

# Fresno council eliminates future bonuses for top city officials

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In the week since news broke that Fresno Mayor Ashley Swearengin and her administration had given \$300,000 in bonuses and deferred compensation packages to top lieutenants, it seemed a foregone conclusion that an angry City Council would beef up disclosure rules about the practice.

Indeed, the council took that step, voting unanimously Thursday to add teeth to the city's 5-year-old Transparency Act. But the council also took one giant step further, banning all bonus pay to top Fresno officials, who account for about 1 percent of all city employees.

"I am extremely disappointed with this whole process," said visibly unhappy Council Member Paul Caprioglio, who made the push for the outright ban. "To me, 'government' and 'bonuses' should never be in the same sentence."

In comments from the dais, council members gave varying reasons for supporting the ban. Like Caprioglio, for instance, Council Member Lee Brand is another who thinks bonuses are best kept to the private sector. Council Member Steve Brandau looked at it differently. He has no problem with bonuses if earned, but said the public trust needed to be restored after Swearengin's practice caught the council, rank-and-file employees and the public by surprise.

The vote was 6-1. Council President Oliver Baines cast the lone "no" vote.

Baines pointed out that several top administration officials had worked multiple jobs in recent years to save money or fill a position left vacant. It would be a mistake, he said, to "take away the ability to reward extraordinary behavior" in such cases.

But the rest of the council quickly added their voices of support to Caprioglio's motion, which added unexpected drama to what by this point was already a slam dunk – a tougher city Transparency Act. More than any other council member, Caprioglio seemed the most upset about the bonuses and deferred compensation, which is income paid at a later date, such as a pension. All seven council members said they had no idea about the awards, which were given over the past three years, and Swearengin apologized for not giving the council the information and posting it on the city's website as the act required, saying she "dropped the ball."

Swearengin reached out personally to each council member, but Caprioglio has refused to take her calls. The two still haven't spoken since the news broke.

For her part, Swearengin said she was ready to move on from the controversy.

"This was really a debate for future mayors, councils and city attorneys, because it won't affect the 14 months that we have left here," she said in an interview. "At this point, we have so many exciting things happening in Fresno. We have big items that are literally six to seven years of work coming to fruition over the next few months. ... I think everyone's ready to focus on those substantive items."

In her conversations with council members, Swearengin said, none had an issue with the pay levels of top employees. It was only about failing to tell the council or publicly disclose the information.

That shouldn't happen again, Baines said, under the updated Transparency in City Government Act, which passed 7-0. Among the changes:

- A report detailing employee compensation will be made publicly available the day it is released to the council, or no later than June 1 of each year. The city typically approves a budget by June 30 of each year. This report, which would detail any bonuses or deferred compensation, must be approved by the City Council as a condition of passing the annual budget.

Baines and Brand both credited Council Member Esmeralda Soria with the idea of tying the report to passage of the budget.

- Any bonus or deferred compensation in excess of 5 percent of an employee's annual base pay must be specifically approved by the council.
- Total annual compensation for an employee cannot exceed the upper salary range that is approved for each position annually. For instance, for the 2015-16 fiscal year the city manager, who is currently Bruce Rudd, has a monthly salary range between \$14,475 and \$20,275.

Still, both Swearingin and Rudd said they are ready to move on.

Swearingin has just one more budget before she leaves office, and Rudd said he has no plans to hand out any pay raises to top officials.

"I'll let the next mayor deal with his or her city manager," he said.

Still, it could be tough waters in dealing with the city's rank-and-file employees. The council's votes do not affect compensation paid to most city workers, who are under contracts negotiated with labor unions.

The largest bonuses, totaling almost \$56,000, went to Rudd over 2014 and 2015. Assistant City Manager Renena Smith received \$30,000 – \$10,000 annually in 2014, 2015 and 2016. Police Chief Jerry Dyer received \$20,000 in 2015. Smith, Rudd and Dyer also received deferred compensation. Combined, Rudd's money totaled more than \$100,000.

James Scoggins, vice president of the Fresno City Firefighters union, told the council Thursday that while bonuses and deferred compensation packages were being handed out to the top employees, his members were giving salary and benefit concessions. And when they balked at additional concessions in their most recent contract, concessions were imposed on firefighters, he said.

Dee Barnes, president of the Fresno City Employees Association, told council members a similar story, a tale of concessions, furloughs and now paying for part of their health insurance coverage.

"For a true partnership, there has to be trust and transparency," she said.

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