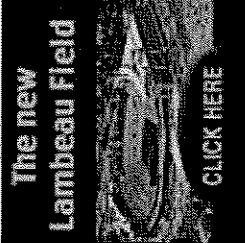
- [Main Page](#)
- [News](#)
- [Sports](#)
- [Packers](#)
- [Outdoors](#)
- [Timber Rattlers](#)
- [Racing](#)
- [Business](#)
- [Entertainment](#)
- [Life & Style](#)
- [News-Record](#)
- [Current](#)
- [Views](#)
- [Obituaries](#)
- [Records](#)
- [Local Coupons](#)
- [National Coupons](#)
- [Community](#)
- [Corrections](#)
- [Classifieds](#)
- [Personals](#)
- [Autos](#)
- [Jobs](#)
- [Apartments](#)
- [Weather](#)

## Editorial: State Fair Park needs vision, plan

Here is what's wrong with State Fair Park in West Allis, according to the state's Legislative Audit Bureau:

- n Its accounting practices were a mess.
- n The \$38 million Wisconsin Exposition Center, built in 2002, hasn't met its revenue projections, which are now called "overly optimistic."
- n It relies too much on the Wisconsin State Fair for its money, almost two-thirds of its total revenue.
- n The Pettit National Ice Center, which the State Fair Park owns and rents to a nonprofit corporation, didn't make about \$370,000 in rent payments to the park in the last fiscal year.
- n Officials made several questionable business decisions about the Milwaukee Mile racetrack at the park and with the non-profit organization that runs the exposition center.
- n It spent \$1.8 million more than it took in during the last

ADVERTISEMENT



- [Contacts & Info](#)
- [Pit Stop Picks](#)



fiscal year.

But here's one more thing that's wrong with State Fair Park: What is it supposed to be? It hosts the State Fair and has a long auto racing tradition, but what's the rest of the vision? And more important, what's the plan to make the vision a reality?

State government seems to be keeping a closer eye on State Fair Park — and by the looks of the audit bureau's report, that sounds like a good idea. The fact that the audit bureau couldn't get accurate financial statements from fiscal year 2001-02 is evidence enough.

There's a new leadership team at the park and some changes have been made already. But one of the audit bureau's recommendations is that the park needs a comprehensive business plan. That would be a good start.

[Back to Top](#)




---

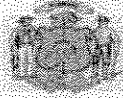
[Front Page](#) | [News](#) | [Packers](#) | [Sports](#) | [Entertainment](#) | [Community](#)  
[Autos](#) | [Jobs](#) | [Classifieds](#) | [Contact Us](#)

---

Copyright © 2003

Use of this site signifies your agreement to the [Terms of Service](#).  
Send your questions and comments to [Gannett Wisconsin Online](#).





**TED KANAVAS**  
STATE SENATOR

**Thursday, September 11, 2003**  
**For Immediate Release**

**Contact: Ted Kanavas**  
**(608) 266-9174**

**STATEMENT OF SENATOR TED KANAVAS REGARDING THE  
RELEASE OF THE STATE FAIR PARK AUDIT**

(MADISON) The audit of Wisconsin State Fair Park provides the State Fair Park Board, the Governor and the Legislature a great foundation to make the changes required to put State Fair Park back on a successful course. The problems identified and the recommendations offered by the Legislative Audit Bureau are largely accurate based on my eight-month experience as a member of the State Fair Park Board. Today, I urge my colleagues on the Park Board and in the Legislature to take to heart the recommendations offered by the Audit Bureau and join me in working for the changes needed to make State Fair Park self-sustaining and profitable.

Ted Kanavas serves as the Senate Republican appointee to the State Fair Park Board, he was appointed in January 2003.

###

STATE CAPITOL

P.O. BOX 7882 • ROOM 20 SOUTH • MADISON, WISCONSIN 53707-7882  
(608) 266-9174 • (800) 863-8883 • FAX: (608) 264-6914

# State of Wisconsin



GARY R. GEORGE  
SENATOR

September 11, 2003

For more information contact: The Office of Sen. Gary R. George, (608) 266-2500

## Senator George Comments on State Audit of the Wisconsin State Fair Park

Today Senator Gary R. George (D-Milwaukee) spoke up on the recently released Auditor Report, 03-11, on Wisconsin State Fair Park.

As a member of both the Legislative Audit Committee and the State Fair Park Board I am in a position to appreciate the issues raised by the audit from both sides. Clearly much needs to be done to stabilize the finances at State Fair Park. However, I wish to commend the progress that has been made by the Executive Director of the Park, Joe Chnelich and by the new Chair Martin Greenberg.

The committees of the State Fair Park are devoted to working in detail to stabilize the finances of not only the Fair Park itself but of the other entities that fall under State Fair Park of which it has no control over, including the Wisconsin Exposition Center and the Pettit National Ice Center.

The Audit Bureau and the State Fair Park are both to be commended for how this audit has been conducted. I believe there is more work to be done both in the Audit Committee and at the State Fair Park to respond to this detailed report. It is important to the taxpayers of the entire state that we do that. Therefore, I am hoping the Audit Committee does have a hearing soon to further air out these issues. I am certain that the State Fair Park Board will move quickly to accept the recommendations of the Audit Bureau as we move into 2004 and build on a very successful State Fair event that was held last month.

Sincerely,

Sen. Gary R. George  
Sixth Senate District  
Wisconsin State Senate

Original URL: <http://www.jsonline.com/news/metro/sep03/169161.asp>

## State Fair Park records \$4.5 million deficit in 2002-'03

### Audit Bureau report blames building campaign, poor business decisions

By ANNYSA JOHNSON  
[anjohanson@journalsentinel.com](mailto:anjohanson@journalsentinel.com)

*Last Updated: Sept. 11, 2003*

West Allis - State Fair Park posted a \$4.5 million deficit in 2002-'03, much larger than it originally projected, according to a new Legislative Audit Bureau report that blames poor business decisions and an aggressive building campaign in part for the park's "declining financial condition."

The management review released Thursday illustrates the financial drain caused by the park's three main entities - the Pettit National Ice Center, the Milwaukee Mile racetrack and the Wisconsin Exposition Center.

But the full financial audit probably will be delayed until 2004 because the park has failed to provide complete and accurate financial information for either fiscal years 2001-'02 or 2002-'03, State Auditor Janice Mueller said.

"They really need to improve their financial reporting," Mueller said.

State Fair Park Board Chairman Martin Greenberg acknowledged the agency's financial problems but blamed the shortfall largely on a \$2.4 million assessment by the state to help close its own \$3.2 billion deficit.

And he said a reorganization of park operations and governance he plans to propose this month will help return the park to solvency.

"The question now is can we find the tools to rectify these problems instead of continuing to talk about them," said Greenberg, who is expected to propose a structure that would allow the park to operate more independently of the state.

That raised concerns for state Rep. Suzanne Jeskewitz (R-Menomonee Falls), co-chair of the Joint Legislative Audit Committee, who said it's the state that will be forced to pay for the park's continued losses.

"I know they're asking to be independent and run like a business. But they haven't shown us thus far that they are able to do that," she said.

### Improvements defended

State Fair Park Chief Executive Joe Chnelich, who in December projected the deficit would be \$3.2 million, said the agency has not withheld information from the Audit Bureau. He also took issue with the report's assertion that the Exposition Center and improvements to the Milwaukee Mile have not generated the revenue originally projected.

"We think that's premature," Chnelich said of the suggestion that the Expo Center is failing. "We have said all along that Expo would not post a profit until its third year of operation. It's pretty hard to declare it a failure until it's reached the three-year mark."

State Fair Park is in the midst of a \$160 million upgrade intended to turn it into a year-round entertainment venue and reduce reliance on the Wisconsin State Fair, which accounts for two-thirds of the park's total revenue, according to the Audit Bureau.

Among the improvements have been a \$19.1 million Milwaukee Mile grandstand and the \$37.8 million Expo Center.

Thursday's report called into question the business decisions behind those improvements, saying "new and renovated facilities that were intended to be self-supporting have not met the overly optimistic revenue projections that were used to support their construction."

It warned that the park's ability to meet its debt service obligations - \$3.3 million annually through 2012-'13 - will be limited unless the park

increases revenue or cuts costs.

## Audit findings

Among the Audit Bureau's findings:

- State Fair Park incurred a net loss of more than \$341,700 in the 2002 racing season under a contract with Illinois-based racing promoter Carl Haas. Although Haas' agreement was renegotiated in February 2002 in an effort to increase Milwaukee Mile revenue, the end result reduced the park's potential revenue and increased its liability for debt service, it said.

State Fair Park bought out Haas' contract in May 2003. As part of that move, the Audit Bureau said, the park assumed \$3.2 million in debt in exchange for about \$1.6 million in net assets.

In addition, it said, State Fair Park pays \$67,000 monthly in salary and fringe benefits for eight Milwaukee Mile employees who were placed at the privately run Expo Center to get around the state's hiring restrictions.

- One year after questioning revenue projections for the Expo Center, the Audit Bureau is raising similar concerns about the Milwaukee Mile.

According to the report, private consultants hired by the park projected that the grandstand could draw \$10 million in naming rights, six major races a year, and concession revenue averaging \$25 per person. However, it notes that the naming rights have not been sold, that the industry average for concession sales is only \$6 to \$13, and "State Fair Park acknowledges that six events may be difficult to achieve."

- Expo Center bookings continue to lag projections, the Audit Bureau said. Though the 275,000-square-foot exhibit hall was expected to draw 68 events annually, it has scheduled only 34 this year and 25 for 2004.

In addition, it said, State Fair Park has subsidized the facility by paying \$39,100 annually for parking lot maintenance and sewer costs, and \$73,540 more than it collected for non-fair events over an eight-month period.

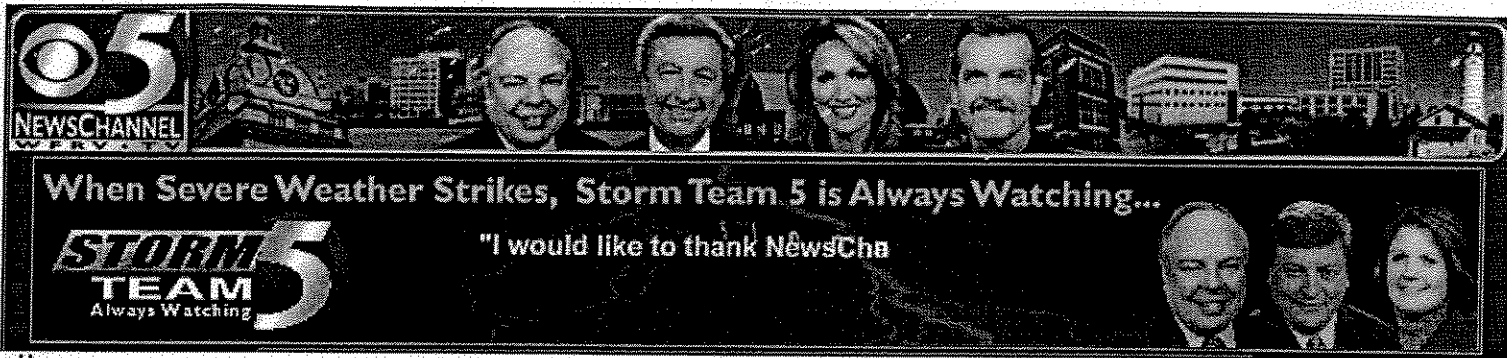
- The Pettit National Ice Center, which is \$1.3 million behind in its lease payments to the park, did not make \$371,600 in payments in 2002-'03.

Chernelich has long blamed the Pettit and the state assessment for most of the park's financial problems. But even without those, State Fair Park's expenses would have exceeded revenue by nearly \$1.8 million last year, the report says.

In addition to improving its financial reporting procedures, the Audit Bureau said the fair needs to develop a business plan for its racing program, renegotiate its lease to cut costs for the Exposition Center and develop a business plan that will increase revenue at the Expo and the Pettit, and better define the park's relationship with those facilities.

"This has to be a self-supporting entity," said Audit Committee co-chair Sen. Carol Roessler (R-Oshkosh). "And we will be watching to see how these serious shortfalls are addressed."

From the Sept. 12, 2003 editions of the Milwaukee Journal Sentinel



- Homepage
- Top Stories
- Wisconsin Wire
- National Wire
- World Wire
- Recalls
- VIDEO LIBRARY
- Weather
- Sports
- HealthWatch
- Entertainment
- Back Stage Pass
- MarketWatch
- 5 Investigates
- Hometown Hero
- Mr. Food
- Simple Solutions
- Safety Zone
- What's On
- Photo Album
- Water Cooler
- Staff Bios
- WFRV Jobs
- Contact Us

Advanced Search

**QUICKLINKS**

- Community Foundation
- Gorbachev Tickets
- Manitowoc Beaches
- Packers.com
- Salon Spotlight
- Arts and Entertainment
- Green Scene
- Green Bay Botanical Garden
- WFRV HDTV

In the interest of speed and timeliness, this story is fed directly from the Associated Press newswire and may contain spelling or grammatical errors.

Sponsored Links

## Audit Burea recommendations on State Fair Park

Thursday September 11, 2003

The Legislative Audit Bureau released its report Thursday on the finances of the State Fair Park. The following are the bureau's recommendations for changes:

Develop a detailed, comprehensive business plan for its racing activities.

Immediately renegotiate its ground lease agreement with the Wisconsin Exposition Center and seek reimbursement of the costs it incurs for Exposition Center operations.

Immediately renegotiate its licensing agreement with the Wisconsin Exposition Center to more reasonably account for parking revenues and expenses related to Exposition Center events.

With the Wisconsin Exposition Center Board and the Pettit National Ice Center Inc., develop detailed, comprehensive plans to increase revenues, define operating and management relationships and establish contingency plans if revenue targets are not met.

^ =

Source: Legislative Audit Bureau.

(Copyright 2003 by The Associated Press. All Rights Reserved.)

MMIII, Viacom Internet Services Inc. , All Rights Reserved  
Advertise | Copyright | Privacy  
Viacom Local Networks | Zope Corp.

**The Ashbrooke**  
Door County's  
Premium Hotel  
Adult Clientele,  
Smoke Free  
[www.ashbrooke.net](http://www.ashbrooke.net)

**Door County B&B**  
Enjoy an elegant  
victorian escape to  
Sturgeon Bay on  
Lake Michigan  
[www.scofieldhouse.com](http://www.scofieldhouse.com)

**Door County Navigator**  
Reviews of Inns,  
Restaurants, Shops  
Door Deals  
Discount Book  
online!  
[www.DoorCountyNavigato](http://www.DoorCountyNavigato)

**Milwaukee Area B&B**  
Elegant B&B in  
Cedarburg, WI  
offers today's  
comfort &  
yesterday's charm  
[www.washingtonhouseinn](http://www.washingtonhouseinn)





Office-Medical-Dental  
Industrial-Retail-Development

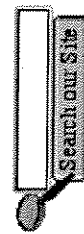


Appleton Weather

Temp: 51 °F  
Hi: 70 °F  
Lo: 48 °F

LOCAL NEWS

Posted Sep. 12, 2003



- [Main Page](#)
- [News](#)
- [Sports](#)
- [Packers](#)
- [Outdoors](#)
- [Timber Rattlers](#)
- [Racing](#)
- [Business](#)
- [Entertainment](#)
- [Life & Style](#)
- [News-Record](#)
- [Current](#)
- [Views](#)
- [Obituaries](#)
- [Records](#)
- [Local Coupons](#)
- [National Coupons](#)
- [Community](#)
- [Corrections](#)
- [Classifieds](#)
- [Personals](#)
- [Autos](#)
- [Jobs](#)
- [Apartments](#)
- [Weather](#)

# State Fair Park in sea of red ink

## Audit report criticizes state facility

The Associated Press

MADISON — New facilities at the troubled Wisconsin State Fair Park in West Allis have jeopardized its financial condition, according to a state audit released Thursday.

The Legislative Audit Bureau report said the park's expenses have exceeded its revenues for four of the last five years and it had \$4.4 million in debt at the close of the fiscal year that ended June 30.

Joseph Chernelich, chief executive officer of the park, blamed some of the park's problems on circumstances beyond its control, including \$2.4 million it was forced to give the state to help balance its books.

He said the park's relationship with the state is hampering its efforts to compete in the entertainment industry and suggested it was time to give the park more independence.

### Remedies

The Legislative Audit Bureau says the State Fair Park Board should:

Develop a business plan for its racing activities.

Renegotiate its ground lease agreement with the Wisconsin Exposition Center and seek reimbursement of costs it incurs for expo center operations.

Renegotiate its licensing agreement with the expo center to more reasonably account for parking revenues and expenses related to expo center events.

With the Wisconsin Exposition Center Board

- [Contacts & Info](#)
- [Pit Stop Picks](#)



State Rep. Suzanne Jeskewitz, R-Menomonee Falls, said the park should improve its finances before asking for more freedom.

Park officials launched a \$160 million renovation program in 2000 proposed by former Gov. Tommy Thompson and intended to transform the park into a year-round entertainment venue.

The renovations included a new grandstand and expanded bleacher seating at the Milwaukee Mile racetrack and the Wisconsin Exposition Center.

The audit found a series of problems with the park's finances, saying its financial management and reporting must be improved.

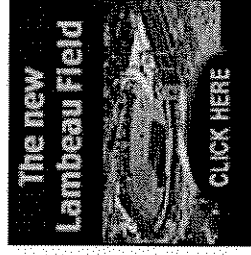
It also said the park poorly planned for the renovation and used overly optimistic projections for new income.

Chernelich said the State Fair turns a profit, but the other operations with which the board is involved are at the root of its economic problems.

and the Pettit National Ice Center Inc., develop plans to increase revenues, define operating and management relationships and establish contingency plans if revenue targets are not met.

Source: Legislative Audit Bureau

**ADVERTISEMENT**



[Back to Top](#)





---

[Front Page](#) | [News](#) | [Packers](#) | [Sports](#) | [Entertainment](#) | [Community](#)  
[Autos](#) | [Jobs](#) | [Classifieds](#) | [Contact Us](#)

---

Copyright © 2003

Use of this site signifies your agreement to the [Terms of Service](#).  
Send your questions and comments to [Gannett Wisconsin Online](#).

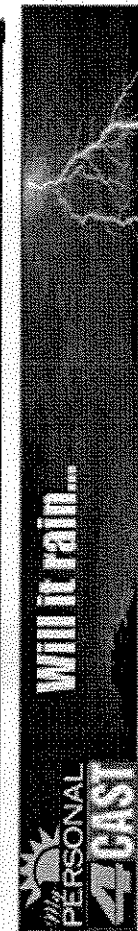




E-MAIL | JS ONLINE | TMJ4 | WTMJ | WKTI | CNI | LAKE COUNTRY



Journal Sentinel Services Classifieds On Wisconsin LIVE AdFinder Yellow Pages

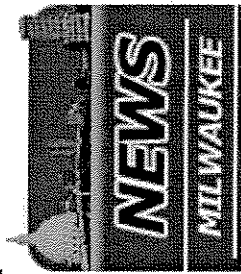


News Articles:  
Advanced Searches



Subscribe to this  
news story or  
enter online

JS Online Features List



ON WISCONSIN : JS ONLINE : NEWS : MILWAUKEE :

E-MAIL | PRINT  
THIS STORY



Shop the city's largest  
lighting showroom

## State Fair Park records \$4.5 million deficit in 2002-'03

### Audit Bureau report blames building campaign, poor business decisions

By ANNYSJA JOHNSON  
[anjohanson@journalsentinel.com](mailto:anjohanson@journalsentinel.com)

Last Updated: Sept. 11, 2003

West Allis - State Fair Park posted a \$4.5 million deficit in 2002-'03, much larger than it originally projected, according to a new Legislative Audit Bureau report that blames poor business decisions and an aggressive building campaign in part for the park's "declining financial condition."

The management review released Thursday illustrates the financial drain caused by the park's three main entities - the Pettit National Ice Center, the Milwaukee Mile racetrack and the Wisconsin Exposition Center.

But the full financial audit probably will be delayed until 2004 because

Special Features:



News

Wisconsin

Milwaukee

Waukesha

Oz/Wash

Racine

Editorials

Crossroads

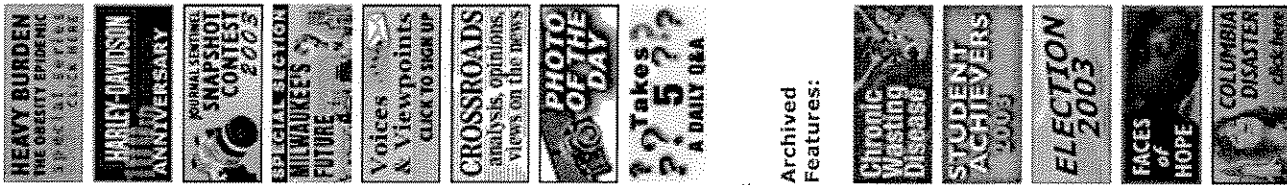
Columnists

Obituaries

Letter to Editor

Weather

AP The Wire



Archived Features:

the park has failed to provide complete and accurate financial information for either fiscal years 2001-'02 or 2002-'03, State Auditor Janice Mueller said.

"They really need to improve their financial reporting," Mueller said.

State Fair Park Board Chairman Martin Greenberg acknowledged the agency's financial problems but blamed the shortfall largely on a \$2.4 million assessment by the state to help close its own \$3.2 billion deficit.

And he said a reorganization of park operations and governance he plans to propose this month will help return the park to solvency.

"The question now is can we find the tools to rectify these problems instead of continuing to talk about them," said Greenberg, who is expected to propose a structure that would allow the park to operate more independently of the state.

That raised concerns for state Rep. Suzanne Jeskewitz (R-Menomonee Falls), co-chair of the Joint Legislative Audit Committee, who said it's the state that will be forced to pay for the park's continued losses.

"I know they're asking to be independent and run like a business. But they haven't shown us thus far that they are able to do that," she said.

### Improvements defended

State Fair Park Chief Executive Joe Chmelich, who in December projected the deficit would be \$3.2 million, said the agency has not withheld information from the Audit Bureau. He also took issue with the report's assertion that the Exposition Center and improvements to the Milwaukee Mile have not generated the revenue originally projected.

"We think that's premature," Chmelich said of the suggestion that the Expo Center is failing. "We have said all along that Expo would not



**BBC LIGHTING & SUPPLY**

Wisconsin's Largest Lighting Showroom



Casablanca Fans  
Schonbek Crystal  
Stiffel Lamps

Plus:  
Antiques and  
Collectibles

Open seven days  
a week!

414-933-0808  
2015 W. St. Paul Ave.  
Milwaukee, WI 53233  
Mon - Sat 9am to 5pm  
Sunday 11am to 4pm



**BBC LIGHTING & SUPPLY**

Wisconsin's Largest Lighting Showroom

MARKETPLACE

AdFinder



- [Jobs](#)
- [Cars](#)
- [Real Estate](#)
- [Rentals](#)
- [Personals](#)
- [General Classifieds](#)
- [Grocery Coupons](#)
- [Buy & Sell Tickets](#)
- [Contests](#)

post a profit until its third year of operation. It's pretty hard to declare it a failure until it's reached the three-year mark."

State Fair Park is in the midst of a \$160 million upgrade intended to turn it into a year-round entertainment venue and reduce reliance on the Wisconsin State Fair, which accounts for two-thirds of the park's total revenue, according to the Audit Bureau.

Among the improvements have been a \$19.1 million Milwaukee Mile grandstand and the \$37.8 million Expo Center.

Thursday's report called into question the business decisions behind those improvements, saying "new and renovated facilities that were intended to be self-supporting have not met the overly optimistic revenue projections that were used to support their construction."

It warned that the park's ability to meet its debt service obligations - \$3.3 million annually through 2012-'13 - will be limited unless the park increases revenue or cuts costs.

### Audit findings

Among the Audit Bureau's findings:

- State Fair Park incurred a net loss of more than \$341,700 in the 2002 racing season under a contract with Illinois-based racing promoter Carl Haas. Although Haas' agreement was renegotiated in February 2002 in an effort to increase Milwaukee Mile revenue, the end result reduced the park's potential revenue and increased its liability for debt service, it said.

State Fair Park bought out Haas' contract in May 2003. As part of that move, the Audit Bureau said, the park assumed \$3.2 million in debt in exchange for about \$1.6 million in net assets.

In addition, it said, State Fair Park pays \$67,000 monthly in salary and

### Need Help?

- [Searching Archives](#)
- [Wireless Access](#)
- [Site Topics](#)
- [Table of Contents](#)
- [Contact Staff](#)
- [Subscriptions](#)

fringe benefits for eight Milwaukee Mile employees who were placed at the privately run Expo Center to get around the state's hiring restrictions.

- One year after questioning revenue projections for the Expo Center, the Audit Bureau is raising similar concerns about the Milwaukee Mile.

According to the report, private consultants hired by the park projected that the grandstand could draw \$10 million in naming rights, six major races a year, and concession revenue averaging \$25 per person. However, it notes that the naming rights have not been sold, that the industry average for concession sales is only \$6 to \$13, and "State Fair Park acknowledges that six events may be difficult to achieve."

- Expo Center bookings continue to lag projections, the Audit Bureau said. Though the 275,000-square-foot exhibit hall was expected to draw 68 events annually, it has scheduled only 34 this year and 25 for 2004.

In addition, it said, State Fair Park has subsidized the facility by paying \$39,100 annually for parking lot maintenance and sewer costs, and \$73,540 more than it collected for non-fair events over an eight-month period.

- The Pettit National Ice Center, which is \$1.3 million behind in its lease payments to the park, did not make \$371,600 in payments in 2002-'03.

Chmelich has long blamed the Pettit and the state assessment for most of the park's financial problems. But even without those, State Fair Park's expenses would have exceeded revenue by nearly \$1.8 million last year, the report says.

In addition to improving its financial reporting procedures, the Audit Bureau said the fair needs to develop a business plan for its racing program, renegotiate its lease to cut costs for the Exposition Center

and develop a business plan that will increase revenue at the Expo and the Pettit, and better define the park's relationship with those facilities.

"This has to be a self-supporting entity," said Audit Committee co-chair Sen. Carol Roessler (R-Oshkosh). "And we will be watching to see how these serious shortfalls are addressed."

From the Sept. 12, 2003 editions of the Milwaukee Journal Sentinel

[BACK TO TOP](#)

News Articles:  
Advanced Searches



Subscribe to the  
Milwaukee Journal  
Sentinel Online

JS Online Features List

© Copyright 2003, Journal Sentinel Inc. All rights reserved.  
Produced by [Journal Interactive](#) | [Privacy Policy](#)

Journal Sentinel Inc. is a subsidiary of [Journal Communications](#), an employee-owned company.  
v050802a

Milwaukee Journal Sentinel September 30, 2003

# State Fair profits reach \$1.8 million

By ANNYSA JOHNSON  
anjohanson@journalssentinel.com

## 63% rise attributed to vendor contracts, higher prices

West Allis — The Wisconsin State Fair turned a profit of nearly \$1.8 million in 2003, up 63% over last year, despite a drop in attendance, State Fair Park management said Monday.

The results reinforce the signature event as the only profitable venture at the financially troubled State Fair

Park, but raised questions about whether prices for admission, parking, food and beverages have reached their limits.

"We have folks who feel our prices are too high," said park board member and state Rep. Scott Gunderson, who routinely attends the state fair

daily during its 11-day run.

State Fair Park Board Chairman Martin Greenberg called the 2003 state fair results "good news," particularly in light of the September report by the Legislative Audit Bureau showing that the park overall posted a \$4.5 million deficit in 2002-'03.

And he said proposed changes would be announced in late October to make the park's poor performers — the Milwaukee Mile and privately run Pettit National Ice Center and Wisconsin Exposition Center — financially stable.

Greenberg said Monday that he wants to see fair at-

tendance grow to 1 million visitors annually within five years and encouraged management to target residents outstate.

In addition, the fairgrounds will embark on an initiative to increase minority participation, both in attendance and employment, said Hamilton McClymont, the Canadian consultant who manages the fair.

According to the financial report presented Monday, the 2003 Wisconsin State Fair took in nearly \$10.8 million, up 9.7% over the previous year, and cut its expenses 3.2% to just under \$9 million.

The increased revenue came despite a 10% drop in attendance to 810,000 visitors this year.

Midway sales dropped 6%, but double-digit increases were seen in parking, sponsorships and revenue from exhibitors.

Restructuring vendor contracts to, in most cases, increase the fair's cut of food and beverage sales "made a huge contribution" to the park's bottom line, McClymont said. But he encouraged the park board to hold the line for the coming year, saying "prices appear to be at their upper limit."

In advance of the 2003 fair, the State Fair Park Board raised ticket prices a dollar to \$8 for adults, and parking to \$8 from \$5 the year before. Rental rates for vendors rose as much as 25%, forcing some to pass the increased costs onto fairgoers.

In other news Monday:

■ The State Fair Park Board directed Chief Executive Officer Joe Chernelich to begin negotiating a contract that would, if approved, bring McClymont back for the 2004 fair.

McClymont has been credited with a number of improvements in fair operations since 2000. But his future appeared in jeopardy as recently as December, when Chernelich said he would push to hire a full-time fair director as a result of concerns in Madison that he was spending too much on outside consultants.

McClymont, who commutes from his home in British Columbia, is seeking a \$10,000 increase in a deal that would pay him up to \$79,600 for 23 weeks of work.

■ According to surveys taken annually at the fair, the median age of fairgoers is rising, from 37 in 2002 to 39 in '03, and the percentage of first-time visitors is dropping.

"That tells us that we have a loyal audience that is getting older, and we're not replacing them with younger people," McClymont told board members Monday.

He recommended that the board consider new programming to appeal to families, young children and teenagers.

■ The State Fair Park is expected to earn at least \$150,000 from events held there during Harley-Davidson's 100th anniversary celebration, Chernelich told board members. Only about half of that was generated by the contract with House of Harley to stage the events there, he said. The balance came from camping reservations booked before the agreement was signed.

Some board members had questioned the arrangement, suggesting that the park could make more money renting the grounds outright than taking a 25% cut of the net profit as called for in the contract with House of Harley.

Milwaukee Journal Sentinel October 2, 2003

# State Fair's new challenges

Officials at State Fair Park eager to make all their operations profitable need look only as far as the park's signature event, the State Fair. Despite a 10% drop in attendance, the 11-day fair turned a profit of nearly \$1.8 million this year.

If only the rest of the park's key players — the Wisconsin Exposition Center, the Milwaukee Mile and the Pettit National Ice Center — could do as well. Because of them, the park posted a \$4.5 million deficit in 2002-'03, according to a report released last month by the Legislative Audit Bureau. The auditors blamed the losses on poor business decisions by the operators of those facilities and on the aggressive building campaign to revamp the grounds.

State Fair Park Board Chairman Martin Greenberg promises that changes will be announced this fall to make the three laggards financially stable. Lots of people today talk about what the public sector can learn from the private sector, but that example doesn't apply across the board. The Expo Center and the Pettit Center are privately run; the State Fair is publicly run.

The fair's revenue increased 9.7% this year while its expenses fell 3.2%. Although midway sales dropped 6%, there were increases in revenue from parking, sponsorships and exhibitors. But even fair officials

realize that they can't rest on their accomplishments. Or go back to the well too often.

For example, the fair restructured vendor contracts this year to increase the fair's take of food and beverage sales. But Hamilton McClymont — the talented Canadian consultant who has managed the fair and who should be retained next year — has advised board members that "prices appear to be at their upper limit" and suggested that they hold the line next year. Sounds like good advice.

Fair officials also are looking to expand their customer base, a strategy that good businesspeople regularly employ. McClymont said the fair will begin an initiative to diversify its work force and attract more minorities to visit. He suggested another worthy goal: attracting younger people. The median age of fairgoers, he said, is rising, while the percentage of first-time visitors is dropping — a trend that could be reversed if more families, young children and teenagers were attracted to the grounds.

The Wisconsin State Fair is over a century old and it still has appeal — and lessons to share.

Milwaukee Journal Sentinel September 30, 2003

# State Fair profits reach \$1.8 million

By ANNYSA JOHNSON  
anjohanson@journalsentinel.com

## 63% rise attributed to vendor contracts, higher prices

**West Allis** — The Wisconsin State Fair turned a profit of nearly \$1.8 million in 2003, up 63% over last year, despite a drop in attendance, State Fair Park management said Monday.

The results reinforce the signature event as the only profitable venture at the financially troubled State Fair

Park, but raised questions about whether prices for admission, parking, food and beverages have reached their limits.

"We have folks who feel our prices are too high," said park board member and state Rep. Scott Gunderson, who routinely attends the state fair

daily during its 11-day run.

State Fair Park Board Chairman Martin Greenberg called the 2003 state fair results "good news," particularly in light of the September report by the Legislative Audit Bureau showing that the park overall posted a \$4.5 million deficit in 2002-'03.

And he said proposed changes would be announced in late October to make the park's poor performers — the Milwaukee Mile and privately run Pettit National Ice Center and Wisconsin Exposition Center — financially stable.

Greenberg said Monday that he wants to see fair at-

tendance grow to 1 million visitors annually within five years and encouraged management to target residents outstate.

In addition, the fairgrounds will embark on an initiative to increase minority participation, both in attendance and employment, said Hamilton McClymont, the Canadian consultant who manages the fair.

According to the financial report presented Monday, the 2003 Wisconsin State Fair took in nearly \$10.8 million, up 9.7% over the previous year, and cut its expenses 3.2% to just under \$9 million.

The increased revenue came despite a 10% drop in attendance to 810,000 visitors this year.

Midway sales dropped 6%, but double-digit increases were seen in parking, sponsorships and revenue from exhibitors.

Restructuring vendor contracts to, in most cases, increase the fair's cut of food and beverage sales "made a huge contribution" to the park's bottom line, McClymont said. But he encouraged the park board to hold the line for the coming year, saying "prices appear to be at their upper limit."

In advance of the 2003 fair, the State Fair Park Board raised ticket prices a dollar to \$8 for adults, and parking to \$8 from \$5 the year before. Rental rates for vendors rose as much as 25%, forcing some to pass the increased costs onto fairgoers.

In other news Monday:

■ The State Fair Park Board directed Chief Executive Officer Joe Chernelich to begin negotiating a contract that would, if approved, bring McClymont back for the 2004 fair.

McClymont has been credited with a number of improvements in fair operations since 2000. But his future appeared in jeopardy as recently as December, when Chernelich said he would push to hire a full-time fair director as a result of concerns in Madison that he was spending too much on outside consultants.

McClymont, who commutes from his home in British Columbia, is seeking a \$10,000 increase in a deal that would pay him up to \$79,600 for 23 weeks of work.

■ According to surveys taken annually at the fair, the median age of fairgoers is rising, from 37 in 2002 to 39 in '03, and the percentage of first-time visitors is dropping.

"That tells us that we have a loyal audience that is getting older, and we're not replacing them with younger people," McClymont told board members Monday.

He recommended that the board consider new programming to appeal to families, young children and teenagers.

■ The State Fair Park is expected to earn at least \$150,000 from events held there during Harley-Davidson's 100th anniversary celebration, Chernelich told board members. Only about half of that was generated by the contract with House of Harley to stage the events there, he said. The balance came from camping reservations booked before the agreement was signed.

Some board members had questioned the arrangement, suggesting that the park could make more money renting the grounds outright than taking a 25% cut of the net profit as called for in the contract with House of Harley.



onwisconsin.com E-MAIL | JS ONLINE | TMJ4 | WTMJ | WKTI | CNI | LAKE COUNTRY

Google WEB SEARCH: [input] GO

REAL Cities

JSOnline MILWAUKEE JOURNAL SENTINEL

Journal Sentinel Services Classifieds OnWisconsin LIVE AdFinder Yellow

FORGET THE BOOK!

News Articles: Advanced Searches [input]

Search [input]

MILWAUKEE JOURNAL SENTINEL

Subscribe to the Milwaukee Journal Sentinel - order online

JS Online Features

ON WISCONSIN : JS ONLINE : NEWS : MILWAUKEE :

E-MAIL | PRINT THIS STORY



# State Fair chief waiting for free ride to show up

Last Updated: Feb. 13, 2003

- News
- Wisconsin
- Milwaukee
- Waukesha
- Oz/Wash
- Racine
- Editorials
- Crossroads
- Columnists
- Obituaries
- Letter to Editor
- Weather
- AP The Wire

Special Features:

Mayoral Race 2004 MILWAUKEE

22nd & LLOYD

"They Marched Into Sunlight" BOOK EXCERPTS

TEACHING MATH

SPECIAL SECTION MILWAUKEE'S FUTURE

WAR IN IRAQ LATEST NEWS

## Spivak & Bice



### Cary Spivak & Dan Bice

E-MAIL | ARCHIVE

With the State Fair grappling with a \$1.4 million deficit, what would you guess is a top concern for its boss, **Joe Chrnelich**?

Try, getting a free set of wheels.

A series of memos dating back to September show that figuring out how to get a car at no charge is weighing heavily on the mind of Chrnelich, who makes \$143,000 in salary and bennies each year.

But, to hear him explain it, certain perks are God-given rights to important executives like

himself.

Chrnelich is so sure his board will give him the car that he won't even pursue buying a new one on his own until the issue is resolved. Instead, he's putzing around West Allis in a 1982 Chrysler that had been his father's.

"Put yourself in my shoes, guys," Chrnelich said Thursday. "If you're the chief executive for any other company or even a state agency, you get a car. And I'm sitting here - 'Should I reinvest in a new car right now when this is still out there?'"

"Well, I'll give it a little more time to see if the board is willing to address it. If they won't, yeah, I'll go out and lease a new car, buy a new car."

We can't vouch for every top exec in the country, but we do know that

Shop the lighting... Blood St 1-877-B How's Ya Click He



Archived Features:



Need Help?

- Searching Archives
- Wireless Access
- Site Topics
- Table of Contents
- Contact Staff
- Subscriptions

very few of the suits running the state get full-time use of a state vehicle.

"Ooooh no, definitely not," said **Susan Goodwin**, Gov. **Jim Doyle's** chief of staff, who was interviewed while driving her own car Thursday evening. "Nobody has a car, except the governor."

Chrnlich, who's been the fair chief for about 11/2 years, started finagling for a free ride last fall, just when the lease on his family van was expiring.

Since the board couldn't mess with his request ASAP, Chrnlich cut a deal with the company that operates the **Milwaukee Mile** track on the state fair grounds. While some may raise eyebrows over his asking a vendor for a favor, Chrnlich was sure he was covered because he paid \$50 a week to lease a Ford Taurus for about 21/2 months.

"I think it is best for the moment that I pay a nominal rental fee for use of your spare vehicle," Chrnlich wrote to the track manager on Sept. 23.

Board Chairman **Bill Drew** sees things a little differently, however. He said Chicagoland promoter **Carl Haas**, owner of the firm that runs the Milwaukee Mile, wouldn't give away anything without expecting something in return.

"We're not on the same team as he is," Drew said. "We have a business deal with Carl Haas. Carl is a very good businessman. Carl does not leave anything on the table. Carl is not a charitable organization."

Most amazing of all, however, Chrnlich argued that he was not looking for a cut-rate deal when he asked to rent the car at a "nominal" rate. He told us - apparently with a straight face - that he thought nominal meant "customary fee."

"Just remember, guys," the one-time UW basketball star said, "you're dealing with a former jock."

**Target practice**

When a University of Wisconsin-Milwaukee cop killed a suspect last week after a high-speed chase, a campus spokesman declared that was the first time that a campus cop had ever fired his weapon in the line of duty.

Actually, the declaration by UWM flack **Tom Luljak** was a tad off the mark.

A trip to the newspaper's clip library - that portion of a newsroom that used to be called the morgue - revealed two other cases when UWM



414  
2015 W  
Milwau  
Mon - S  
Sunday



- AdFinde
- Jobs
- Cars
- Real Est
- Rentals
- Personal
- General
- Grocery
- Buy & S
- Contests

police fired a round, though neither time on purpose.

In 1987, a university police officer accidentally shot himself in the leg, then lied to superiors by saying a suspect leaped from a car and shot him. The cop, who had two years' experience, resigned from the force before he was even released from the hospital.

And then, of course, there was the Great Pot Shot caper of '92.

That's when a university officer decided to change the ammunition clip while sitting on a toilet in Cunningham Hall. His 9mm Smith & Wesson service weapon went off, and the bullet busted through the stall door before wounding a sink. Nobody was injured, unless you count the officer's pride.

Luljak said this week that he stands by his earlier remark since taking out a sink and shooting oneself in the leg don't exactly qualify as being in the line of duty.

### Hard times







Rep. **Christine Sinicki** knows just how hard it will be to dig the state out of a budget hole, though the south side rep is gaining her knowledge in a most unenviable way.

Her mortgage lender recently filed a foreclosure lawsuit against Sinicki and her husband, **Michael**. The action states that the couple owe \$70,453 on their Bay View home and that they have not made a payment since August. Sinicki, who makes \$45,569 annually as a lawmaker, has also had two small judgments filed against her by other creditors in recent months.

"I'm working through the issues," the former school board member said, adding that she's confident all of her financial problems will be resolved soon.

A version of this story appeared in the Milwaukee Journal Sentinel on Feb. 14, 2003.

### Cary Spivak & Dan Bice Archive

-  [Deep-tunnel model a washout \(10/11/03\)](#)
-  [As allegations unfold, alderman finds himself mired in FBI investigation \(10/7/03\)](#)
-  [Felony sex case isn't enough to stir UWM \(10/4/03\)](#)
-  [After decision in their favor, vets still await funds \(10/1/03\)](#)
-  [Barrett has the poll position in mayoral race \(9/27/03\)](#)
-  [Brats meet Brady St. to fend off recall \(9/24/03\)](#)
-  [Henningsen leaving on bizarre note \(9/23/03\)](#)