



STATE OF WISCONSIN Assembly Journal

Ninety-Sixth Regular Session

10:00 A.M.

TUESDAY, May 11, 2004

The Assembly met in the Assembly Chamber located in the State Capitol.

Speaker Pro Tempore Freese in the chair.

The Assembly dispensed with the call of the roll.

MOTION FOR EXTENSION OF THE VETO REVIEW FLOORPERIOD

May 11, 2004

The following motion was approved by the committee on Assembly Organization:

In accordance with Joint Rule 81(2), it is moved that the Assembly Committee on Organization authorize the extension of the May 11-12, 2004 veto review floorperiod until adjourned, and continues to limit the extended floorperiod to those matters permitted under Joint Rule 82 (1).

Ayes: 5 – Representatives Gard, Foti, Hundertmark, Freese and Vrakas.

Noes: 3 – Representatives Kreuser, Richards and Turner.

May 11, 2004

The following motion was approved by the committee on Senate Organization:

In accordance with Joint Rule 81(2), it is moved that the Senate Committee on Organization authorize the extension of the May 11-12, 2004 veto review floorperiod until adjourned, and continues to limit the extended floorperiod to those matters permitted under Joint Rule 82 (1).

Ayes: 3 – Senators Panzer, A. Lasee and Zien.

Noes: 2 – Senators Erpenbach and Hansen.

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

April 24, 2004

To the Honorable, the Legislature:

We have completed a best practices review of local government operations, as directed by s. 13.94(8), Wis. Stats. This report describes the extent to which local governments in Wisconsin have implemented user fees to fund the cost of providing services.

Local governments have broad authority to implement user fees for the services they provide. In 2001, user fees totaled \$2.6 billion and were 21.1 percent of local governments' \$12.5 billion in total revenue.

The Blue-Ribbon Commission on State-Local Partnerships for the 21st Century, commonly known as the Kettl Commission, suggested that local governments can help control property taxes by charging users some fees for services. In responding to a survey we conducted, 117 local governments indicated they imposed one or more new fees in the last three years, and 95 local governments indicated they planned to implement new fees within the next three years.

Survey respondents identified over 500 different types of user fees. Our report highlights best practices for local governments to consider when establishing the types and amounts of fees and when administering them. Detailed information on fee types and ranges is provided in the appendices.

We appreciate the courtesy and cooperation extended to us by the Department of Revenue and the many Wisconsin local government officials who responded to our survey.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

May 6, 2004

To the Honorable, the Legislature:

At your request, we have completed a limited-scope review of the finances of the Milwaukee Brewers Baseball Club from

1994 through 2003. Our review was initiated following reports that the Brewers intended to reduce player payroll for the 2004 season. Under a January 2004 agreement with the Brewers, we were permitted to independently review financial statements and related documentation. This is the second time we have assessed the Brewers' finances. The first was in 1995, during legislative deliberations on the proposal to use a combination of public and private funding to build the new stadium that opened in 2001 as Miller Park.

Our review of the Brewers' financial statements and information provided by Major League Baseball indicates that the club has faced significant financial challenges. For example, although the Brewers' operating revenues increased from \$67.7 million in 2000 to \$115.9 million in 2003, or by 71.2 percent, they were lower in these years than operating revenues of many other major league clubs. In 2002 – the latest year for which comparison information is available – the Brewers ranked 20th among 30 clubs in operating revenues. When Miller Park opened in 2001, the Brewers ranked 16th.

The Brewers' operating expenses increased from \$80.0 million in 2000 to \$103.8 million in 2003, or by 29.7 percent. However, a 2.1 percent reduction in spending between 2002 and 2003 raises concerns about the club's ability to compete in the future if additional reductions are made, particularly to major league player compensation. Further, the Brewers have borrowed heavily: the financial statements indicate \$133.2 million in outstanding debt at the end of 2003.

We reviewed concerns expressed by the public and many legislators about the club's ownership group. We found no evidence to indicate that club resources had been used during our review period to purchase ownership shares with the intention of benefiting continuing club owners. In addition, although owner Allan (Bud) Selig, his daughter, and her husband were employed in executive positions with the Brewers for all or part of the past ten years, these three individuals' combined annual compensation was never more

than \$735,500. This is less than amounts previously reported by some in the media.

As the Legislature continues to evaluate the effect of the Brewers' financial condition on the public's investment in Miller Park, we suggest close monitoring of the Brewers' ongoing relationship with the Southeast Wisconsin Professional Baseball Park District, including the effect that a proposed sale of the franchise could have on this relationship. The District issued revenue bonds and imposes the 0.1 percent local sales and use tax that was the primary source of funding for stadium construction and continues to fund District operations. Through March 31, 2004, \$175.9 million in sales and use tax revenue has been collected in Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties. The tax is expected to continue until 2014.

The Brewers indicate that no other professional sports team has granted the level of access to financial records that we were provided during this review. We greatly appreciate the courtesy and cooperation extended to us in conducting our work, as well as the responsiveness of Milwaukee Brewers Baseball Club staff in responding to our questions.

Sincerely,
JANICE MUELLER
State Auditor

ADJOURNMENT

Representative Hundertmark moved that the Assembly stand adjourned until 10:00 A.M. on Thursday, May 13.

The question was: Shall the Assembly stand adjourned?

Motion carried.

The Assembly stood adjourned.

10:01 A.M.