

Warning signs for city health costs

SAN ANTONIO — The city of San Antonio's retiree health care program isn't in a crisis, but it will be if left unaddressed.

That's the quick takeaway from a recent study of health care benefits for city retirees.

As Express-News business columnist David

Hendricks recently reported, the city has an estimated \$1.47 billion health care liability. Of that, about \$991 million was unfunded.

The bad news comes courtesy of a recent study by New York-based ElderBranch LLC. A second ElderBranch study focusing solely on fiscal 2012 found the city managed to pay only about 40 percent of its required contribution for the year.

It could be worse. ElderBranch found San Antonio ranked in the median position for unfunded health care liabilities.

Clearly, though, something has to give. City Manager Sheryl Sculley has, rightfully, said reducing health care costs for police and firefighters is a priority.

Public safety costs already take up two-thirds of the city's general fund. Left unchecked, they would consume all of the General Fund by 2031.

Mayor Julián Castro's decision this summer to form a task force to address these costs is a good first step. But the tough work remains, and it will undoubtedly take some tough concessions from unions, particularly those representing fire and police. Police and firefighter contracts expire in 2014, so the timing is right for progress.

Employees will need to contribute more toward health insurance, and likely will also need to take

reduction benefits. It's not pretty, but neither would be bankruptcy.

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