

REVOLUTION IN MILWAUKEE

HOW ANGRY TAXPAYERS SURPRISED THE PUNDITS AND TOPPLED THE POWER ELITE

CHARLES J. SYKES

To put the recent Milwaukee political revolution in perspective consider this:

- Until this year, the pace of change in Milwaukee was incremental — even glacial. This is a city that has changed mayors once in the last 42 years. Since the office was created in the late 1950s, there have been only four county executives.
- The pension scandal that brought down County Executive F. Thomas Ament and changed the political landscape of Milwaukee had actually been known and reported for months — on websites, talk radio, and magazines — before it was even reported in the newspaper. By the beginning of the year, county officials had every reason to believe that the whole matter would blow over quietly.
- The recall movement that brought down Ament was a rag tag group of political outsiders who launched their campaign at a suburban senior citizen center. A no-name movement, the recall gathered more than 180,000 signatures from angry tax-



payers without the support of a single major community leader or institution.

- Within 60 days of one another, both Mayor John Norquist and County Executive F. Thomas Ament, both of them entrenched and powerful incumbents, were toppled, their political careers ended.
- Republican Scott Walker was elected in a county that voted overwhelmingly for Al Gore in the 2000 presidential election and that elects Democrats so regularly that the GOP usually lets them run unopposed.
- Walker's opponent, Jim Ryan, was endorsed by virtually every Democratic elected official in the county, nearly every major labor union, and repeatedly by the *Milwaukee Journal-Sentinel*. The Milwaukee Metropolitan Association of Commerce chose not to back Walker, and sat the race out.

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- Walker won all but one suburb, ran essentially even with Ryan in the city, and won the election by 10 percentage points.

All of this put a strain on political clichés and hyperbole: analysts compared the recall and election of Walker to a political earthquake, a tsunami or even to the “perfect storm” in local politics. As outrage over the pension scandal rose, political observers debated whether the public’s anger was merely a one-time reaction to a scandal, or whether it was a sign of a deeper shift in public opinion. By late April, taxpayer anger over the pension scandal had evolved into an electorate increasingly restive over high taxes and a critical mass of dysfunction — from a mayor embroiled in a sex scandal, a police department in meltdown, a failing public school system, and a state budget deficit. The special election on April 30 actually drew a larger turnout than the regularly scheduled spring election. The days when voters could be expected to look the other way are over.

Milwaukee politics had been turned upside down.

Scandal

Word that top county officials were in line for massive pension payouts had been circulating for more than a year. By late 2000, courthouse insiders were buzzing about a windfall as a result of a pension deal hatched by County Executive Tom Ament’s staff and approved by the county board. In January 2001, a county nursing supervisor walked away with a lump sum payment of \$235,000 — on top of generous monthly payments.

In October, journalist Bruce Murphy reported on his website, www.milwaukee-world.com that Ament himself stood to get a seven-figure payout from the pension fund. Murphy appeared as a guest on talk radio shows and later wrote an expanded version of the story for *Milwaukee Magazine*. Ament did not dispute the numbers and defended the deal. No member of the county board took any action to trim or repeal the deal.

In January 2002, the *Milwaukee Journal-Sentinel* belatedly reported the story. The details were stunning.

If he had won re-election in 2004 (then considered a certainty), Ament stood to get a lump sum payment of \$2.3 million on retirement. That would have been on top of his annual pension of \$136,000 a year for life. Even before the sweeteners, Ament stood to carry away a hefty pension, but the deal contrived by his administration and slipped through a compliant County Board boosted Ament’s total pension payout by a staggering 253%.

Under the pension deal his chief of staff, Tom Mollan, would have cashed in to the tune of \$1.8 million plus \$85,000 a year for life. District Attorney E. Michael McCann would have collected \$1.5 million and \$63,000 a year. The county’s corporation counsel would walk away with \$1.3 million and more than \$80,000 a year. Under a separate deal senior employees (although not elected officials) could cash in 100% of their sick days — and be paid at their current salary. That meant that some of Ament’s cronies would get checks for more than \$100,000 when they retire — simply for coming into work. By early 2002, it was clear that the price tag for the sick pay benefits alone would cost taxpayers millions.

Although they had been sold to the board as “revenue neutral” the pension benefits alone could cost taxpayers an additional \$20 million next year.

Ament claimed that he didn’t know what was happening, but his defense was hard to believe considering the background of the deal itself. The pension sweetener scheme was elaborate, but its intent was quite obvious and straightforward: it was designed to dramatically increase the pension payouts of certain veteran county employees. Employees with the highest salaries and the longest service stood to rake in the greatest benefits. (And no one in county government had a higher salary or longer service than F. Thomas Ament.) Everyone associated with the deal understood that from the get-go.

The deal started by giving long time employees like Ament and his cronies a so-called “retention bonus,” which let them jack up their annual salary for pension purposes by 7.5% a year — up to 25%. This alone meant that Ament would see a dramatic increase in his retirement take-home pay.

But this wasn’t enough.

Ament’s administration also came up with an idea to further boost their pensions, the so-called “backdrop.” Put simply, it let long time county employees “pretend” they had retired when they were first eligible. Tom Ament was eligible to retire in 1990, when he was 53 years old and had 22 years of service to the county. Under the new plan, he could collect more than a decade’s worth of pension as a lump sum. He would also have gotten 2% annual cost-of-living increases. On top of that the county would have added in another 8.5% interest, compounded monthly.

For Ament that would have amounted to \$2.3 million if he had served until 2008. (The payout was so excessive that it would have violated IRS regulations, but Ament apparently was unaware of that until informed by reporters.)

This sort of plan didn’t come together by accident and the evidence suggests that Ament and his aides discussed it openly in the Courthouse.

When reporters for the *Journal Sentinel* questioned the pension payouts, Ament defended the deal, saying, “It’s not that anything illegal was done. So you make a judgment as to whether or not it’s too much.”

At no point did Ament ever express any shock, surprise, dismay, or desire to fix the problem.

County supervisors, who had overwhelmingly approved the pension deal, also insisted that they didn’t know what they were doing and charged that Ament’s staff — the architects of all of this largesse — had mislead them and concealed the more lurid details.

But the pension scandal was not a single lapse or an isolated episode. Supervisors had also approved the sick pay enhancements; and an automatic pay increase for themselves that may have been illegal. Faced with a choice between appearing corrupt or incompetent, the board opted for incompetent.

As the scandal grew, stories that had gone unreported for years were compressed into a few weeks. The result was stunning, both for the public and the insiders, who had grown accustomed to the lack of scrutiny and the indifference of the public.

While Milwaukee Slept

No one saw the pension firestorm coming, least of all Ament himself.

Few local politicians have coveted obscurity as assiduously as Ament. What he lacked in obscurity he made up in dullness.

For several years, his profile was so low that I had taken to referring to him on my radio show as “potted plant.” But he was a potted plant who had constructed the ultimate insider government. Tom Ament’s personal secretary was paid more than \$103,000 a year to handle his calendar. Bureaucrats who mis-managed agencies were routinely protected and reassigned. A former county supervisor who had been arrested smoking crack with a prostitute was given a sinecure on the county payroll. In one case a manager who had presided over the county’s loss of a \$29.5 million foster care contract was effectively given a raise.

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H.L. Mencken had once joked that conscience was that small voice telling you that someone may be looking. By the late 1990s, no one was watching county government. With the folding of the *Milwaukee Sentinel*, the community no longer had competing newspapers and coverage of county government ceased to be a priority. When talk radio hosts tried to call attention to the insider dealings within the courthouse, the paper's columnists derided them as "squawkers."

County government had become an institution that always protected its own. Ament and the county board had every reason to think that the pension issue would play out more or less the same way.

Recall

What changed everything was the recall. In a sense the recall movement was driven and fuelled by the media's interest in the story. But the recall also drove the media coverage, by creating a dynamic story line. As it began to build momentum — 10,000 signatures, then 20,000, etc. — the recall gave the story a narrative line with a beginning, middle, and, as time went on, an increasingly inevitable conclusion. It also kept the story alive.

The electorate has a notoriously short memory; and Ament's allies were confident that the story would be old news two years later, when the boss was up for re-election. The recall changed the timeline dramatically.

In the days after the stories first broke, courthouse insiders confidently assured one another that the story would blow over quickly. It didn't. After years of complacency and media indifference to the nitty gritty of county government, the news media launched what seemed like an all-out offensive. On a daily basis, the newspaper was filled not only with multiple stories, but also columns and editorials demanding resignations.

Tom Ament, who was so used to being ignored, was now subjected to a multimedia siege unprecedented in scope and breadth. For the first time in memory, a local political story

was regularly featured on local television news; the topic dominated talk radio.

When the degree of public outrage couldn't be ignored any longer, Ament tried to defuse the issue by firing the county's labor negotiator, human resources director, and corporation counsel (who initially refused to leave). Portraying himself as a victim who hadn't had any idea that his own plan would make him a multi-millionaire, Ament also promised to give back the pension lump sum and ordered his staff and cabinet not to accept it either.

Ament's ploy was too little, too late. He didn't look like a penitent. He looked like a pol who had gotten caught. That night hundreds of angry taxpayers rallied for him to go and the next day his chief of staff resigned, unwilling to forego the fat lump sum check. Two days later, a majority of county supervisors signed letters calling on Ament to resign.

There was a good deal of hypocrisy in that, since the vast majority had voted for the deal and many of those same supervisors suddenly found that they too were facing recalls.

As public pressure built, Ament was accorded the tribute usually paid to vindictive pols: few community leaders were willing to cross him. But few bore him much affection. As the scandal grew, his allies in business stayed on the sidelines, reluctant to join the critics, but unwilling to come to his defense. The ultimate insider had no one but insiders to turn to; and many of them chose this moment to grab the cash and leave.

The first inkling that Ament might face a serious citizen revolt came just three days after the *Journal-Sentinel's* first story. A group of senior citizens from Brown Deer voted unanimously to support a recall against the county executive. "Folks, this is something we can do," a senior named Joe Klucarich told the crowd.

Almost no one took him seriously. A recall required more than 72,000 signatures in just 60 days, a daunting task even for well-established political groups. But there was no recall orga-

nization in place; and no existing organization stepped forward. Over the next few days a disparate group of citizens, most of who had previously not met one another, formed a very loose ad hoc group. They met for the first time on the Sunday after the first newspaper story. Klucarich was named the titular chairman. Three days later the group held a rally at Texx's Victory Hall in the south side suburb of Cudahy. As many as a thousand people attended. (In the interests of full-disclosure, I spoke at the rally, and attended most of the rest.)

Some pundits predicted the recall would fail because it would be impossible to collect enough signatures during Milwaukee's cold winters. But almost miraculously, the weather stayed mild.

Hundreds of volunteers, many of them retirees, collected signatures at coffee shops, in the parking lots of malls, and at civic events. In less than 30 days, the number of signatures topped 100,000.

As the signatures for his recall mounted, Ament launched a last desperate shot, filing a lawsuit to have all of the signatures thrown out on a technicality. Rather than slowing the movement's momentum Ament's lawsuit, if anything, sparked even more outrage. The number of signatures rose from about 100,000 to more than 180,000 in just days. Ament withdrew his lawsuit a week before he announced his own resignation.

The Empire Strikes Back

Perhaps the most striking thing about Milwaukee's political establishment was this: even after the recall movement had succeeded in ousting Tom Ament, the political establishment — especially liberals, and their allies in

labor — still didn't understand what it was all about.

At the very beginning of the recall effort, there was little if any ideological character to the outrage. Some of the most liberal members of the county board, including Lynne DeBruin and Roger Quindel, were the most outspoken critics of Ament. But outside of the Courthouse itself, the political establishment — mainly liberal and overwhelmingly Democratic — kept arms-length. At any time those politicians could have joined the effort and perhaps even co-opted it. They chose not to. Instead, they saw it as an attack on government itself.

Even though blue collar taxpayers were the shock troops of recall effort, the Milwaukee Labor Council — an umbrella for 150 local unions — launched an attack against the recall, calling it a conservative plot. "Who is behind the county recall effort . . . and what do they hope to accomplish?" a union flier asked. The answer: "The conservatives are trying to seize control of the recall apparatus, and use it as a battering ram to destroy county government, and all public services."

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Ignoring the outrage among their own members and the clear evidence that union members were playing leading roles in the recall the Labor Council blamed "ultra right-wing talk show hosts" for the campaign and suggested the campaign to oust Ament was really a cover for destroying county government. The Labor Council would end up endorsing two different candidates in the race to succeed Ament. Both would lose.

Despite the Labor Council's elaborate theories, there was no conspiracy of any kind; the movement itself was barely organized, sustained largely by the public's outrage at

Ament's pension grab. What was puzzling to some was the absence of the usual community activists. Some of the leaders had been candidates for various local offices, with notably mixed success. But the rallies were run by people unlikely ever to be featured at a forum on the "Future of Milwaukee County Government" sponsored by the Association of Commerce or elite groups like the Milwaukee Forum. One of the more visible figures, named Orville Seymour, would show up in a multi-colored peaked cap that seemed selected precisely because it signaled that he didn't belong at a closed door meeting of the Greater Milwaukee Committee.

Businessman Michael Cudahy derided the recall supporters as a "lynch mob," but outsiders who saw only the anger misunderstood the depth of the outrage. Supporters were neither puppets nor radicals: they were taxpayers who had raised their families in Milwaukee, bought homes, paid taxes, and played by the rules all their lives. They remembered when Milwaukee was known for its efficiency and integrity, and were offended at the insult to both their intelligence and their integrity.

But what was it about this particular scandal that brought out the burghers?

It was an easy scandal to understand: the numbers were big and the greed transparent. But timing was also a factor: the economy was weak, thousands of Milwaukeeans faced pay cuts or layoffs. Many of them have seen their own retirement funds shrink. Retirees who worked forty years or more for meager benefits seemed especially incensed. As well, the cumulative effect of choking property taxes, the simmering sex scandal of City Hall, and a sense that government no longer worked for the public seemed to have reached a tipping point.

But the decisive X Factor may have been September 11 — an event that changed both the rules and public's expectations. The terrorist attacks stirred not merely patriotism, but a renewed sense of civic obligation and intolerance for officials who violated their trust and

betrayed their duty. Many of the volunteers were members of the Greatest Generation, who were answering the challenge of service once again.

It's About Reform, Stupid

No sooner had Ament departed the scene than the community's political elite symbolically patted the recall organizers on the head and gently shoved them aside, assuring them that they would take over from here on in.

In the race to succeed Ament, much of that establishment rallied around Hales Corners Village President Jim Ryan as the anointed successor. Ryan was not the first choice of either Democrats or the unions, but was endorsed not merely by organized labor, but by the *Journal Sentinel* (repeatedly), the county's congressional delegation, Senator Russ Feingold, Democratic candidates for governor, a majority of the Milwaukee Common Council, and virtually every liberal special interest group in the area.

Well-respected as a municipal leader and former county official, Ryan was well-liked and well-spoken. But, like most of his supporters, he had also been invisible during the recall campaign. During an interview on my radio show he had laughed about the fact that he had never actually met anyone circulating the petitions that 180,000 fellow Milwaukeeans had signed.

During the pension scandal he had never once criticized either Ament or the county board.

Conventional wisdom once again determined that the fires of outrage had been banked; indeed, fewer voters cast ballots in the regularly scheduled spring election — which served as a primary for the special county executive election — than signed the recall petitions. For a time, it seemed that the public had lost interest.

Indeed, the primary campaign that featured six candidates was a tepid affair, with the candidates seldom disagreeing. But clear lines formed in the general election campaign.

Attempts by the *Journal Sentinel* to characterize Ryan as a moderate reformer who seldom disagreed with Walker quickly evaporated as real and very sharp differences between the candidates emerged — especially on the question of reform.

Vague on how he would change county government, Ryan chose to run a resume campaign, emphasizing his credentials. In contrast, Walker immediately associated himself with the citizen movement, casting himself as the candidate of reform, Ryan of the status quo.

Apparently tone deaf to the public mood, Ryan publicly scoffed at Walker's suggestion that members of Ament's administration be made to reapply for their jobs. This would imply that they were not trusted, Ryan said. Worse, he embraced a host of spending proposals — spending hundreds of thousands of dollars on a Big Blue Shirt for the Mitchell Airport parking garage; millions of dollars for a little-used bike path across the Hoan Bridge; extending lavish public employee benefit to unmarried domestic partners — that made up a rogue's gallery of spending boondoggles for the angry taxpayers who had toppled Tom Ament.

As Walker seized the reform mantle, Ryan moved to the left, appealing to African-American voters who had been generally supportive of Ament. Ryan came out against requiring voters to show a photo ID as a way to prevent fraud, claiming that this would discriminate against the poor and minorities. He ran television ads attacking Walker for voting against Milwaukee's interests in the legislature; and he held almost daily press conferences touting his growing list of political endorsements.

Walker stayed on message. When the recall organizers endorsed him, he immediately launched television ads targeting the thousands of recall petition circulators. If the primary had been a bloodless affair, the election became a referendum on the recall movement itself. Had the citizens toppled Tom Ament only to replace him with the candidate of the status quo?

Fueling the fire, Mayor John Norquist settled his sexual harassment suit against former aide Marilyn Figueroa the week before the election. After initially planning to make taxpayers pay the entire \$375,000 deal, public anger — and threats of a recall against the mayor — forced Norquist to agree to pay the own money out of his own pocket and to dissolve his campaign fund. The four term mayor announced that he would not seek re-election.

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Lessons

There are both lessons and challenges here:

The lesson for Republicans is that reform works. In areas like Milwaukee, voters may have a history of voting for Democrats, but that doesn't necessarily translate into votes for liberals. Walker won back the all-but-forgotten Reagan Democrats.

Walker's campaign also suggests that Republicans need not be afraid to go after central city votes. Walker did not hesitate to campaign for African-American votes, and made some inroads with his support for school choice.

Of course, there were special and unusual circumstances at work. Walker was able to run

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without a party label, because the race was nonpartisan. He was elected in a special election dominated by highly motivated, self-selecting voters and the dynamic of the race favored an outsider. Walker ran a nearly textbook campaign; while Ryan was notably weak.

But the election also exposed the underbelly of the political establishment in Milwaukee.

While it is true that conservatives seized the initiative on the recall, it is equally true that liberals gave them the opening.

Walker announced that he was running against Ament, even before Ament resigned. But it was equally notable that not a single Democratic elected official entered the race. Even after Ament's forced resignation, Democrats seemed unable to get over their ambivalence about the scandal. Some seem to have concluded that anything embraced by conservatives must by definition be a bad idea.

Perhaps reflecting the degree to which Wisconsin Democrats have become the party of government, others were leery of a movement they misinterpreted as anti-government. As a result, they were never able to connect with the depth of the discontent or offer themselves as plausible agents of reform.

Indeed, their suspicions that the whole effort was conservative conspiracy had a self-fulfilling quality: voters associated the candidate of the left with the status quo; they ended up electing a conservative as the reform candidate.

The campaign also exposed the pretensions of the city's business leaders. Despite the complaints about high taxes, the business community was AWOL when it was faced with a once-in-a-generation chance to change the direction of local government. Eventually,

business will have to choose between their desire to be insider players and their desire to be a force for change.

But if business missed an opportunity to take the lead, the signs are much more ominous for unions. Their failure to deliver votes is not only a sign of diminished clout, but also an indication that the union bosses are badly out of touch with members. Walker ran up some of his biggest margins in some of the county's most heavily unionized areas.

As he takes office, Walker faces hard choices on several fronts. Ament and the board have left Milwaukee County as much as \$50 million in the hole in next year's budget — a massive deficit that Walker has pledged to eliminate without raising the tax levy. He must also deal with a county board which is still smarting from the pension scandal, facing its own recalls, and highly suspicious of the young executive.

Walker has pledged to cut his own salary, but also to return the board to a part-time status, a move certain to be resisted by the supervisors. Other reforms will face opposition from the bureaucracy and other entrenched interests that opposed his election and hope to see him defeated in 2004.

Under normal circumstances those would seem nearly insuperable barriers to success. Other reformers — most notably Dave Schulz — have stumbled over lesser obstacles. But Walker may have an edge that others have not enjoyed: the dynamic of the recall campaign. As he confronts a recalcitrant board and hostile political culture, Walker can go over their heads. Voters are not only paying attention, they realize for the first time in a generation that they can, in fact, effect change and that they have a stake in the outcome.