

# Dealing with Organizational Legacy Costs

*Presented by  
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City of San Antonio, Texas*



# CITY OF SAN ANTONIO

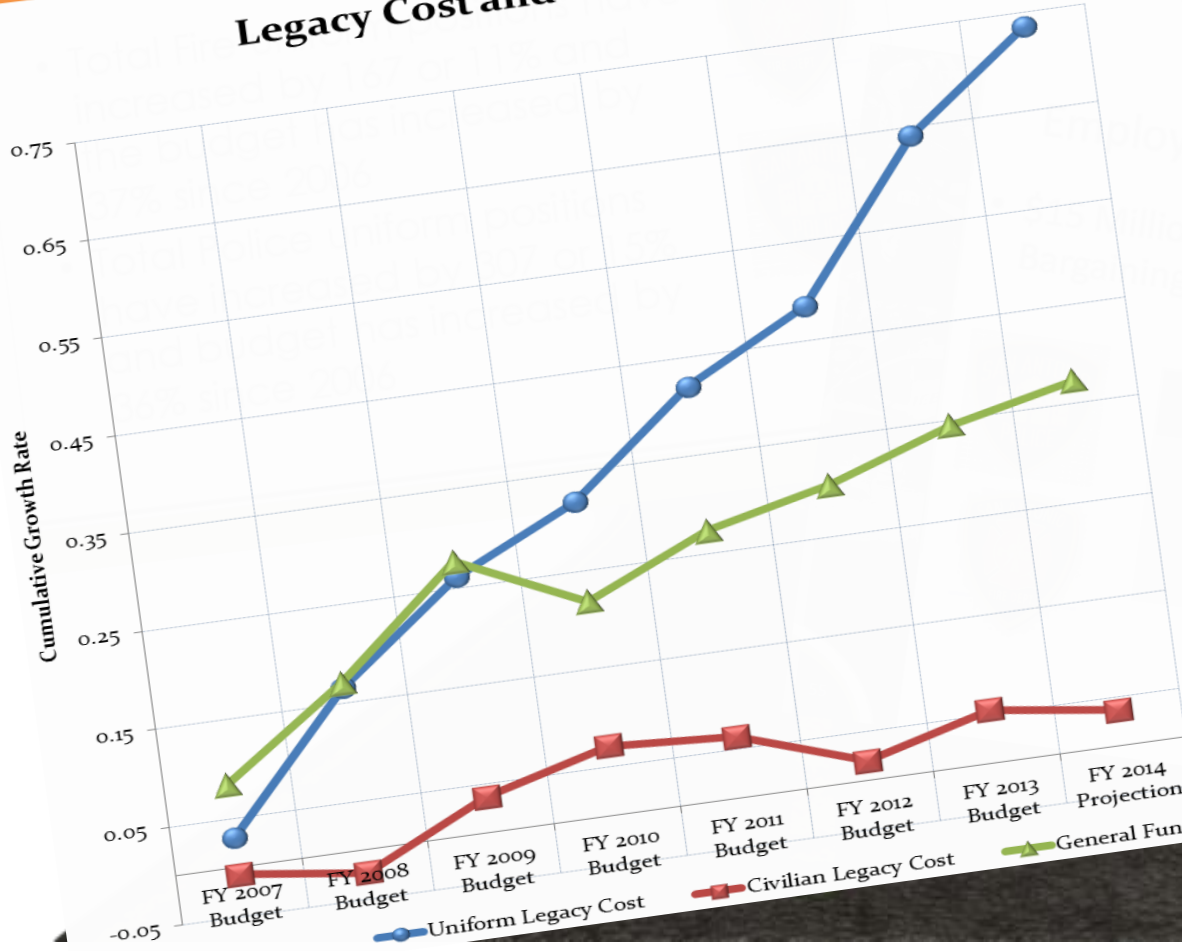
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- **467 Square Miles**
- **1.4 Million Population**
- **\$2.4 Billion City Budget**
- **11,700 Employees**
- **“AAA” G.O. Bond Rating**
  - **Moody’s, S&P and Fitch**

# 474 Uniform Positions Added since 2007

## Legacy Cost and General Fund Cumulative Growth



Uniform legacy costs have increased 64% since FY 2006

General Fund appropriations have increased 35% since FY 2006

Civilian legacy costs have increased 5% since FY 2006

### Summary

Effective

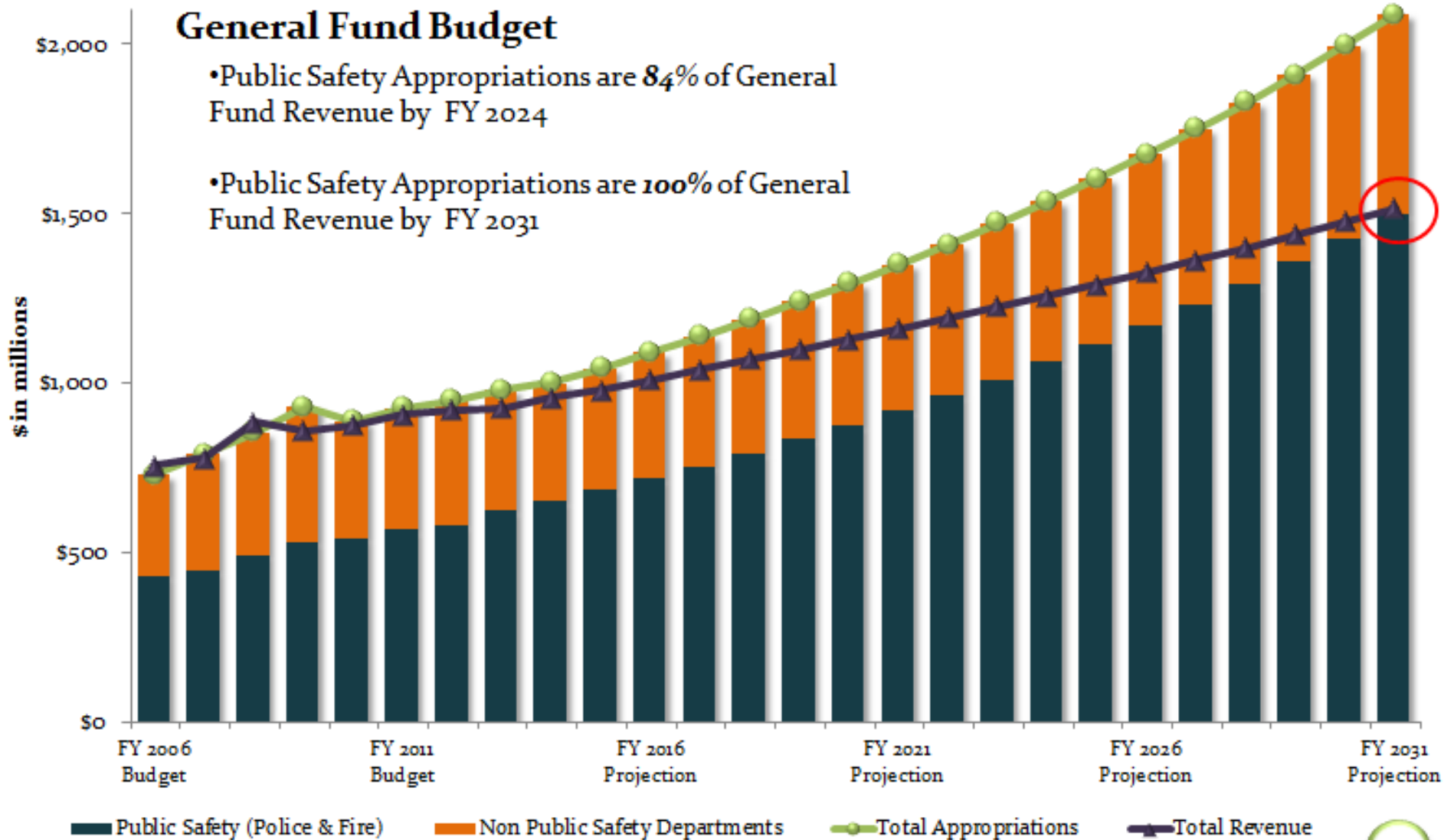
2014

# GENERAL FUND PROJECTION

## General Fund Budget

- Public Safety Appropriations are **84%** of General Fund Revenue by FY 2024

- Public Safety Appropriations are **100%** of General Fund Revenue by FY 2031





## **Warning Signs for City Health Costs**

“Employees will need to contribute more towards health insurance...it’s not pretty, but neither would be bankruptcy”

## **Unions Need to Return to Negotiations**

“San Antonio’s quality of life should not be crowded out of the budget so public safety workers, and their families, can have gold-plated health care benefits.”

**“San Antonio sides with City on Contract Negotiations”**

# HOW DID WE GET THERE?

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1

Establish credibility

2

Provide context

3

Tell the story

# ESTABLISH CREDIBILITY

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## 13-MEMBER TASK FORCE



*Recommendations*



Align uniform healthcare benefits with civilians and other peer cities



Uniform employees should begin contributing a monthly premium



# ESTABLISH CREDIBILITY

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## DO YOUR HOMEWORK

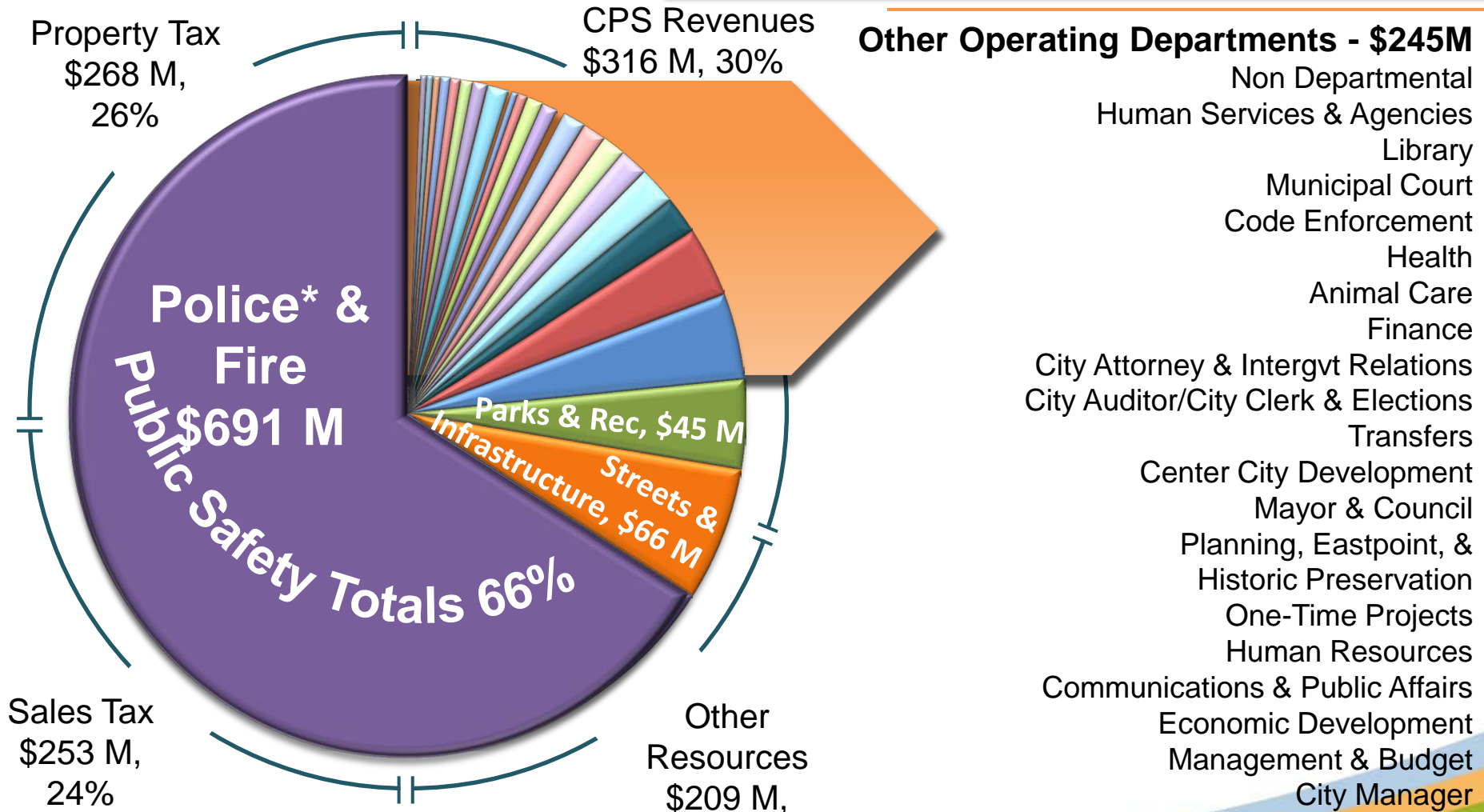
- Strong analysis
- Focus on the facts



## INDEPENDENT CONSULTANTS

# PROVIDE CONTEXT

**GENERAL FUND BUDGET \$1.05 Billion**



\* Police Budget includes Parks Police 20%

# PROVIDE CONTEXT

## COMPARISON TO PEER CITIES



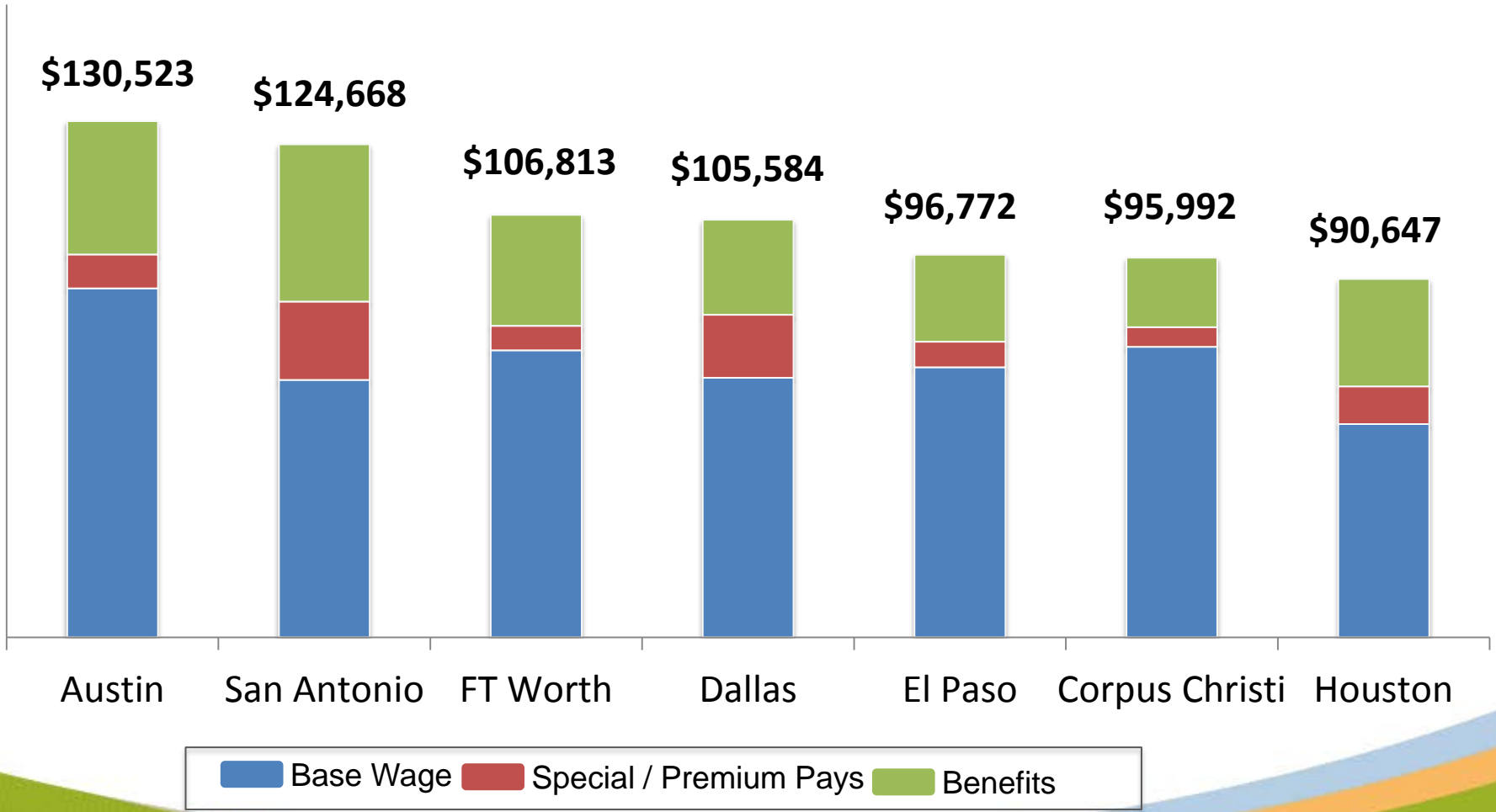
“San Antonio is the only major city in Texas where uniform employees pay no health-care premiums for dependents and families...”

*San Antonio Express News*

# POLICE OFFICER (RANK & FILE)

## COMPENSATION WITH 20 YEARS OF SERVICE

(AS OF SEPT. 30, 2013)

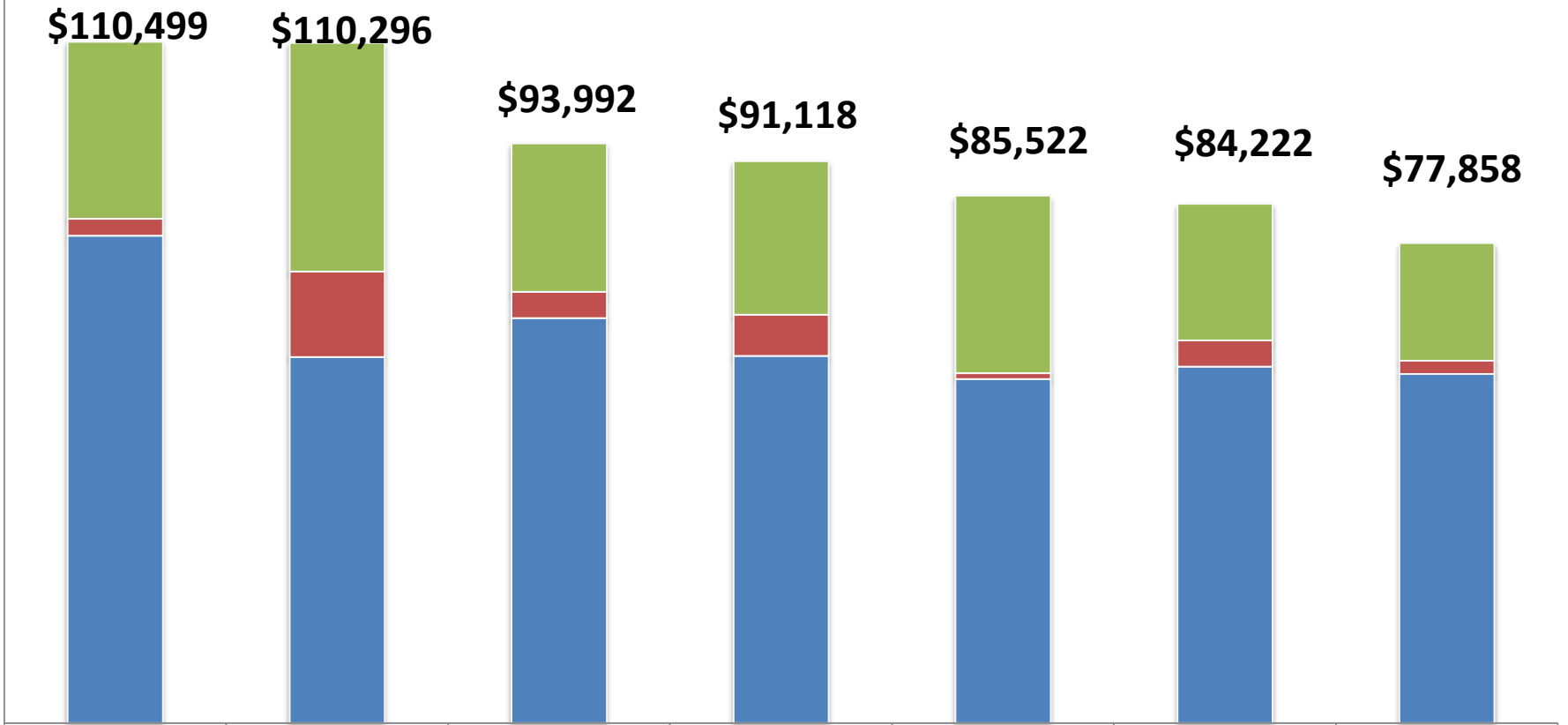


■ Base Wage ■ Special / Premium Pays ■ Benefits

# FIRE FIGHTER (RANK & FILE)

## COMPENSATION WITH 20 YEARS OF SERVICE

(AS OF SEPT. 30, 2013)

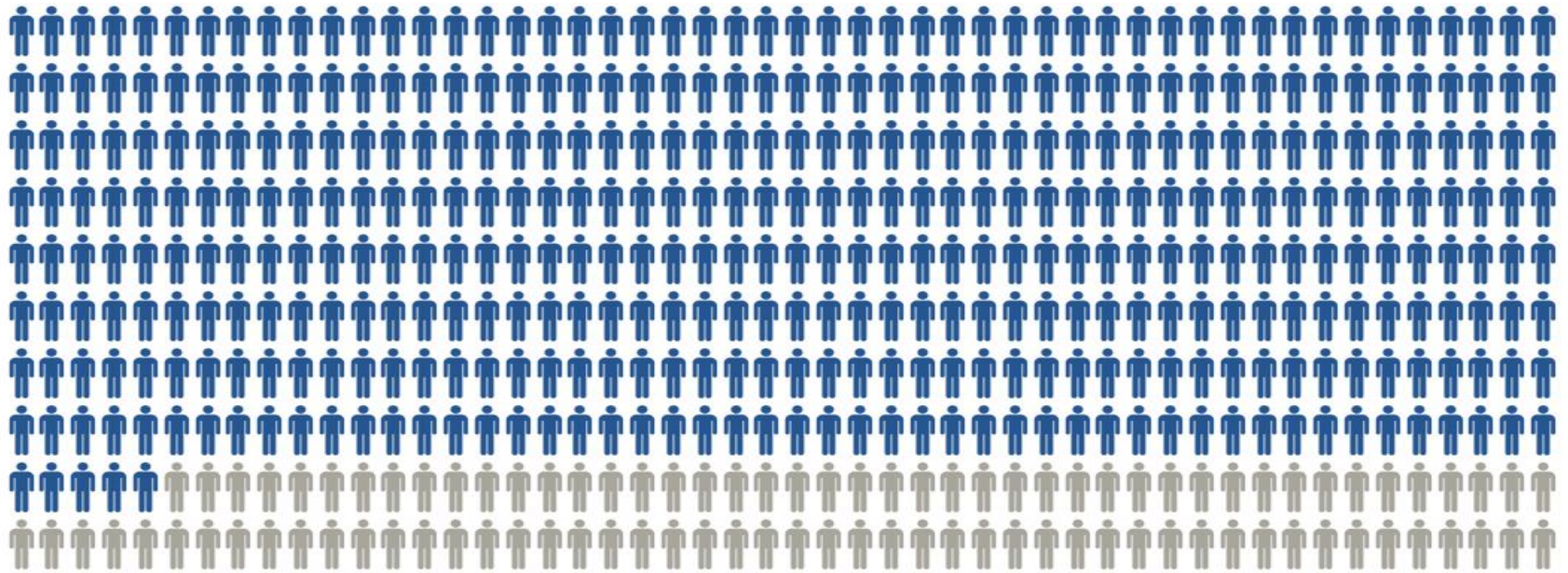


Austin San Antonio Fort Worth Dallas Houston El Paso Corpus Christi

■ Base Wage   
 ■ Special / Premium Pays   
 ■ Benefits

# PROVIDE CONTEXT

MORE THAN 400 OF SAN ANTONIO'S  
500 HIGHEST-PAID CITY EMPLOYEES ARE  
UNIFORM EMPLOYEES



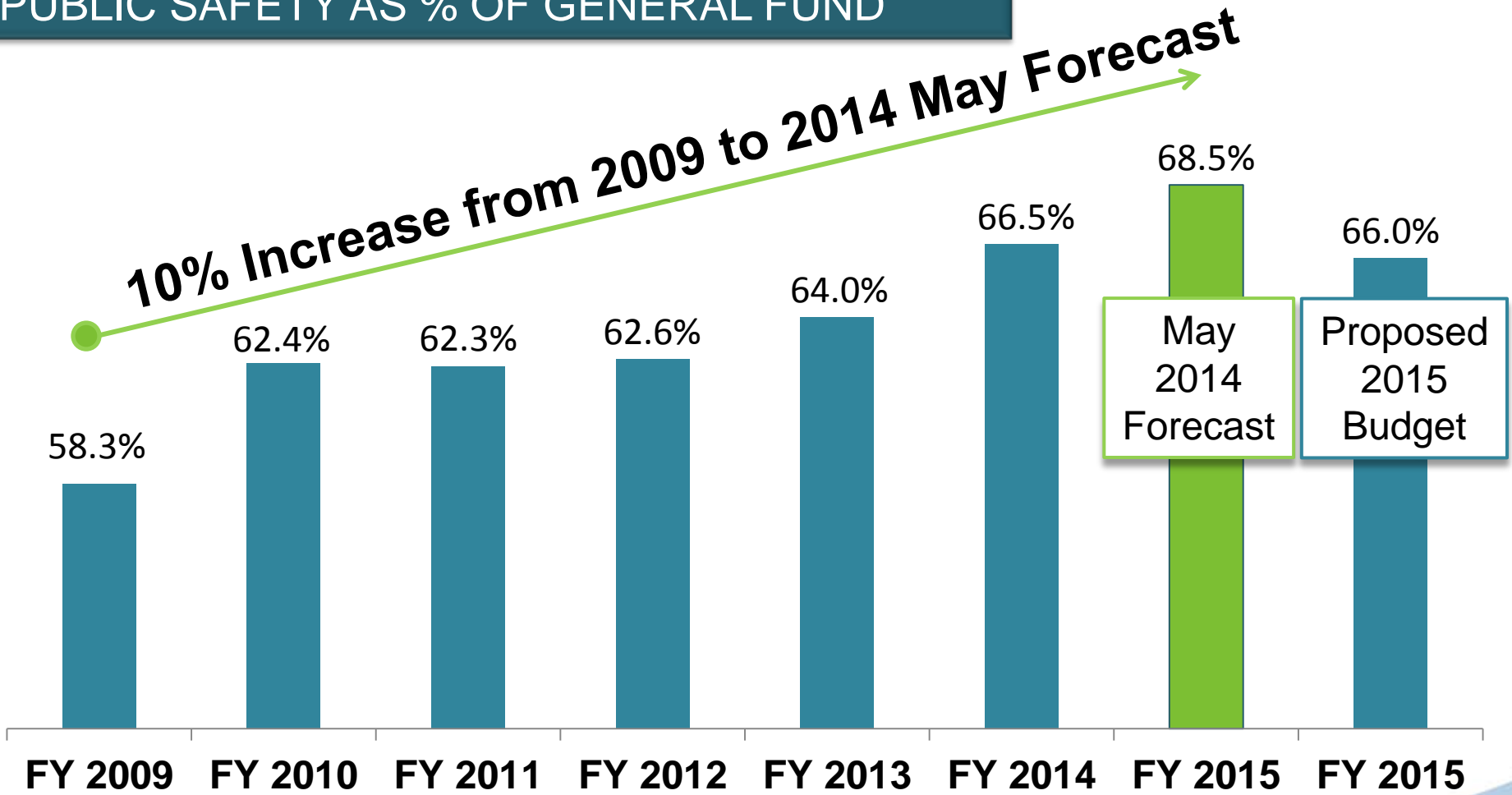
 Police and Fire

 Civilian



# TELL THE STORY

## PUBLIC SAFETY AS % OF GENERAL FUND



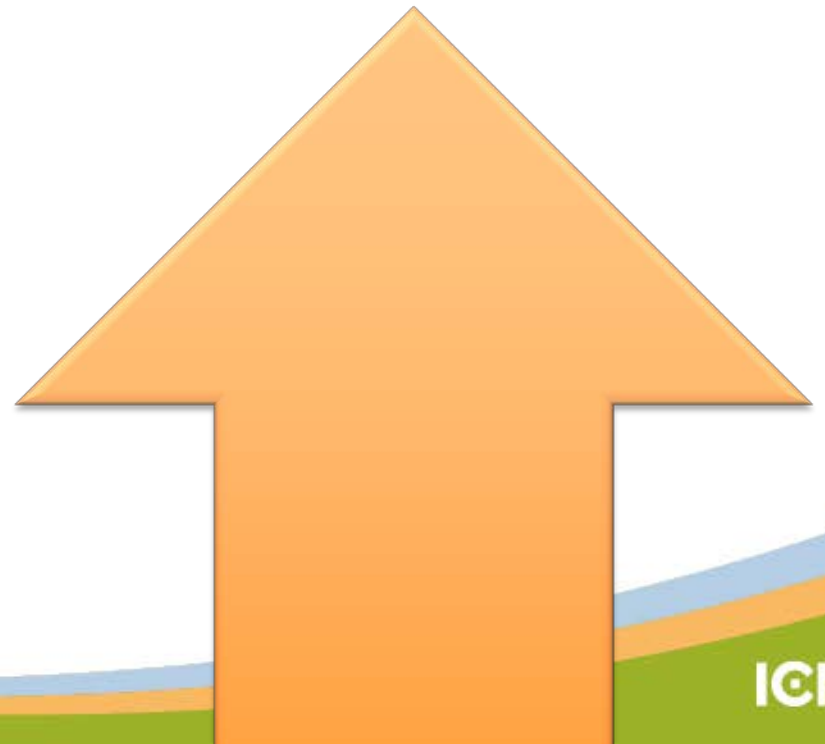
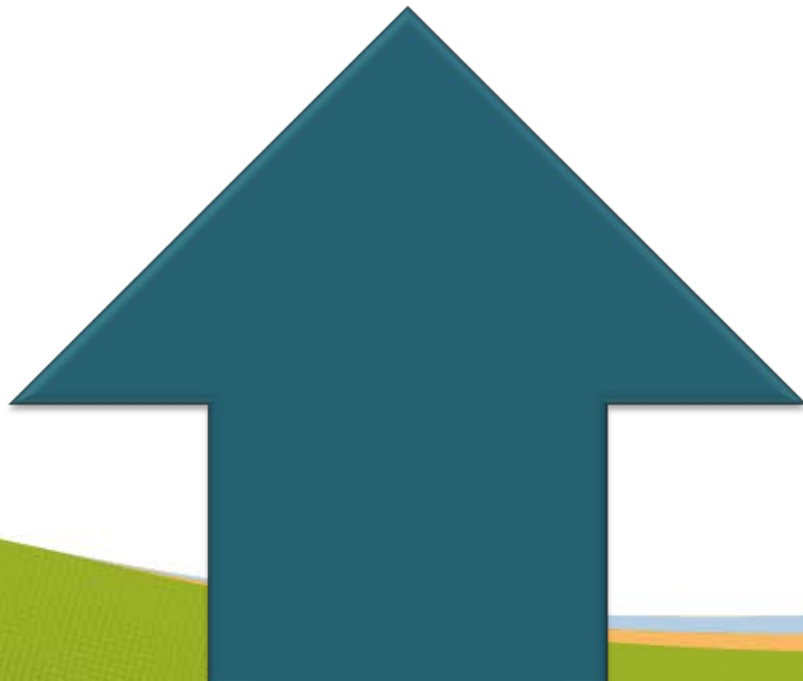
# TELL THE STORY

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## PUBLIC SAFETY GROWTH COMPARED TO REVENUES (PAST 10 YEARS)

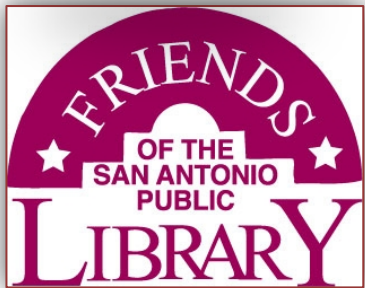
**4.1% General Fund Revenue**  
Compound Annual Growth Rate

**5.6% Public Safety** Compound  
Annual Growth Rate



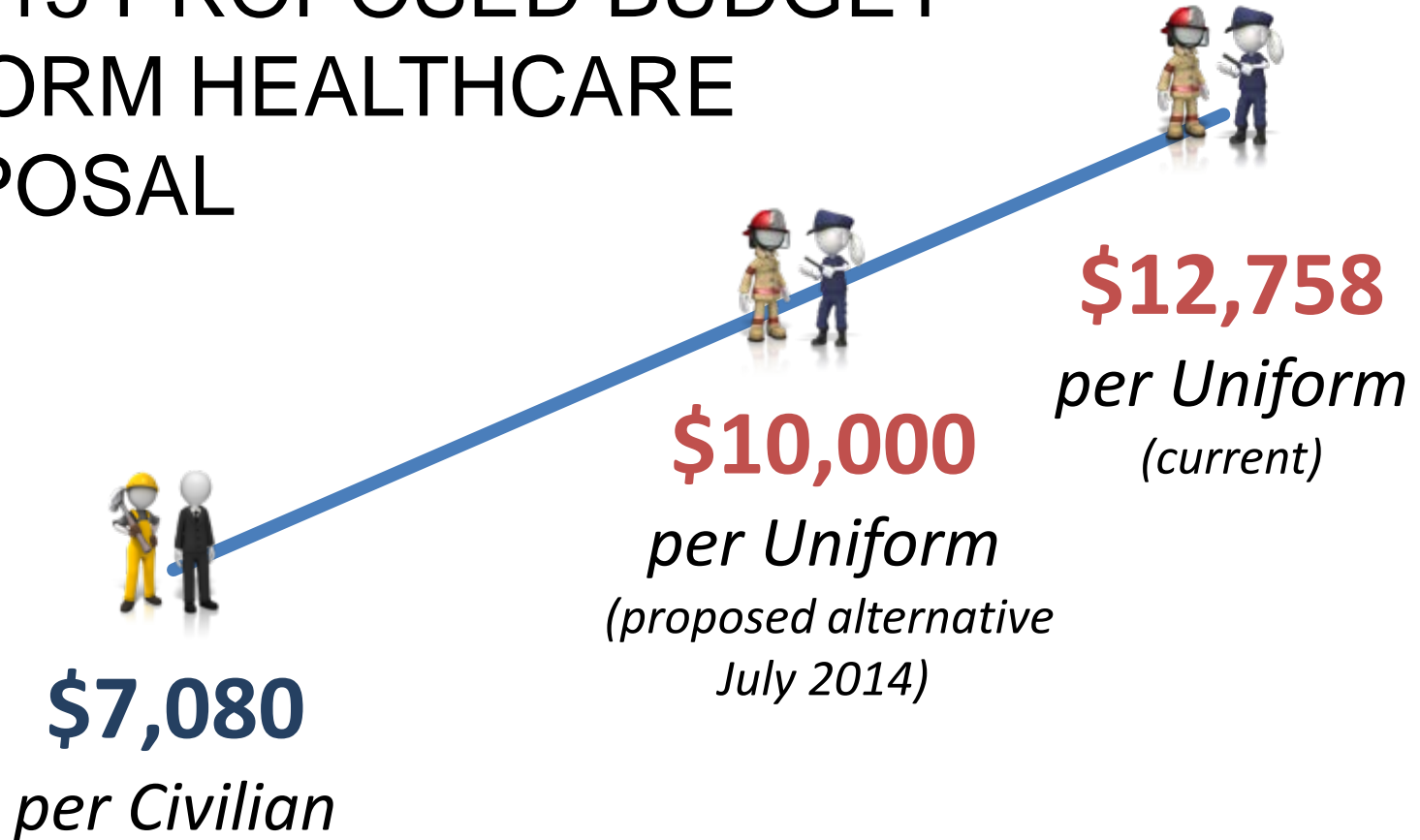


# TELL THE STORY



# RESULTS

## FY 2015 PROPOSED BUDGET UNIFORM HEALTHCARE PROPOSAL



# RESULTS

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**“70 percent of respondents said they support having public safety personnel contribute to the cost of healthcare, such as by paying monthly premiums, as other City employees do”**

*- 2014 City of San Antonio Community Survey*

**“The community values public safety workers. They put their lives at risk for our safety. But their health benefits are excessively rich and out of line with the tax base they serve”**

*- Express News Editorial Board August 14, 2014*



ICMA  
**100**<sup>th</sup>

ANNUAL CONFERENCE

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**Charlotte**  
Mecklenburg County

SEPTEMBER • 14-17 • 2014

