



***Last week, City Manager Sheryl Sculley sent a letter to the Editor of the San Antonio Express-News about the police and fire labor union contract situation. Her letter was published in the newspaper on August 29. The text of the letter has been provided below for your convenience.***

August 26, 2014

Mr. Bruce Davidson, Editorial Page Editor  
San Antonio Express-News  
301 Avenue E  
San Antonio, Texas 78205

Dear Mr. Davidson:

As we approach the September 18<sup>th</sup> adoption of the City of San Antonio FY 2015 Budget, please allow me the opportunity to summarize the police and fire labor union contract situation in clear terms.

The City of San Antonio has tremendous respect and appreciation for our firefighters and police officers, and it is reflected in the fact that they are among the best compensated in the state. When you combine their base salaries with special pay, our public safety salaries are second only to Austin in the state of Texas. In the past eight years, the City has added 473 police officers and firefighters while cutting 1,200 civilian positions as part of our effort to focus on core services and manage our budget.

San Antonio police officers and firefighters also have a rich benefits package that includes no monthly healthcare premiums for themselves or their families; a taxpayer-funded legal fund that they can use to pay for divorces, child custody disputes, DUI defenses and other personal legal expenses; employer contributions to their pensions equal to 24.6 percent of their salaries; employer contributions to a post-retirement healthcare fund equal to 9.4 percent of their salaries; and unlimited tuition reimbursement, regardless of whether the education they receive applies to their jobs or even whether they graduate from the program.

When you combine above-average pay with rich benefits, the result is a City of San Antonio workforce where more than 400 of the 500 highest-compensated employees are uniformed public safety personnel, less than half of whom live in the City of San Antonio.

This imbalance is crowding out other priority services that the City is expected to provide. If we are to build, maintain and operate the streets, sidewalks, parks, libraries, senior centers and other services that taxpayers want, we must get public safety expenses under control. Public safety currently consumes 66.5 percent of the General Fund budget; all other General Fund programs and services share the remaining 33.5 percent. According to the recent 2014 community-wide survey of over 1,000 City of San Antonio residents across all 10 City Council Districts, 70 percent support public safety personnel contributing to healthcare benefits like other City employees.

## 2014 Retiree Matters - Special Edition



CITY OF SAN ANTONIO  
HUMAN RESOURCES DEPARTMENT

A task force of business and community leaders – including union and public safety pension fund representatives – met for more than five months to study the issue. They made a series of recommendations that the City is now pursuing, beginning with reining in healthcare costs for firefighters and police officers, the fastest-growing portion of the public safety budget.

It is important to understand that we are not talking about on-the-job healthcare coverage; firefighters and police officers have dangerous jobs, and the injuries suffered in the line of duty are covered 100 percent by the City. We are asking police officers and firefighters to share the costs of their everyday healthcare coverage, like the kind of policy you carry for yourself and your family.

In the FY 2015 City budget which begins October 1, I have recommended that the City Council exercise its authority, which is expressly permitted in the labor union agreements, to make changes to public safety healthcare benefits as part of the annual budget process. Healthcare benefits are included in the police and fire Collective Bargaining Agreements and have historically been negotiated between the labor unions and the City.

Unfortunately, neither union has agreed to bargain prior to adoption of the FY 2015 Budget, in part because the current agreements have a 10-year evergreen clause – meaning the contracts continue for 10 years after they expire – which the City believes is unconstitutional and bad public policy. No other City in Texas has a 10-year perpetual contract.

The FY 2015 Proposed Budget, which must be adopted in September, includes no layoffs of uniform or civilian employees and meets the unions halfway, by splitting the difference in what the City currently spends on uniformed healthcare and civilian healthcare. If approved by the Council, the City would budget \$10,000 per uniformed employee for healthcare, and police officers and firefighters would be required to contribute to the cost of their own healthcare, just as most people do.

The police and fire labor union agreements expire September 30<sup>th</sup>, and we are certain that this issue could be settled within two weeks if the labor unions would come to the bargaining table. While we prefer that they help craft the solution and agree to any changes to their healthcare plans, the City Council is prepared to adopt a budget with the proposed healthcare benefit changes if the unions refuse to negotiate.

San Antonio is not unique in dealing with rising costs of public safety. Cities across the country are grappling with the issues of escalating healthcare and public safety expenses.

San Antonio taxpayers can no longer afford to offer our public safety personnel a benefits package that is out of line with what other Texas cities and San Antonio private employers provide their employees. The labor union agreements have been in place for 25 years and the current benefits are simply not affordable or sustainable for San Antonio taxpayers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sheryl Sculley'.

Sheryl Sculley  
City Manager

---

---