

Council weighing the issue of pay bonus for Sculley

BY JOSH BAUGH STAFF WRITER

Mayor Ron Nirenberg and City Council members are privately assessing City Manager Sheryl Sculley's 2017 performance and how much she should receive in an annual bonus as the body is scheduled to continue deliberations Thursday behind closed doors.

Under her contract extension, which expires at the end of the year, Sculley could take home a performance bonus of as much as \$100,000 — nearly twice as much as the median household income in the San Antonio area — if council members decide her performance last year was worth it. Her base salary increased from \$450,000 to \$475,000 this year.

The bonus process is a precursor for the next employment conversation that the council will have to undertake this year.

And how it unfolds could signal what will happen next.

As Sculley's contract is set to expire Dec. 31, the council and city manager will have to decide whether her contract should be extended again, or if her work for San Antonio will cease.

There's a bit of intrigue surrounding Sculley's performance bonus this year, in part because there were no preset metrics put into place.

When the council voted in early 2016 to extend Sculley's contract through the end of this year, the body changed the structure of her bonuses. Until the extension, her bonuses were considered "retention pay." But under the contract extension, then-Mayor Ivy Taylor said at the time, Sculley's bonus would be "annual performance pay subject to review by the City Council based upon metrics developed in advance by the mayor and city manager."

After the council approved the terms of the extension, which included a reduction in Sculley's golden parachute — from 21 months of base-salary pay to 12 — Sculley and Taylor created a set of metrics, which were used last year to determine Sculley would receive \$67,000 of a possible \$100,000 bonus.

But those metrics were specific to 2016, and Taylor and the council never created a new set for 2017.

So the current council is left to create criteria on which to evaluate Sculley's performance last year, half of which occurred before six freshman council members were elected.

Nirenberg, who's been a fervent Sculley supporter, declined to be interviewed for this report and issued a written statement indicating only that the council would discuss the matter in a Thursday executive session.

"The City Council is prohibited from sharing information about the legal and personnel matters that are discussed in executive session," the statement says. "However, I can confirm, after consultation with the city attorney, that the personnel matters pertain to continuing discussions about the annual reviews of the council-appointed employees, which include the city clerk, city auditor and city manager. As soon as that process is completed, we can provide you additional information."

While the mayor and council are prohibited from revealing discussions that occur during executive session, members are free to discuss their own positions on issues that have been or will be discussed in those closed-door meetings.

Their take on Sculley's performance is varied.

"I'm anticipating a large bonus for the city manager, probably north of what an average family in this city makes," Councilman Greg Brockhouse said. "I think there are those members that believe that we've had, probably, organizationally, one of the worst years we have had from systemic oversight issues and breakdowns in process that a bonus isn't warranted. And there are some that believe it is. So we're going through the process of figuring out what that amount is. I, for one ... don't believe a bonus is warranted."

Brockhouse said that with a \$475,000 base salary and various allowances, her compensation is "more than ample."

Other top leaders in San Antonio receive a similar salary. San Antonio Water System President and CEO Robert Puente received a raise this year and now makes \$468,194.40. Paula Gold-Williams, CEO of CPS Energy, earns \$445,000. In 2014-2015, Valero Alamo Bowl President and CEO Derrick Fox pulled in \$578,216. And in 2016, University Health System CEO George Hernández Jr.'s annual base pay was increased to \$650,000.

Another council member, who asked not to be named, said Sculley has done the work of a city manager but not to the point of earning a bonus.

Councilman Roberto Treviño, who was on the council that extended Sculley's contract, acknowledged the council is faced with developing a way to measure Sculley's performance after the fact.

“I think that’s kind of where Ron’s trying to put something together,” he said. “In our interviews individually with the mayor, we’ve sat down and tried to give our insight about what we think we need to be looking at.”

Treviño lauded the manager for her direct relationships with council members, noting the importance of the closeness and access.

The councilman was in Las Vegas on Tuesday for a conference on concrete, and said he was pleased that Sculley sent Mike Frisbie, director of the city’s Transportation and Capital Improvements Department, along with him.

Treviño has been leaning on the city — and Frisbie — to evolve how it handles some capital projects, including sidewalk construction.

Councilman Manny Pelaez said he’s approaching Sculley’s evaluation through the lens of his professional background in labor law and wouldn’t discuss particulars about her performance, or how much he’d give her in a bonus, because he’s yet to have a conversation about them with the city manager.

He both acknowledged the council is in an awkward position and noted the significant successes Sculley has enjoyed.

“I’ve never ever, ever, in the past 18 years of doing this employment law thing, seen a situation where an employee is evaluated with absolutely no metrics or goals at the outset of that year,” he said. “It’s weird; it’s genuinely uncomfortable for everyone involved.”

Pelaez said the council’s charge is to review Sculley’s body of work for the previous year — not her entire tenure and that the bonus serves as both an acknowledgment of achievement and a tool for retention, something he said some of his colleagues “might not like.”

Brockhouse lists a number of issues he sees as detracting from Sculley’s performance: a scandal in the Police Department’s Special Victims Unit; embezzlement by an employee at the nonprofit Centro San Antonio; controversy surrounding the city’s Tricentennial; no new collective-bargaining agreement in place with the firefighters union; and last year’s controversial river-barge contract.

But Pelaez credits Sculley for deftly handling those situations and says the reality is that there will be bad actors who do bad things, and what he seeks in an organizational leader is someone who can handle such crises.

Though she had no specific performance metrics, Sculley sent a memo in late December to the mayor and council, outlining her “2017 Accomplishments,” divided into five overarching categories. It’s something she’s done at the end of each year since overseeing the day-to-day operations in San Antonio.

Among the enumerated accomplishments was the city's eighth consecutive Triple-A bond rating from the three major ratings agencies. San Antonio continues to be the only major U.S. city to secure the highest possible rating.

The list of her accomplishments consumes 14 pages, single-spaced, and also "reflects the hard work of many staff dedicated to our core values of teamwork, integrity, innovation and professionalism."