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Witnesses say health care proposal by San Antonio fire union would be costly to taxpayers — and firefighters

Joshua Fechter, Dec. 4, 2019



Collective bargaining teams for San Antonio officials, left, and the fire union, right, meet during contract negotiations on Monday, March 18, 2019. In July, the union invoked its right to go into binding arbitration. The two parties have now spent two days in arbitration over the union's contract.

Photo: Bob Owen /Staff file photo

A union-run health care fund would cost San Antonio taxpayers millions of dollars and run up insurance bills for firefighters, witnesses for the city told arbitrators Wednesday.

The controversial proposal came up in the second day of binding arbitration talks between city officials and the San Antonio Professional Firefighters Association. Firefighters' health care benefits have been a key dividing point in talks over the contract.

The firefighters union have asked for \$15 million from the city to get the separate health care fund started. City officials have said the firefighters' plan would cost millions more a year than their current health care plan.

But the fund would also add costs and shrink benefits for firefighters, health insurance experts testifying on behalf of the city told the three-member arbitration panel. It would also diminish the city's bargaining power when negotiating insurance and prescription costs because there would be fewer employees in the city's insurance pool, experts testified.

Whenever public safety unions set up separate funds like the San Antonio fire union is proposing, they "end up failing and then the city has to come and bail them out," said Buddy Morris, the city's health care adviser.

Richard Poulson, a Philadelphia-based attorney representing the fire union, disagreed.

"I'm unaware of a single instance of that happening," Poulson said.

The city and firefighters union have been duking it out over the union's contract since it expired in 2014, though many of the previous pact's terms are still in place under an "evergreen" clause.

San Antonio voters last November gave the fire union the unilateral ability to send contract negotiations to binding arbitration — a right the union triggered in July after 19 meetings with city officials.

That decision surprised Deputy City Manager María Villagómez, who told arbitrators Wednesday that she believed the two parties had been "making good progress" in their negotiations.

Now, the city and fire union will have to accept whatever decision the arbitrators make.

The city's proposal would give firefighters a one-time bonus on March 1. Firefighters would also get 3 percent wage increases on Oct. 1 and in October 2021.

The union wants an immediate 14 percent boost in wages for one year along with a \$7,250 "signing bonus" to make up for five years without a contract.

Testimony in the second day of the arbitration proceedings zeroed in on firefighters' health care benefits and pensions. Relations between the city and fire union have deteriorated over the past five years, but so far arbitration proceedings have largely been civil.

Firefighters and their families don't pay monthly premiums and have low deductibles. The cost of health care per firefighter is more than \$19,000, city officials have said. For police, it's about \$16,000. For civilians, it's \$8,000.

Under the city's contract proposal, firefighters would have to pay monthly premiums. The city would set up two health insurance options — a "value plan" in which firefighters would pay higher premiums for their spouses and children and a "consumer-driven" plan with lower premiums but higher deductibles.

It's an arrangement nearly identical to one the police union agreed to in 2016 — and one that police officers have said they're satisfied with, Morris told arbitrators.

Public sector employees are increasingly spending more of their paycheck on health insurance premiums and pensions, said Michael Nadol, managing director at PFM Group Consulting, a firm that consults on municipal finances.

And although San Antonio firefighters' wages have been frozen for the past five years, they've still kept ahead of inflation and cost-of-living increases, Nadol said. And San Antonio firefighters are still among the highest paid in the state, he said.

"For that not to be the case, it would take some pretty extraordinary fluctuations in health care costs," Nadol said.

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