

A series of stories ran this past week about the pension system in Milwaukee County. Here are some thoughts about the stories:

Given all that was going on with the pension scandal and the budget challenges brought on by that, we did not realize the scope and magnitude of the buy in and buy back provisions started more than a decade ago. Over the past few years, we enacted a number of reforms to the pension system to control and roll back the massive enhancements enacted by prior administrations.

Still, we were not cynical enough to see that previous officials would have dreamed up (years ago) such an obscure and devious plan or that they would do it without seeking approval from the Pension Board and without the scrutiny of the public or media.

As reported, the members of the Pension Board took action in 2005 to end the program after an individual sought to get the same deal that another employee received years ago. The Pension Board, however, was not aware at that time of the apparent IRS violations associated with the program or the accumulated long-term cost implications.

It was not until this year that the full impact was learned and a recommendation was made to report this to the IRS. I supported that action.

Furthermore, I want the county to work with the IRS and the Pension Board to determine how best to terminate these lucrative benefits and to pursue refunds to the pension system. Every effort must be made to lower the fiscal impact to the county.

In addition, I will take action to conduct an independent review of the pension system. Work will begin immediately and should be completed prior to final action on the county budget.

While it is frustrating to learn of more issues with the pension system, we have made significant reforms:

- Cabinet members, key managers, all new at-will employees – as well as myself – signed waivers giving up the pension enhancements approved in 2000.
- The lump sum, backdrop benefit is capped on all employee groups.
- We are aggressively pursuing a lawsuit against the firm whose actuaries gave the County false and misleading information in 2000 regarding the impact of the pension vote (currently pending in court).
- Membership of the Pension Board was changed to insure financial literacy and personal independence and to prevent the concentration of power.

In addition, we proposed a plan to deal with the unfunded liability of the pension system. Currently, we are seeking state approval to make the proposal even more cost effective for the county.

While it is a new day in Milwaukee County and we made tremendous progress over the past few years, I am deeply troubled by the secrets hidden in the past that continue to surface. My resolve is stronger than ever to work with the County Board – as well as talented people from outside county government – to identify and correct any lingering issues. We will get the job done and move on from the pension.

There are many great things happening in Milwaukee County. It is a shame that secrets hidden in the past keep surfacing to drag attention away from the positive things taking place in our county and from our efforts to meet the challenges of the future.

Still, I hope you will join me at one of our budget workshops. On Monday, we will be at the Wilson Park Senior Center from 10:00 to 11:30 am. On Tuesday, we will be at the Brown Deer Public Library from 2:00 to 3:30 pm. On Monday, August 13, we will be at the Washington Park Senior Center from 5:30 to 7:00 pm. I hope you can join us to talk about the future of Milwaukee County.

Scott