



WEDNESDAY: JUNE 16, 2011

MILWAUKEE • WISCONSIN

# JOURNAL SENTINEL

*Motion to Supplement my case vs the Milw. Co MHC for the 3/4/2011 pick up by Mr. Leino City of Milw Police Dept at City Hall*

## Replenished souls

Morning Jacket riding high off magical Bonnaroo performance **Encore**



## Snapping the slide

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## NEWS WATCH

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## Unions file active bargaining suit

City officials take all but end collecting for most workers as of June

# Backdrop payouts hit \$200 million

*Exhibit C*

## May alone saw surge to \$14 million; Abele calls payments 'outrageous'

By **STEVE SCHULTZE**  
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A surge in retirements of Milwaukee County workers last month resulted in payouts of more than \$14 million in "backdrop" lump-sum payments to 79 of the 115 retirees.

That brings the total paid in backdrops to nearly \$200 million in the decade since the controversial benefit was adopted. The county employ-

ee exodus has fueled renewed worries about burdensome pension costs, as well as concerns over the county's ability to cover myriad services. About 1,200 of the county's 5,400 workers are eligible to retire.

County Executive Chris Abele warned that pension costs "continue to be a drain on the county budget and are helping drive the need for cuts in services." Taxpayers are con-

tributing some \$66.9 million toward county pensions this year, including \$33 million to pay down a pension loan.

"It's outrageous that government workers continue to be able to retire with these large and completely unjustifiable backdrop payments funded by the taxpayers," Abele said.

The May tally included 43 long-time county employees who took

home six-figure backdrops, along with a reduced monthly pension payment. Among them was William Molitor, a 35-year veteran county prosecutor whose backdrop topped \$1 million.

He becomes just the second member of the county's backdrop million-dollar club since the benefit was ap-

Please see **BACKDROP, 8A**

*I believe I know him at CCC 1980-84 I am a part he is not*

From page 1

## BACKDROP

# Payments reach new threshold

proved more than a decade ago as part of a hyper-generous pension enhancement package approved by the County Board and then-County Executive F. Thomas Ament. The first was Thomas Schulz, another county prosecutor. Two other prosecutors — Jon Reddin and Alexander Sklenarz — retired with backdrops just short of \$1 million.

Molitor, 62, declined to comment.

The rush to retire was prompted in part by concern that the backdrop or other benefits might be repealed as part of state and county austerity measures, said Gerry Schroeder, the county's interim employee benefits manager.

"There's a lot of fear out there right now," Schroeder said. Pensions are considered property rights that can't be rescinded once earned, although changes can be made prospectively,

such as the 20% cut in pension credit a worker gets each year on the job that went into effect for some employees this year.

Things like the backdrop benefit can't be summarily extinguished by the county, Schroeder said. It's a point his office has had to make repeatedly in recent months as spooked workers made a mad rush for the county retirement office. Employees are counseled to think carefully about the retirement decision before pulling the trigger.

The fight at the state Capitol over Gov. Scott Walker's law to greatly restrict public employee collective bargaining also has played a part in the recent glut of county retirements. Walker signed the measure into law in March, after huge protests, and the state Supreme Court overturned a lower-court ruling Tuesday that had delayed implementation of the new law.

### One worker's decision

Mark Blaske was one of the veteran county workers whose decision to retire this year was greatly affected by the fight over collective bargaining rights. Blaske said he made March 24 his last day on the job as an airport maintenance worker because at the time it appeared the new state law would go into effect the next day.

Blaske was a member of the county's largest union, District Council 48 of the American Federation of State, County and Municipal Employees, which has been working under terms of a contract that expired at the end of 2009. Blaske and other DC 48 members are well aware that workers without current contracts lose union protections as soon as the state bargaining restrictions are implemented.

During his 36 years with the county, Blaske worked in parks and building maintenance. Since 1995 he plowed snow from runways and performed other airport maintenance tasks. Blaske said he always liked working for the county.

Despite assurances his pension wouldn't be affected by the new law, Blaske had nagging worries that it might be. He said he agonized over the retirement decision because he loved his job, which paid about \$50,000 a year in base pay. Overtime bumped his total pay to nearly \$65,000 in 2009.

"I don't have a crystal ball," he said. "I was erring on the side of caution."

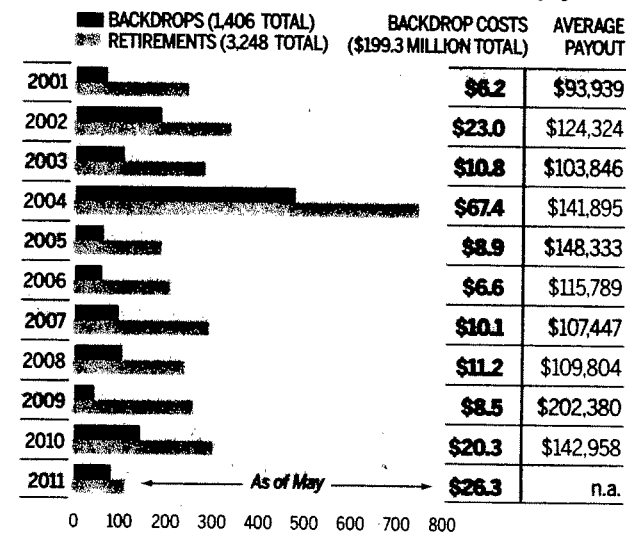
Blaske, 56, left the county with a \$340,119 backdrop lump sum, plus \$2,715 in monthly pension payments. Without the backdrop, his monthly checks would have been almost \$4,500.

The backdrop was a bene-

## \$200 million in backdrop payments

This year is shaping up to be a near-record year for backdrop lump sum payments to Milwaukee County retirees. The amount paid in the first five months of 2011 already exceeds the total of all but one year since the benefit was created.

### Milwaukee County retirements, backdrops and payouts



fit the unions never requested, he noted. The benefits were a selling point in taking a county job and when he was first hired he earned about \$10,000 a year — far less than similar jobs paid in private industry, Blaske said.

Blaske's backdrop payment is close to the average for May of \$222,000. But the

figure is far higher than the \$141,750 average backdrop figure since the benefit has been in place.

### Backdrop limits?

Efforts to limit future backdrop payments are also under study. A county work group on pensions will make recommendations after legal and financial advisors

tained, said Stephen Cady, a County Board budget analyst and member of the work group.

It's a frustrating issue because there's widespread agreement on the need to limit backdrops, but past legal advice has suggested a pension benefit can't be altered except for new employees, Cady said. The backdrop was eliminated for all new employees by 2006.

County Supervisor Johnny Thomas said the backdrop tally was daunting, given the county's ongoing financial problems. The county faces a potential budget shortfall next year of some \$38 million. Pension and health care costs have been fingered as key reasons for rising costs.

He said revisions to the backdrop should be pursued, but he questioned whether a majority of the board would agree to take that step. The county should explore negotiating some type of additional pension trims with employees, Thomas said.

"We have to come up with some type of balance," he said.

Schroeder said the county pension fund was sound and capable of covering retiree costs. The fund stands at nearly \$1.9 billion and grew by 5.1% so far this year, according to figures provided to the Pension Board