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CITY, UNIONS REACH TENTATIVE AGREEMENT ON BUDGET HELP Police, Fire unions agree to delay in pay raises; \$1 million in savings expected

VALLEJO – Officials for the unions representing the City of Vallejo's public safety employees have agreed to a deal that could save the City up to \$1 million this fiscal year, it was announced

The International Association of Firefighters Local 1186 and the Vallejo Police Officers Association have agreed to postpone employee wage increases this fiscal year in an effort to help the city prepare for the pending budget crisis. That \$1 million in savings would go directly into a proposed fund set aside for economic uncertainties, said City Manager David Martinez.

"We've got to work together to face this budget crisis head on," Martinez said. "We've got a good relationship with the City's bargaining units, and this effort on their part shows that relationship continues."

Kurt Henke, president of the IAFF Local 1186, agreed.

"It's basically the teamwork concept," Henke said. "We realize the severity of the situation. Every time the City has faced tough financial times, we've sat down and worked with them."

The city owes the two public safety unions a 3 percent raise retroactive to July 1, 2002. Putting off that increase, along with a 7 percent cut in expenditures this fiscal year by city department heads, could result in up to \$2 million in savings for Fiscal Year 2003-2004, which would be placed in a new fund for economic uncertainties, Martinez said.

"The irony of the situation is we're being asked to fix something – the state budget deficit – that we had nothing to do with," Martinez said. "As a result Vallejo, along with most other cities in California, is going to be placed in a difficult financial situation for the next few years."

Gov. Gray Davis is projecting the state deficit to reach \$34.8 billion this fiscal year and has offered a variety of measures to reduce that deficit, including taking back vehicle license fees from cities. In the case of Vallejo, those VLF take backs would equal \$2.2 million in Fiscal Year 2002-2003 and \$4.8 million in FY 2003-2004.