

**State of Texas  
County of Bexar  
City of San Antonio**



**FINAL**

**Meeting Minutes  
City Council B Session**

City Hall Complex  
114 W. Commerce  
San Antonio, Texas 78205

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**Wednesday, March 19, 2014**

**2:00 PM**

**Municipal Plaza Building**

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The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building at 2:00 pm with the following Councilmembers present: Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, Gallagher, and Mayor Castro.

**1. Presentations related to the recommendations of the Healthcare and Retirement Benefits Task Force appointed by the Mayor and Council:**

A. Presentation by Healthcare & Retirement Task Force members regarding their recommendations [Sam Dawson, Community Business Leader with Pension Expertise; Buddy Morris, Community Business Leader with Healthcare Expertise; Celina Burns, Community Business Leader; Rosemary Calvillo, Community Business Leader with Healthcare Expertise; Ed White, Community Business Leader; Rebecca Waldman, City of San Antonio Civilian Retiree Representative]

B. Presentation on Police and Fire Uniform Total Compensation Survey [Michael Nadol, Public Financial Management Group; María Villagómez, Budget Director]

Mayor Castro indicated that previously the Legacy Cost Task Force (LCTF) presented issues for consideration during Contract Negotiations with the Police and Fire Unions. He stated that the City Manager, Majority Members of the LCTF, and Representatives of the

Police and Fire Unions were invited to present their reports to the full City Council and noted that the latter declined said offer. He stated that both reports would be considered during the Contract Negotiation Process.

Sam Dawson stated that the LCTF was charged with addressing the claim made by the Office of the City Manager (OCM) that Public Safety Costs would exceed the General Fund Budget by the year 2031. He stated that on February 19, 2014, the LCTF presented their findings to the Mayor and City Council. He ADDED that four members of the LCTF presented a "Minority Report" which the remaining members of the LCTF were unaware of. He reported that the LCTF included representatives from the: 1) Business Community; 2) City of San Antonio (COSA) Civilian Employees; 3) COSA Retired Civilian Employees; 4) Active Employees of the San Antonio Fire Department (SAFD) and the San Antonio Police Department (SAPD); and 5) Retired Employees of the SAFD and SAPD. He reported that following the Public Request for Proposals (RFP) Process for selection of a Consultant, all applicants were interviewed by the Committee Members and Bartel Associates, LLC (Bartel) was selected by a unanimous vote. He indicated that 86 questions were submitted to: 1) Bartel; 2) McQueary, Henry, Bowles, and Troy, Inc. (MHBT); and 3) the Office of Management and Budget (OMB). He stated that the LCTF selected the Peer Cities of Houston, Dallas, Fort Worth, Austin, Corpus Christi, and El Paso to serve as Benchmarks. He stated that the Financial Data utilized in the report was based 100% on audited Public Financial Data which was the same provided to Credit Rating Agencies and the Internal Revenue Service (IRS).

Mr. Dawson reported that the original Collective Bargaining Agreements (CBA) with San Antonio Police Officers and Firefighters were created in 1975 and 1976, respectively. He noted that their budgets comprised 36% of the General Fund Budget at that time. He stated that currently, the Police and Fire CBA/Budgets comprise 66.5% of the General Fund Budget and the percentage was increasing. He indicated that since 2003, Public Safety Costs have increased at a rate of 75% and the General Fund Budget increased at a rate of 63%. He stated that the LCTF forecasted that the Public Safety Budget would comprise 100% of the General Fund Budget at some point in the future if no action is taken. He mentioned that the number of existing Police and Fire Personnel was commensurate with the City's Growth Rate and their Wages, Salary, and Special Pay were comparable with those of Peer Cities. He noted that the number of City Civilian Positions had declined with 1,200 Civilian Positions eliminated and 477 Uniformed Positions added since 2006. He stated that Personnel Costs comprised 85% of the Public Safety Budget and were two and a half times greater than Civilian Personnel Costs. He reported that the Premiums, Deductibles and Out-of-Pocket Costs were the same for both Civilian and Uniformed Personnel in the Cities of Austin, Dallas, Fort Worth, and Houston. He noted the Dependent Ratios for Uniformed Personnel as 2.3 dependents per employee and for Civilian Employees as 1.2 dependents per employee. He added that since 2007, Pension Tiers were

added by all Peer Cities to reduce costs. He reported that Pension and Pre-Funded Healthcare Contributions were based on total Wages, Salaries, and Specialty Pay and noted that COSA was the only city in Texas to Pre-Fund Uniform Personnel Healthcare Costs. He indicated that the City spent \$100 million per year for 4,000 Uniformed Personnel and \$5.6 Million per year for 7,000 Civilian Employees in Retirement Costs.

Buddy Morris reported the general findings of the LCTF:

1. Employee benefits were for Non-Occupational Claims (Workman's Comprehensive Insurance, Disability, Life Insurance, Survivor Benefits, etc.).
2. COSA Public Safety Costs have exceeded the General Fund Budget for the last 15 years and exceeded the Compounded Annual Growth Rate by 4.1 % to 9.2% for the last 10 years.
3. Uniformed Personnel Healthcare Costs rose by 141% and Civilian Employee Healthcare Costs rose by 39% over the past 10 years.

He stated that this was due to the fact that Uniformed Personnel Healthcare Contributions and Benefits were not negotiated Annually and Civilian Employee Healthcare Contributions and Benefits were adjusted, sometimes annually, to minimize costs. He indicated that Total Annual Healthcare Costs for Uniformed Personnel were significant and excessive when compared with those for:

- Austin (\$11,000)
- Dallas (\$4,000)
- Fort Worth (\$11,000)
- Houston (\$12,000)

He stated the Total Annual Costs assumed by the insured (Annual Deductible and Maximum Out-of-Pocket Costs) for Uniformed Personnel was \$800 compared to those for:

Civilian Employees (\$3,500)

Private Sector (\$3,250)

Major Texas Cities (Austin, Dallas, Fort Worth, Houston) (\$11,000)

He reported that Uniformed Personnel and Civilian Employees in all Major Texas Cities shared the same Benefits. He stated that Monthly Employee Contributions were noted as:

- Average COSA Civilian Employee (\$63)
- Average COSA Civilian Employee and Family (\$273)
- Private Sector Employee (\$50)

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- Private Sector Employee and Family (\$565)
  - Peer Cities Uniformed Personnel (\$49)
  - Peer Cities Uniformed Personnel and Family (\$478)
  - COSA Uniformed Personnel (\$0)
  - COSA Uniformed Personnel and Family (\$0)

He stated that the lack of monthly contributions by Uniformed Personnel and their dependents resulted in a higher number of Claims and lacked incentives for those who made good Healthcare Decisions. He noted that the LCTF recommended that Dependent Audits be performed to verify Dependent Eligibility. He mentioned that the Dependent Ratio for Uniformed Personnel was twice that of Local, State, and National Dependent Ratios. He added that Healthcare Benefits for Civilian Employees included Comprehensive Wellness Programs which were not included in Healthcare Benefits for Uniformed Personnel and have been shown to be effective in reducing overall Claim Trends. He stated that Celina Burns, President of Davis Vision had provided a statement in which she noted the disparity of contributions made by Civilian Employees and Uniformed Personnel. Ms. Burns' statement indicated that Healthcare Benefits for Uniformed Personnel exceeded the standard seen in the Marketplace and were not sustainable.

Rosemary Calvillo stated that the Holt Cat Company contributed 67% of their Employee's Healthcare Benefits. She noted that Holt Cat performed Dependent Audits and offered Wellness Initiatives such as Health Risk Assessments, Preventive Care, Disease Management, and Tobacco Cessation Programs to its employees.

Rebecca Waldman stated that Healthcare Benefits for Civilian and Retired Civilian Employees have diminished while those for Uniformed Personnel have remained the same. She mentioned that because Collective Bargaining Agreements for Uniformed Personnel covered multiple years; they were difficult to adjust to reflect the City's Fiscal Position. She stated that Civilian and Retired Civilian Employees have had to bear the increased Healthcare Benefit Costs for Uniformed Personnel.

María Villagómez indicated that a survey of the Total Compensation for Uniformed Personnel was performed by the Public Financial Management (PFM) Group.

Michael Nadol stated that the PFM Group was charged with comparing Total Cash Compensation for Uniformed Personnel of the SAPD and SAFD with those of other large Texas Cities. He reported that in addition to base pay, COSA Police Officers and Firefighters received Longevity and numerous other Cash Premiums which added over \$20,000 and \$23,000 per year to a Police Officer's and Firefighter's Base Salary, respectively. He indicated that the PFM Group compared the most prevalent Premium Pays received by Uniformed Personnel in the Large Texas Cities with those received by SAPD

and SAFD Uniformed Personnel: 1) Austin; 2) Corpus Christi; 3) Dallas; 4) El Paso; 5) Fort Worth; and 6) Houston.

Mr. Nadol noted that San Antonio was one of three cities to offer both Certification and Education Pay Premiums and that San Antonio offered the highest Premiums for Clothing Allowance, Shift Differential, and Education Pay. He reported that SAPD Officers ranked near the top of the Comparison Cities for Cash Compensation and were more competitive when adjusting for Regional Labor Market Differences. He reviewed the average Police Officer Pay and that of all ranks within the Bargaining Unit for Fiscal Year 2013. He also reviewed the Median Home Values and the Median Monthly Owner Costs for said cities and noted that San Antonio was the most affordable of all "Large Texas Cities" in which to live. He outlined the Total Compensation for various Police Officer and Firefighter Positions with 20 years of service. He indicated that the City of San Antonio: 1) Required no Uniformed Personnel Contributions toward Healthcare Premiums for Dependent Coverage, such that the City's Contribution is the highest of all major Texas Cities; 2) Contributed one of the highest amounts to Police and Firefighter Pensions; and 3) Was the only jurisdiction that pre-funded Retiree Healthcare.

Mr. Nadol reported that SAFD Firefighters were eligible to receive Longevity Pay and 15 additional Premiums depending on assignment, certification, and education. He indicated that San Antonio: 1) Provided the highest Longevity Pay Structure for Firefighters (maximum of 18% of Base Pay at 30 years of service); 2) Was the only city offering a Pay Premium for Basic Certification (\$780 annually) to 80.1% of Rank-and-File Firefighters and 99.8% received some type of Certification Pay (maximum of \$2,100 for the Masters Level); and 3) Was one of two cities to offer Emergency Medical Technician (EMT) Pay (\$90-\$2,100 annually) to Firefighters who were not assigned to work in Emergency Medical Services (EMS), depending on the number of years of service. He reported that the City offered the most generous premiums for Paramedic Pay, and was one of two cities to offer a Uniform Allowance to Firefighters (\$720 in FY 2014 plus \$500 in Commissary). He reviewed the average Firefighter Pay for all ranks above the level of Probationary Firefighter and for those with 20 years of service for FY 2013. He stated that SAFD Firefighters ranked one of seven among the Texas cities for Total Cash Compensation at the beginning of their career and two of seven at 20 years of service, when adjusted for Regional Labor Market Differences.

Mayor Castro thanked everyone for the presentations.

Councilmember Saldaña expressed disappointment that the authors of the Minority Report were not present. He suggested that all parties take a long-term view during the negotiation process.

Councilmember Nirenberg recommended that comparability be established and that all parties begin negotiations in the best interests of Taxpayers and Public Safety.

Councilmember Gallagher expressed disappointment that the authors of the Minority Report were not present. He stated that it was their responsibility to present their findings in a Public Forum.

Councilmember Krier expressed disappointment that the authors of the Minority Report were not in attendance. He asked of the difference between the Consolidated Operating Budget and the General Fund Budget mentioned in the reports. Mrs. Sheryl Sculley stated that the Consolidated Operating Budget included Restricted Funds which could not be used for Public Safety Costs. She indicated that the best practice was to compare the General Fund Budgets with other cities as said funds were not restricted in any way. Councilmember Krier asked of the Survivor Benefits for Police Officers and Firefighters and whether or not those were in jeopardy. Mrs. Sculley replied that said Benefits would not be altered, reduced, or changed in any way. Ben Gorzell reviewed the Monthly and Lump Sum Benefits for Survivors.

Councilmember Viagran asked how the Population Growth Rate was determined. Ms. Villagómez indicated that the Population Growth Rate for the past 15 and 20 years were utilized to project the future Population Growth Rate. Councilmember Viagran asked of the findings of the Dependent Audit for Police Officers. Mrs. Sculley reported that the Dependent Audit for Civilian Employees was 100% complete with 315 Dependents identified as ineligible; the Dependent Audit of Police Officers was 95% complete with 59 Dependents identified as ineligible, and the Dependent Audit for Firefighters was 45% complete. Councilmember Viagran asked of the standard practice for performing Dependent Audits in the Private Sector. Ms. Calvillo replied that Dependent Audits were conducted annually for new employees during Open Enrollment.

Councilmember Lopez asked of the implications of the Affordable Care Act on the Collective Bargaining Process. Mrs. Sculley indicated that \$4-5 Million was budgeted and benefits were expanded to comply with the Affordable Care Act, which totaled \$7 Million. She added that the impact to next year's Budget would be identified and presented to the full City Council. Councilmember Lopez requested that the Contract address achieving lower response times and maintaining adequate Police Coverage, while ensuring the City's Fiscal Responsibility.

Councilmember Bernal stated that Benefits for Uniformed Personnel should reflect the importance of the job they perform.

Councilmember Taylor suggested that a point-by-point comparison be made between the

Minority Report and the LCTF Report by the authors of the Minority Report. She stated that Union Leaders were performing a disservice to the Rank-and-File Members of the SAPD and SAFD by not engaging in a Public Discussion of the Minority Report.

Mayor Castro requested that the LCTF address the claim made by Union Representatives that increased costs were driven by the addition of new Uniformed Personnel. Mrs. Sculley stated that 477 Uniformed Personnel were added over the last eight years to provide coverage which mirrored the Population Growth Rate. Mayor Castro asked how Civilian Wellness Programs compared with the Wellness Approach of the SAPD and SAFD. Mrs. Sculley replied that the Police and Fire Chiefs were excellent role models in terms of their own health and fitness and have promoted Wellness within their departments. She noted that Wellness Programs provided to Civilian Employees incentivized healthfulness. She indicated that SAPD and SAFD Contracts for Uniformed Personnel did not require an Annual Fitness Test. She stated that SAFD measured Basic Biometrics for their employees and if health issues were noted; they must be addressed and documented before the employee was allowed to return to duty. She noted that SAPD offered some incentives but there were no fitness requirements except for those required for entry and graduation from the SAPD Academy.

Mayor Castro asked of Uniformed Personnel Benefits compared to those for Military Personnel. Ms. Villagómez reported that Military Personnel were covered by Health Maintenance Organizations (HMOs) and COSA Uniformed Personnel were covered by Preferred Provider Organizations (PPOs), which were more flexible and did not require referrals to see a Specialist. She reviewed the Monthly Deductions (Employee and Family), Deductibles, and Out-of-Pocket Expenses for both groups. Mayor Castro asked why Total Compensation for Uniformed Personnel with 20 years of service was utilized as the standard. Mr. Nadol replied that it was selected to provide a Benchmark to facilitate comparison with other cities. Mrs. Sculley noted that those with 20 years of service would be eligible to receive a reduced Pension. She indicated that the average number of years of service for the current workforce would be provided to the Mayor and City Council.

Mayor Castro requested that the LCTF address the claim made by authors of the Minority Report that the City mismanaged Overtime Pay. Mrs. Sculley stated that Overtime Pay was not guaranteed to any individual but was included in the Annual Budget. She reported that the City budgeted \$33 Million for Overtime Pay this fiscal year; \$23 million for SAFD and \$10 million for SAPD. She stated that Overtime was utilized to meet minimum staffing requirements for Fire Equipment. She noted that Special Pay, Overtime Pay, and Leave Buy Back comprised 40% of the Total Compensation of the top 100 Highest Paid Uniformed Personnel in the City. Mayor Castro asked of the status of Benefits for Uniformed Personnel if an agreement was not reached by the deadline of September 30, 2014. Mrs. Sculley replied that the Evergreen Clause in the Contract ensured that benefits

would continue for up to 10 years. She stated that staff would submit their recommendations to the Mayor and City Council within the next 60 days. She noted that SAFD has not agreed to an initial meeting but negotiations have begun with SAPD. Mayor Castro requested that all negotiations be transparent and recommended that the Contract reflect reasonable and significant cost control in the interest of all parties and Taxpayers.

### **EXECUTIVE SESSION**

Mayor Castro recessed the meeting into executive session at 4:30 pm to discuss the following:

- A. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
  
- B. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).
  
- C. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).

### **RECONVENED**

Mayor Castro reconvened the meeting at 5:30 pm and addressed the Ceremonial Items.

### **CEREMONIALS**

Mayor Castro and the City Council offered Official Congratulations to Pastor Tom Heger in honor of his 45 years of dedicated service at Beacon Hill Presbyterian Church. It was noted that Pastor Heger retired from Active Ministry on March 2, 2014.

Mayor Castro presented a Proclamation in recognition of the 18th Annual Cesar E. Chavez March for Justice that will be held on Saturday, March 29, 2014. It was noted that Cesar E. Chavez founded the National Farm Workers Association and persevered to ensure that Farmers received benefits and that individuals would not have to live or work in undesirable conditions.

**CITIZENS TO BE HEARD**

Mayor Castro called upon the citizens registered to speak:

Margaret Day, Gay Wright, Brett Challenger representing the Alamo Sierra Club addressed the City Council. Ms. Day stated that an open letter was circulating throughout the community and various organizations supporting a ban on Plastic Bags and urging the use of Reusable Shopping Bags. Mr. Challenger spoke in favor of implementing a ban on single use bags and spoke of their negative impact on the environment. He stated that reusable bags were more resourceful and economically sound. Ms. Wright also spoke in support of a ban on Single Use Bags and noted their negative impact on the environment.

Wayne Hensley spoke of Haven for Hope and referenced a meeting he had with Councilmember Gonzales. He stated that Haven for Hope was built Downtown to accommodate the Homeless and those in need. He noted that Heaven for Hope needed additional funding for Security Officers to help curb illegal drug use.

Pastor Dale Tremper spoke in favor of a ban on Plastic Bags and noted their negative impact on the environment.

Sarah Mills also spoke in favor of a ban on Plastic Bags and stated that reusable bags were more resourceful.

Nazirite Ruben Flores Perez requested that Citizens to Be Heard be moved back to Thursday and stated that Employees should receive a percentage raise.

Mayor Castro excused himself from the meeting at this time; and Councilmember Bernal presided.

Fidel Castillo spoke against the use Psychotropic Drugs on Juveniles and referenced House Bill 915.

Rozina Kanchwala spoke in favor of a ban on Single Use Bags. She provided various environmental scenarios regarding plastic and reusable shopping bags.

Michael Furlow expressed concern that teen pregnancy has skyrocketed.

Theresa Berlanga stated that the United Farm Workers needed compassion. She suspected that the deregulation of the oil industry was politically motivated and contributed to the current state of Russia and the Ukraine.

Andrew Dobbs spoke in favor of a ban on single use plastic bags. He stated that 5,000 letters

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and 200 phone calls had been submitted to the City Council regarding the ban of single use plastic bags.

**ADJOURNMENT**

Councilmember Bernal announced that no action was taken in Executive Session. There being no further discussion, Councilmember Bernal adjourned the meeting at 6:42 pm.

APPROVED



JULIÁN CASTRO  
MAYOR

ATTEST:



LETICIA M. VACEK, TRMC/MMC  
CITY CLERK