



FOR IMMEDIATE RELEASE – July 15, 2010

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VPOA CONTRACT PROPOSAL IS UNACCEPTABLE

The City has asked the Vallejo Police Officers Association (VPOA) to forgo the estimated 7% salary increase due July 1, 2010 under their existing contract. This raise will result in the further reduction of uniformed police positions, jeopardizing public safety.

Representatives of the VPOA have met with City officials to review a list of VPOA suggestions. The City appreciates the Association's offer; however, the offer is unacceptable because it only defers the excessive cost of the existing VPOA contract.

Other labor agreements with City groups provide no general wage increases, reduce health obligations for current and future employees and retirees, reduce pension obligations for future employees and require current employees to pay a fair share of pension costs, eliminate longevity pay and reduce sick leave buyouts. Any new agreement with VPOA should contain the structural reforms contained in other labor agreements. In the area of compensation, each financial commitment must be carefully studied since every obligation requires funding today, and in the years to come.

However, because the VPOA is operating under a closed contract, which expires in June 2012, the City is asking for a very simple, immediate solution: The **VPOA should forgo wage increases**. VPOA has been unwilling to do so without costly strings attached.

We respond below to the specific terms of the VPOA offer:

1. The VPOA requests that there be no further layoffs or furloughs of sworn personnel.

No one wants to lay off more sworn personnel, but the City cannot guarantee current staffing levels as its revenues decline. The VPOA has stated publicly that it would rather the City lay off police officers than make substantial reductions in their compensation.

2. The Police Officers request pension reform. All sworn personnel hired after July 1, 2010 will have a retirement system of 3% @55 through CALPERS.

Under the Association's proposal, police officers would continue to get 90% of their highest salary after 30 years of service. Firefighters have accepted a significantly more affordable 2% @50 formula.

3. The Police Officers request to cap the July 1, 2010 raise at 5%. The Police Officers agree to contribute that 5% to their retirement effective July 1, 2010. Any further adjustment to maintain the average Police Officer's compensation from the 2010 survey will be prorated to ½ on January 1, 2011 and ½ on July 1, 2011.

Under this proposal police officers would not pay for their share of their pension; the City would pay. Moreover, the Association only proposes a temporary solution. Since pension costs are expected to reach 50% of salary in the next 5 years, it is important that police officers pay a fair share of those costs.

4. The Police Officers request a two year contract extension to the current contract with a new expiration date of July_2014.

The terms of the current contract are unsustainable. Extending the contract for two years beyond 2012 will only make matters worse.

5. The Police Officers request that all current sworn employees demoted in 2009 be re-promoted to the rank they previously held, and that there be no further demotions without cause.

The City, not the Association, must determine the command structure.

6. The Police Officers request the establishment of an employee funded medical trust to help offset the ongoing unfunded liability of retiree health.

Establishing an employee funded medical trust is a great way to offset the cost of retiree health. However, unless the City can dramatically reduce the cost of its retiree health program, it will not be able to emerge from bankruptcy.

7. The Police Officers request health care reform. Any Police Officer hired after July 1, 2010 will pay 25% of the Kaiser rate towards their health care. The current Police Officers and Retired Police Officers would be vested in the plan that they have on June 30, 2010.

Firefighters have agreed to pay 25% of the cost of medical premiums. The VPOA proposes that the City continue to pay 100% of their cost and that only new employees are required to pay the 25%.

8. The Police Officers request that the Police Officers who retired/separated employment and are owed money for leave payouts be paid.

The amounts owed to police officers who have retired or separated are part of the bankruptcy proceedings and must be dealt with by the Bankruptcy Court.

The VPOA summarizes “these concessions being offered will secure the future of the Vallejo Police Department and provide stability for the City, and the officers who provide services to the citizens and business owners of Vallejo”. Unfortunately, VPOA’s proposal does not provide the savings necessary to restore financial stability to the City. The best way to improve officer safety and the safety of the community is to keep police officers on the street. Giving raises that lead to further layoffs is counterproductive.