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Independent Auditor: Continuing Police Benefits Would Lead to Budget Cuts, Tax Increases



An independent auditor hired by the City confirmed City Manager Sheryl Sculley's claims about the costs of the 'zero premium' health benefits enjoyed by police officers and firefighters, warning that continuing the current program would lead to ballooning city deficits and worse.

"Budget cuts in the tens of millions of dollars, or increases to revenue through tax rate increases," Michael Nadal of PFM Financial said.

The independent analysis of the city's current and future budgets confirmed Sculley's estimate that public safety costs are currently 66% of the total general fund budget, and, unless the expense of the 'zero premium' health benefits, that will rise to 69% by Fiscal Year 2017, and would cost the city \$76.8 million. He said under the city's plan to give the uniformed employees the same type of health care plan now made available to civilian workers, the cost to taxpayers would be only \$28.5 million. Under the San Antonio Police Officers Association plan, Nadal said the total public safety expense would continue to 'crowd out' other budget items as Sculley has warned, eating up 69% of the general fund budget within two years.

"The police union proposal would rise in 2016 to 69% of the total general fund in terms of its cost impact," Nadal said.

He said he based his projections on the idea that both police officers and firefighters would be covered by the proposal floated by the SAPOA. The San Antonio Professional Firefighters Association has declined to negotiate with the city or present its own budget proposal.

Nadal also said that the very idea of a city employee of any sort not paying anything for his or her health care benefits is archaic, and is a luxury not enjoyed by public safety officers in any other major city.

"Austin, Corpus Christi, Dallas, Ft. Worth and Houston all require police and firefighters to contribute to, at a minimum, any level of dependant coverage, and in many cases for individual coverage as well."

He said the average premium paid by public safety workers in those cities is 12% to 30% of the cost of the plan.

The report is a huge boost to Sculley and to the city's bargaining position going forward.

No immediate comment from the SAPOA, which has yet to release any figures prepared by an independent auditor.