



## CITY OF SAN ANTONIO

November 7, 2014

Bob Rivard  
Director  
The Rivard Report  
112 E. Pecan Street, Suite 1100  
San Antonio, Texas 78205

Dear Bob:

I am writing to provide you with an update on collective bargaining negotiations between the City of San Antonio and the police and fire unions.

The City began meeting with the police union to negotiate a new labor contract in January 2014 with the expectation of having a final contract agreed upon by September when City Council adopted the FY 2015 City Budget. To date, there is no agreement on a new collective bargaining agreement with the police union. Further, the fire union has refused to begin negotiations. On September 30, both the police and fire contracts expired.

A provision of those contracts provides that absent a new agreement, the contracts remain in force until September 30, 2024. Without a new agreement with the unions, the cost for public safety healthcare will rise approximately \$1.6 million per month more than is currently budgeted, consuming more than two-thirds of the total General Fund budget. This means the City Council must cut \$14.2 million from the current fiscal year budget to make room for these increased public safety healthcare costs, reducing City services that residents expect like street maintenance and other essential services.

The City believes the decade-long contractual provision is a barrier for the unions to make necessary compromises in the collective bargaining process. City public safety employees deserve all the competitive pay and benefits the taxpayers can afford to pay, but not more. Toward that end, the City's goal has been to come to an agreement with the unions that benefits employees and is affordable and sustainable to the taxpayers. However, the initial term of the contracts has expired and the City does not have an agreement.

The City is today taking steps to seek a legal determination from the court on whether the contracts can constitutionally remain in effect for another decade. It is the City's belief that a virtually perpetual contract creates an unconstitutional unfunded debt and infringes on the power of City Council to continue providing City services that taxpayers demand,

balanced with a well-funded public safety program. The legal action seeks nothing more than a judicial determination of this issue; asking the court only to review this one provision. The City is hopeful that during this process negotiations with the police union will continue until a fair contract is reached.

Sincerely,



Sheryl Sculley  
City Manager