

Guild leader says Lee Enterprises' workers deserved bonuses

The head of the union that represents reporters and other workers at the St. Louis Post-Dispatch says employees of Lee Enterprises – rather than its chief executives – deserved bonuses.

On April 4, Lee Enterprises filed documents with the Securities and Exchange Commission disclosing the board's executive compensation committee had approved bonuses of \$700,000 for chief executive officer Mary Junck and \$400,000 for treasurer Carl Schmidt. The bonuses were "related to the company's successful completion of its long-term refinancing."

Shannon Duffy, the administrative officer of the United Media Guild in St. Louis, said the labor organization was pleased that Lee Enterprises was able to successfully refinance its debt.

"We continue to root hard for that company to be successful," Duffy said. "We and our members are obviously tethered to it. That being said, I was disappointed their first reaction, almost reflexive on their part, was to give more money to the people at the top when the people further down the ladder had been working, pulling double and triple duty, for less money. And my first reaction, were I in their shoes, would be to reward those people."

In March, Lee Enterprises refinanced \$800 million of its debt relating to its 2005 purchase of Pulitzer Inc., owner of the Post-Dispatch, extending the time in which its loans must be repaid. In 2013, the company repaid \$98.5 million of its debt, and during the first six months of its 2014 fiscal year through March it paid off another \$34.5 million.

Employees at Lee's 46 newspapers shouldered a major share of that loan repayment through layoffs, furloughs and buyouts, frozen wages, elimination of some benefits and higher costs for others. Michael Sorkin, a reporter at the Post-Dispatch, laid out the details of what had been happening at the newspaper in a recent posting on Facebook.

"Memo to the board of directors at Lee Enterprises – could you live today on less money than you made six years ago – and pay more for fewer benefits?" Sorkin asked.

He wrote that Post-Dispatch employees hadn't had a raise since June 6, 2008. Since then, employee costs have increased "for the worst company health insurance we've ever had." Sorkin went on to point out that retiree health and life insurance were gone, pensions frozen, and for new employees there are no pensions.

In a 5½-year contract, negotiated in 2010, guild members gave up wage concessions of 6 percent and took unpaid furloughs. The recent bonuses for Junck and Schmidt came on top of substantial pay raises and bonuses they previously received.

"The top people at Lee get big bonuses while we sacrifice," Sorkin wrote.

Duffy said the guild would be negotiating a new contract with the company next year.