



FOR IMMEDIATE RELEASE – **August 27, 2009**

FOR MORE INFORMATION, CONTACT JOANN WEST, PUBLIC INFORMATION OFFICER **(707) 651-7152**

BANKRUPTCY COURT APPROVES AGREEMENT BETWEEN THE CITY AND IAFF REGARDING REJECTION OF THE COLLECTIVE BARGAINING AGREEMENT

Today, Bankruptcy Judge Michael McManus approved the agreement between the City of Vallejo and the International Association of Firefighters (IAFF), rejecting the IAFF collective bargaining agreement that otherwise would have run through June 2010.

The agreement provides that the City and IAFF will promptly begin negotiating terms of a new contract. If they are unable to reach an agreement by September 30 2009, then they will participate in mediation and ultimately arbitration, if necessary, under stipulated timelines. This is the same process the parties would have followed had the agreement not been reached and Judge McManus ruled in the City's favor on its rejection motion.

The City is pleased with this compromise, which is in the best interests of the City and its creditors because it avoids further legal expense related to the City's motion to reject the collective bargaining agreement, affords the City the relief it requested in the motion, and eliminates further delays in negotiating a new contract with IAFF. The parties have agreed not to appeal today's ruling. Coupled with IAFF's withdrawal of its appeal from Judge McManus' eligibility ruling, this agreement moves the City substantially closer to its goal of exiting its bankruptcy case.

The aforementioned Agreement and the order approving are available on the City of Vallejo website at www.ci.vallejo.ca.us.