



**FOR IMMEDIATE RELEASE
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CITY OF VALLEJO PASSES \$73.3 MILLION BUDGET FOR FY 2004-2005

VALLEJO – The Vallejo City Council on Tuesday unanimously passed the City's \$73.3 million Fiscal Year 2004-2005 Budget.

Faced with a \$9.5 million shortfall heading into the fiscal year, Interim City Manager Otto Giuliani met with all four bargaining units representing City employees, as well as with senior management, asking for their help in closing the budget gap. As a result, each unit either deferred or gave up raises schedule for FY 04-05, and took what amounted to a 5 percent pay cut by agreeing to 13 furlough days.

"Each employee group stepped up to the plate," Giuliani said. "That was the only way we were going to face this problem and resolve it without major layoffs and reductions in services."

Senior management agreed to a 10 percent cut in pay and 13 furlough days. But even with the agreements in place, the City has laid off over 60 part-time employees and many seasonal and temporary workers in order to have a balanced budget, as required by City law. Another 11 full-time positions were cut, while public safety agreed to leave 20 positions open through attrition and retirements.

"In the past I characterized the City as being broke," Giuliani said during Tuesday night's meeting. "Now we're just poor."

Vallejo Mayor Tony Intintoli agreed with Giuliani's assessment of the situation.

"It's not a perfect budget," Intintoli said. "It doesn't address all of the problems brought up today."

Still, there was some optimism on the evening, as two council members saw good times in the future for Vallejo.

(More)

“The reality is that we will have a number of difficult years,” Cloutier said, “but if we continue to persevere, the city will move forward and be successful.”

Tony Pearsall also said Vallejo’s future was bright, but that residents needed to be patient.

“This City is going to prosper,” he said, “But it’s going to take five, six or seven years for that to happen.”

Work continues of the City’s waterfront development project, a downtown development project and the reuse of Mare Island Naval Shipyard, which closed in 1996.

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