

**FOR IMMEDIATE RELEASE
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CITY, PUBLIC SAFETY UNIONS AGREE ON BUDGET REDUCTIONS

VALLEJO – The Vallejo City Council on Tuesday approved an agreement with the City's police and fire unions that will save the City \$2 million over the next five years.

The agreement, hammered out after several lengthy negotiating sessions between representatives of the Vallejo Police Officers Association, International Association of Firefighters Local 1186 and City management, calls for extending the existing contract for both organizations for one year through June 30, 2008; abandoning a 6 percent salary increase scheduled for July 1, 2003; implementing a 2 percent salary increase for three years beginning with the 2004-2005 fiscal year; as well as other minor changes in the agreements.

In return the City will save almost \$2 million, which will be used for the City's Fund for Economic Uncertainty, a fund established to deal with the pending state budget crisis's impact on the City.

"It took a lot of work and negotiating, but I think we reached an agreement that both sides feel works for everyone," City Manager David Martinez said. "We needed to have the help of our labor unions, and this is certainly an example of their level of concern for the City."

Both unions were scheduled to receive a 9.78 percent increase in Fiscal Year 2003-2004.

"We need to unions to help us as we deal with the current fiscal crisis," Vallejo Mayor Tony Intintoli said. "I'm glad we were able to reach this agreement. We'll need the help of the unions in the future as well, and I'm sure they will step up and do their part."

The agreements come on the heels of the City Council's approval of the Fiscal Year 2003-2004 General Fund Budget of over \$75 million. The structurally balanced budget (revenues meet or exceed expenditures) is the largest in the City of Vallejo's history and includes a \$3.7 million General Fund Undesignated Reserve and a \$3 million Fund for Economic Uncertainties.