

## Debt debated by city, unions

A website administered by state Comptroller Susan Combs, “Tell the Truth Texas,” falls short of its charge, particularly when it comes to San Antonio, according to city officials.

The site, which aims to “shine a light” on the finances and debt of local governments throughout the state, ranks San Antonio as having the highest debt per capita — \$7,151 — among cities of similar size. Houston, for instance, has \$5,885 in debt per capita; Dallas has \$5,426, according to the website.

The issue is a flash point in looming negotiations between the city and police and fire unions. The latter argue the city wants to cut health-care benefits for police and firefighters while ignoring debt accrued in other sections of the budget.

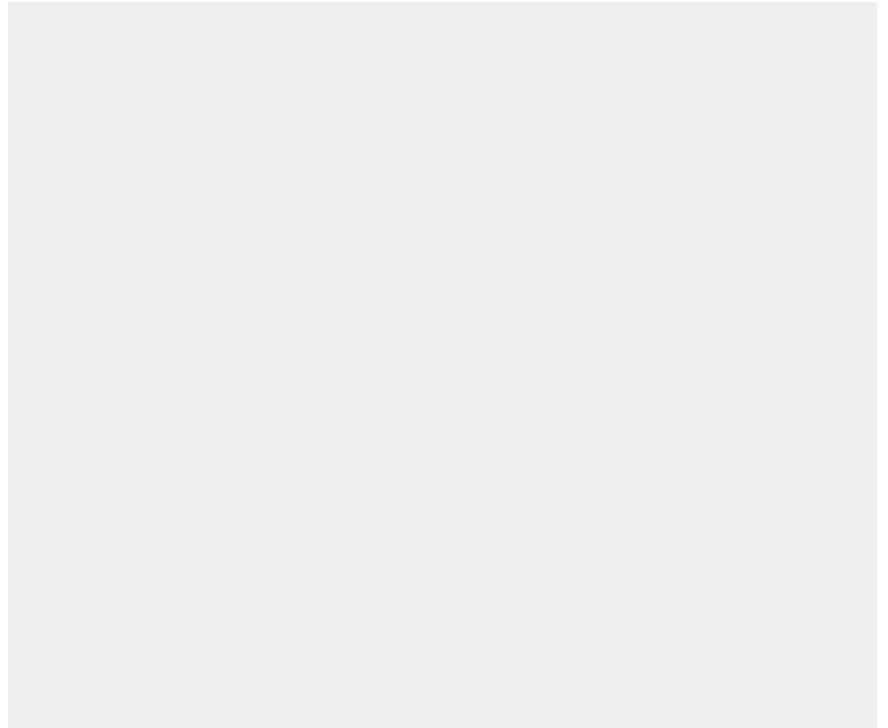
What's clear is the budget is in trouble: By 2040, public safety could consume the entire city budget, according to findings by a City Council advisory task force.

Mayor Julián Castro created the task force in October to make recommendations on the future of the city's retirement and health care benefits. Consultants to the task force say rich health care benefits for police and firefighters are a primary reason public safety costs are ballooning.

The city, for instance, pays much more in health care for uniform employees than it does for its civilian employees. Per uniform employee, the city pays \$19,122 a year; per civilian employee, it pays \$7,080.

Among major cities in Texas, this is by far the widest gap.

The unions are hoping to redirect the blame.



In a recent letter, San Antonio fire Lt. Jerry Cortes, a particularly combative member of the task force, wrote, “I believe the elephant (in the room) is the massive growing debt the city is amassing in the other sections of the budget.”

Union officials point to the comptroller's ranking to bolster their argument.

But this representation of San Antonio's debt in relation to other cities is “not a fair comparison,” wrote Ben Gorzell Jr., the city's chief financial officer, in a memo to City Manager Sheryl Sculley last week.

(Sculley is a member of the task force alongside representatives of police and firefighters.)

The comptroller's website shows San Antonio “has outstanding debt of \$9.9 billion second only to the City of Houston,” Gorzell wrote. “However, the \$9.9 billion noted in the report includes the debt outstanding for San Antonio's city-owned utilities, CPS Energy and the San Antonio Water System.”

Houston and Dallas, for instance, don't own their electric and gas utilities.

Discounting debt that applies to CPS Energy and SAWS, the city has only \$1,518 in debt per capita, Gorzell wrote.

Mike Helle, president of the San Antonio Police Officers Association, chafed at that conclusion.

Sculley “compares us to cities that are horrible comparisons (in health-care costs) and when (the comptroller) does what they have done to us they cry foul,” Helle wrote in an email.

City officials are being “hypocritical,” he said Monday. “You can't have your cake and eat your ice cream, too.”

But is it greedy to discount the utilities' debt?

Former District 8 councilman Reed Williams, chairman of the task force, says no.

“You've got to be a little more granular than (the comptroller's analysis),” Williams said. “It can be misleading.”

The reason: CPS Energy, SAWS and the City of San Antonio are separate entities from a debt service standpoint; they have separate sources of revenue.

“You're looking for the payment of that debt from a different place,” Williams said.

Sculley echoed that.

“We don't back (the utilities') debt,” she said. “We aren't responsible for CPS (or SAWS) debt.”

Proof is that the three have different credit ratings. The city has an AAA bond rating; SAWS has a rating one notch below AAA; and CPS Energy has a rating two notches below AAA.

Another relevant ranking: San Antonio is the only major city with a population of more than 1 million to have the highest possible bond rating from all three major rating agencies.

In critiquing the city's financial performance, that's something the unions can't discount.

*bchasnoff@express-news.net*

