

# Study finds Santa Cruz employees underpaid

By SHANNA McCORD  
SENTINEL STAFF WRITER

City employees say this week's "sick-out," which involved about 300 employees calling in Monday to protest their labor contract, was largely prompted by one thing: Most of the workers make less money than their counterparts in neighboring cities.

**SANTA CRUZ** That was the conclusion of a parity study, jointly paid for by the city and the employees' union, that comes as the two parties negotiate health benefits set to increase Jan. 1.

The city has been unwilling to meet union demands because of what it calls ongoing financial problems.

The study — which compares wages and benefits of 84 jobs in Santa Cruz with similar positions in Monterey, Salinas, Seaside, Watsonville, Santa Cruz County, Monterey County, San Mateo and San Mateo County — indicates Santa Cruz workers are underpaid on average by 1 to 18 percent.

"It's not a surprise, we've always known this," water quality chemist Hugh Dalton said of the lower pay.

The city is now asking employees, for the first time, to contribute to the rising cost of monthly health insurance premiums.

"How can we pay increased medical benefits when we're not getting parity pay? The city needs to find the money or lose trained people," he said.

According to the study, a city chemist such as Dalton earns about \$60,000 a year, whereas chemists working for Santa Cruz County earn \$71,000; Watsonville chemists earn \$72,600; and, over the hill, San Mateo chemists make \$77,700.

Service Employees International Union Local 415 represents about half of all Santa

**'In the past, we've tended to be one of the higher paying agencies in the county. We now have a financial gap between revenues and expenditures, and we've fallen behind.'**

MARTIN BERNAL,  
ASSISTANT CITY MANAGER

Cruz employees in positions that vary from parks maintenance to wastewater treatment workers, custodians, library employees and office administrators with annual pay that ranges from \$25,000 to \$60,000.

Salary discrepancies with employees in other cities varied from hundreds to thousands of dollars a year.

Union representatives said they hoped the study, completed in November at a cost of \$20,000, would shed light on areas in which the city needs to boost wages and lead to a long-term plan for the city to make appropriate increases.

"The city dropped the bomb when they said they only did this for an exercise and there was never any intent to follow it," SEIU Executive Director Cliff Tilman said. "We never would have given the city \$10,000 for an exercise. Come on, get real."

However, city officials say the agreement was to conduct the study only for informational purposes. Never was there a commitment to make immediate pay adjustments, Assistant City Manager Martin Bernal said.

"We don't have the money to do everything," Bernal said. "Given our fiscal envi-

ronment, we didn't feel we could implement the study."

The city has chopped nearly \$8 million and 80 positions from its annual \$160 million budget during the past four years to meet rising operation costs in the face of revenue shortfalls.

There were no salary raises for three years until 2004 when employees were given 1 percent raises.

Tough times, city officials say, means fewer raises are possible and employee contributions to health insurance are imperative. Plus, city employees are required to contribute to their retirement plans.

"In the past, we've tended to be one of the higher paying agencies in the county," Bernal said. "We now have a financial gap between revenues and expenditures, and we've fallen behind."

Dalton, 41, has worked for the city Water Department for 12 years. Recently, he says, more of his colleagues are leaving the area for higher pay and the lower cost of living elsewhere.

Dalton said a plant operator and engineer left Santa Cruz for Clovis and Nevada, which he said could happen more frequently without better pay and benefits.

Cities compared in the study were negotiated between the union and city because of their similar size, operations and cost of living, and because city workers here often leave to work for those governments.

Contract talks between the city and SEIU to address a 20 percent jump in monthly health insurance premiums are scheduled to resume Wednesday.

Contact Shanna McCord at  
smccord@santacruzsentinel.com.