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City, Santa Cruz service worker union reach tentative pact

By J.M. BROWN

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SANTA CRUZ -- City and union officials have reached a tentative, two-year contract agreement covering service workers, Santa Cruz's largest and lowest-paid labor group.

The two sides would not disclose specific details Monday other than the pact contains furloughs in the short term and greater employee shares of retirement and health care costs down the road.

Members of the Service Employees International Union Local 521 will begin voting today on whether to ratify the agreement. Their current contract is set to expire Thursday.

City Manager Martín Bernal said the tentative agreement would generate \$1.2 million in savings this year, which represents 10 percent of the bargaining unit's overall annual compensation costs. The plan, bargained over a two-month period, also would create ongoing savings equal to 8 percent of the unit's compensation for future years.

Bernal had requested similar savings from other labor groups.

"We're pleased," Bernal said. "Both parties

were interested in getting the necessary savings to meet the city's economic goals."

Leslie Auerbach, a member of SEIU's negotiating team, said, "We think we are bringing something to our workers that is the best deal we could negotiate under extremely difficult circumstances."

The agreement, if ratified, represents the final piece of major labor negotiations needed to close a city budget deficit that at one time exceeded \$8 million. The city's other large labor

groups, police and firefighters, agreed to pay more for benefits and establish a two-tier pension system that hikes costs paid by future hires.

Since October 2010, the city has extracted \$5 million in savings from labor groups and expects to receive \$1.6 million from the Measure H utility tax increase approved by voters in November 2010. Bernal plans to tap reserves and propose midyear cuts to the City Council in December to erase the remaining red ink.



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The city's proposal, as presented to the council last week, called for a year of furloughs equivalent to 10 percent of compensation for the 450 parking officers, maintenance crews, library staff, clerks and other service workers. The second year called for fewer furloughs and increases in the employee share of benefits.

It's unclear how the proposal may have changed after negotiations resumed Friday. Service workers already have sustained 24 to 30 months of furloughs.

SEIU members will vote on the tentative agreement today and Wednesday, with union leaders expected to count ballots Wednesday evening.

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