

2018 BYU ADMINISTRATOR OF THE YEAR AWARD

By City Manager Sheryl Sculley

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Thank you for inviting me to speak and for awarding me this recognition. Having reviewed the list of past honorees, several of whom I have known, worked with over the years and deeply respect like Bob O'Neill and Bill Hansell, I am humbled to be here.

Two of the most special people in my life are here with me. My husband of 43 years, Mike Sculley and our fearless daughter, Courtney Sculley a graduate of the University of Texas and Account Director with the Austin Convention and Visitors Bureau. Thank you for making the time to travel with me and share this moment. Our son Collin and his wife Amanda just returned from a trip and could not be here this evening. But I know they are here in spirit as we all support one another in success and in challenging times. I am often asked of my greatest accomplishments, and I am quick, to respond- our children.

My congratulations to the graduating students of the Romney Institute of the Marriott School Business at Brigham Young University.

My husband Mike is a native Wolverine and he grew up in Michigan during Governor George Romney's tenure. And I've also had the business opportunity to become acquainted with Bill Marriott, working with his staff on two JW Marriott Properties in Phoenix and San Antonio. So, Mike and I can both attest to the quality of their work and we congratulate you students receiving awards tonight from the colleges named in their honor. Congratulations to you all!

And by the way since my appointment as city manager of San Antonio in 2005, the City of San Antonio has hired 21 graduates of the Romney Institute and I have appointed 5 Romney Graduates as City of San Antonio Executives. So please know that our door is open and we welcome your applications.

I'd like to begin tonight with three points as I did when I spoke to the University of Texas Chancellor's Advisory Council a few weeks ago about the value of the Council-Manager form of government.

I am a student of local government best practices, a professor of Urban Public Policy and an advocate of professional city management. As a City Manager and practitioner, I believe in continuous improvement and the study of cities doing the right thing and doing them well. We are a learning organization. Second, I am also an adjunct professor in the graduate program at the LBJ School of Public Policy at the University of Texas in Austin. I believe in helping to develop the next generation of public servants and mentor future leaders. And I've also hired a few of those Longhorns to join the COSA team. Third, I'm an advocate of professional management because the best managed cities are professionally managed. Let me illustrate the point. Following the destruction of the Berlin Wall in 1989, the German Bertelsmann Foundation conducted an international competition to find the "best managed city" in the world so as to learn from that city's best practices. I was working in the City Manager's Office in the city of Phoenix at the time and Phoenix was nominated to represent the U.S. in the competition. Long story short, Phoenix won the competition tying for first place with the city of Christchurch, New

Zealand. But the most important point is that the common thread among the eight international finalists was that they were all professionally managed cities.

The Council-Manager form of government is one of the most common forms of local government, albeit mostly among small to medium- sized cities. The International City-County Management Association has more than 10,000 members.

In a Council-Manager city, the elected body hires a professionally trained administrator to run the business of the municipal corporation. The council sets policy direction and the City Manager hires the staff, manages the city's budget and makes recommendations on important matters to the Council. The two largest cities in the U.S. with the council –manager form of government are Phoenix and San Antonio where I've spent the last 28 years of my professional career. And in San Antonio, there are 10 single member council districts and only the Mayor is elected at-large. Our elections are non-partisan and during my 12 year tenure in San Antonio, I've worked with 47 different elected officials. Our council members can serve no more than four two year terms.

Our municipal corporation is complicated and big- a \$2.7 billion annual operation with 12,000 city employees plus the City of San Antonio also owns the energy company CPS Energy and the San Antonio Water System. By city charter, I have the responsibility to recommend rate increases and debt financings for the utilities to the City Council. With Council turnover "due in part to term limits"- the operations of city government weigh heavily on the City Manager and the executive management team.

Think about the council-manager form of government like a private corporation with a board of directors and a CEO.

Now think about that corporation board turning over every two years. It takes a very capable management team to operate a corporation under these conditions. Imagine what it would be like if the administrator were a political appointee with limited management experience as opposed to a professionally trained manager.

As I prepared for this evening and reflected on my own career, I decided that what I wanted to share with you is my passion for local government service and the excitement it offers. Wait a minute you might say. Exciting?! But where else can you develop a climate action plan, acquire and develop hundreds of acres of parks, improve recycling rates from 6% to 30%, humanely rescue thousands of animals, save lives by responding to more than one million emergency police, fire and medical calls, recruit green technology and cyber security jobs to the community and educate 2000 four year olds in full day early childhood education centers- all in the course of one year. In this day and age of federal and state dysfunction, local government has been the opportunity for communities to work together on public services that matter most to people.

So think about it. When you woke up this morning you used the water system, you used energy to turn on the lights, and you drove on city streets with traffic signals and signs. You passed city parks and entered buildings built following city construction codes and inspected for safety. Hopefully, you didn't need to call 911 today. But one of your neighbors did as you will do at some point in your lifetime. You've eaten food from groceries and restaurants inspected by Public Health officials. And you'll walk or drive home tonight on sidewalks and streets constructed, maintained and lit with LED lights- all of this by local government.

And to do these things and provide these services well requires leadership, commitment to excellence, and courage to do what is right. After serving the city of Kalamazoo as city manager, the vice mayor gave me a small plaque with a quote from Mark Twain, “Always do right. This will gratify some people and astonish the rest”. I still have that plaque in my office today.

There are many factors that contribute to success- education, hard work and supportive families. You have the education; just remember that it’s also about a lifetime of learning. And be the hardest worker on your work team. You want to be the “go to” person for getting things done and done well.

Family has been a source of my strength to me and I could not have been as successful without my husband, children and parents who have supported me as we all moved several times across the country and through each career opportunity.

Leadership is about having a vision and persuading others to move in the same direction for a greater good. And an element of leadership includes risk taking. You need to step outside of your comfort zone and to quote Eleanor Roosevelt: “do the thing you think you cannot do”. Or as a more contemporary Michelle Poler says: “Fear less, do more”. A frequent lecturer and inspirational speaker, Michelle’s inspiring 100 days without fear can show you how to challenge your comfort zone to tap your full potential. Now you don’t have to jump out of an airplane, allow a tarantula to crawl up your arms, or handle a boa constrictor. I’m talking about calculated risks that allow you to expand your horizons. For example, volunteering for work assignments outside the subject area of your degree. Early in my career decades ago, most women worked in

the areas of social services and human resources. These are needed and important public services, but instead, I chose public safety, finance and budgeting, and capital construction.

Through years of research, the Gallup Organization has found that the most effective people are those who understand their strengths and behaviors. These people are best able to develop strategies to meet and exceed the demands of their daily lives, their careers and their families. Of the 34 themes measured in Strengths Finder, my signature themes are futuristic, achiever, responsibility, self-assurance and command. Know your strengths and use them to take calculated risks.

Risk taking is not common in government work. Some people go along to get along. It's hard to get in trouble that way. But that can also be boring. You may be well liked; but you may not be adding value. Be the person who is most prepared, confident and hardest working for the overall public good. It will serve you well.

In our FY 2018 budget preparation and for the first time in city history, the City of San Antonio explicitly considered equity in our \$2.7 billion annual budget. We prepared the budget through an "equity lense".

The passing of the budget was monumental. San Antonio is modeling how one of the largest cities in the United States can center the livelihood of people in policy-making and service delivery. This is, after all, the mission of our organization—*we deliver quality services and commit to achieve San Antonio's vision of prosperity for our diverse, vibrant, and historic community.*

In October 2017, we launched a citywide strategy to maximize the impact of our services towards this vision of prosperity. I am proud to say San Antonio is one of two cities in Texas and one of three in the entire Southern United States with a Chief Equity Officer leading this work.

The 2017-2018 budget increased funding for streets maintenance by \$35 million. Instead of dividing the funds by 10 as has been done historically—roughly equal parts for each of the 10 City Council Districts— funding was allocated by beginning to consider the different needs of our population.

We maintain more than 4,000 miles of streets in San Antonio and our transportation staff can tell you the condition of every last one, whether it's an A, B, C, D or F rating.

The industry standard is for every city street to have a B+ rating, but would cost over \$1 billion to make that happen. This year in our street maintenance budget, we have \$99 million. That's a lot of money, but in most cities the needs are infinite and the resources are finite. Crucial, then, to our decision-making is impact. More specifically, the greatest possible impact we can make towards our vision.

This is how equity begins—as an allocation in our budget, as a delivery of a City service. Equity succeeds, however, when we achieve outcomes and shift community-level results. Simply put, when we improve all people's lives.

In order to begin ensuring that every level of decision making in our local government works to make the greatest impact, the City of San Antonio is using an Equity Impact Assessment, a set of guiding questions in 6-steps.

The tool is championed by the Government Alliance on Race and Equity, a national membership organization for jurisdictions committed to advancing equity.

This year we applied the assessment to 6 high impact initiatives, including our streets maintenance program.

The streets maintenance program exists to keep the community safe. As a result of streets maintenance, residents are safe during everyday travel, as well as during and after natural disasters. Families and children have access to safe sidewalks around schools and residents know how to use streets and sidewalks safely. Our streets maintenance team continues to improve their response rate to residents' reports of pavement defects and hazards, and residents are increasingly knowledgeable about how to submit reports to the City.

We believe these outcomes will move the needle on several community-level results—an efficient transportation system, connected neighborhoods, deeply engaged residents, and more.

This is how the Equity Impact Assessment starts: Why does the program exist? What are the intended outcomes? Which community results does it have an ability to impact? Only after outcomes are fully defined do we begin to analyze data. We have to know that we want kids to get to school safely, to know that we need to look closely at the quality of streets and sidewalks around schools.

In other words, we are results-driven and data-informed.

In San Antonio we recognize too that we will only reach our vision of prosperity by working in close partnership across institutions.

To that end, we are building an ecosystem in partnership with our community foundation and over 100 non-profit organizations to align each organization's outcomes with community-level results and track our collective progress to a vision written by the community.

The movement to advance equity is taking place across the country. Through the Government Alliance on Race and Equity, we know there are over 150 jurisdictions that have made similar commitments. Foundations like Annie E Casey, Rockefeller, and Ford have similarly embedded equity as an operating principle in their work. And last year over 600 companies, including over 100 Fortune 500 companies, announced a pledge to advance equity under a program called "CEO Action."

The City of San Antonio is proud to be a part of this movement. It is our hope that the San Antonio Ecosystem is writing the blueprint for how cities across the country can improve people's lives.

A bold step. Leadership and a calculated risk which we are confident will lead to great dividends.

Leadership is also about developing more leaders. One of the most important responsibilities as city manager is managing executive talent: recruitment, retention and development. I was recruited to San Antonio to assess the talent, make changes and improve the professionalism of city government.

During my tenure, I have appointed 39 of our 40 department heads. Half of those were hired from inside the organization and half were recruited from across the country. 43% of our top executives are women and 50% are Hispanic or African American. They are an outstanding team

of professionals. And I could not be prouder of their work. They encapsulate our organizational core values: teamwork, integrity, innovation and professionalism- excellence in all we do.

We have an executive leadership program with one on one coaching to help our department heads and assistant department heads grow and be even more effective, some of whom will become assistant city managers in our organization and city managers elsewhere.

Our management academy focuses on mid manager development and our supervisor academy helps train first time supervisors.

I am proudest of our award winning Women's Leadership Mentoring Program now in its fifth year. We pair a senior female executive with a junior female employee. We meet monthly with our mentees and host a monthly speaker series for all the mentees to hear from public and private sector female CEO'S. The result of the program is that we've retained 85% of our female mentees and one-third of them have competed successfully for promotions. As the saying goes, leaders don't create followers, they create more leaders.

And finally I'd like to talk about courage. Strong leadership requires courage. Courage to make tough decisions, to confront challenges head on, to listen, be fair and take action. No action is a decision. In the final chapter of his book entitled "What Unites Us," Dan Rather describes courage this way: "Courage is being afraid, but going on anyhow." I'm often asked, what's the hardest thing you've ever done? In the city manager business, the list of tough challenges can be long: budget shortfalls, terminating employees, managing council members who are outliers, residents who are disruptive to the civic engagement process. Just when you think you have seen it all, there's another example.

But the toughest policy issue I've tackled in San Antonio is changing the public safety union contracts that have been in place for more than 25 years. Contracts that are no longer affordable and certainly not sustainable. In fact, left unchanged, they will bankrupt the city of San Antonio. Yes, Texas is a right to work state. But our police and fire personnel have collective bargaining approved by the voters in 1974. The contracts will not bankrupt the city during my tenure as city manager. But left unaddressed, they will in the future, perhaps when it's a crisis. We too, could have kicked the can down the road, but we did not. We laid the ground work, set our purpose and were data driven.

We made our business case to the Mayor: In sum, Public safety spending was growing faster than general fund revenue crowding out other city services- streets, sidewalks, parks, libraries, senior centers. You see the picture.

We began with a budget presentation in 2013 that showed that the police and fire departments would consume 100% of the city's general fund budget by 2031 if the current trends continued. Our analysis was data driven and we developed a game plan for implementation that included a Legacy Taskforce that studied pension and healthcare costs. The task force included six employee and union representatives and six subject matter experts from private business. The Mayor appointed me to the task force as the 13th member.

After six months of work the task force concluded that public safety benefits were excessive by any metric- as compared to the regional economy, to other public safety departments in Texas and throughout the U.S. Free health care for themselves and their dependents costing the city \$20,000 per employee, dozens of special pays, unlimited tuition reimbursement including law

degrees, legal services for their divorces, child custody disputes, wills and estate planning, full time union positions and the list goes on.

The Legacy Task Force completed its work five years ago and needless to say made many recommendations.

After on again, off again negotiations with the police union for three years, we reached a court ordered mediated settlement saving the city nearly \$90 million dollars over the five year term of the contract. The fire union has refused to begin negotiations despite the fact that their contract expired in September of 2014. The difficulty is that their union contract continues under a ten year evergreen clause meaning that all terms and conditions continue until 2024 unless a new contract is negotiated. After inviting the fire union to negotiate six times before their contract expired, we filed suit against the fire union and are on appeal to the Texas Supreme Court for a declaratory judgment on the constitutional question of whether the union contract can legally obligate the city council to an unfunded liability.

The public safety union debates have been fierce- even vicious at times. The police union's chief negotiator is a national spokesperson on how to "fight city hall". He's authored a book entitled "Union Power, Politics and Conflict in the Twenty First Century". One chapter describes how to win and beat City Hall by villainizing an individual and keeping that person in the cross hairs until they relent. I haven't relented yet even though the union has spent more than one million dollars on primetime TV ads and social media. The fire union is now attacking the Mayor. And they are circulating petitions to place three initiatives on the November ballot that would intentionally cripple city government for years to come. Pretty greedy don't you agree.

Notwithstanding these obstacles, we have taken the high road, remaining professional and staying focused. We've been strong in conviction to do what is right and have not been deterred by the union's constant attacks. We've been factual, transparent and have earned the council and community's support and trust. We've demonstrated leadership.

Each time I have a new and unbelievable experience, I'm known to say, "That gets a chapter in my book". I've jotted down many of the stories. The San Antonio public safety union saga gets an entire book by the way.

In closing let me say that sometimes the most important victories are often the smaller less visible ones. Several years ago I worked on a teen curfew program following the shooting of an innocent teenage boy who was in the wrong place at the wrong time after midnight. Many people criticized our city proposed curfew program stating the program would racially profile certain ethnic groups and that parents would not be reachable to pick up their children late at night at the detention centers.

But as I spoke privately with the grieving mother of the boy who was shot and killed, she told me she would have gladly welcomed a phone call or knock on her door from a police officer telling her her son violated curfew than the call she received that her son was shot and killed. At that moment I knew that we were doing what was right. We stayed the course and that curfew program remains in effect today.

And that's what we do in local government-keep people safe, improve the quality of life and provide opportunities for prosperity for all of our residents. I hope you have a chance to be so lucky.

Thank you.