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### **CITY OF VALLEJO APPROVES RECORD \$75 MILLION BUDGET**

VALLEJO – Under the dark cloud of a looming state budget crisis, the Vallejo City Council on Tuesday night passed a \$75 million General Fund budget, the largest in Vallejo’s history.

“While this budget is difficult, I expect even more challenging times in the future,” Vallejo Mayor Tony Intintoli said during the meeting. “So while we’ve been able to generate a balanced budget, our ability to cope and keep everyone satisfied will surely be tested in the months and years ahead.”

Intintoli was referring to the state’s \$38.2 billion deficit and plans to take back local funds to solve the problem.

“While we’ve created a \$3 million cushion for state cuts, those cuts could be more,” Intintoli said. “If so, I’m sure staff will devise a plan for additional reductions to be considered by our employee unions.”

The Fiscal Year 2003-2004 budget includes 24 frozen positions, a reduction in staff of 13 by golden handshake early retirements (to be considered by the Council at the June 24 meeting), avoids layoffs and addresses increases in Public Employee Retirement system rates as well as health care costs and workers compensation increases.

While almost every department was asked to take a 10 percent cut in funding for Fiscal Year 2003-2004, the City maintained the previous year level of funding for the Benicia-Vallejo Humane Society and the Meals on Wheels programs. The City allocated \$363,000 for the Humane Society, and \$16,800 for Meals on Wheels.

Libraries in Vallejo also took a cut of almost \$50,000, but library officials said that thanks to savings generated by solar panels installed on the JFK Library, there would be no impact in hours of service. The new budget also includes \$3 million in a Fund for Economic Uncertainty for Fiscal Year 2003-2004 and beyond and a proposed General Fund Undesignated Reserve of \$3.7 million.