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PRELIMINARY RESULTS OF PRIORITY-BASED BUDGETING

Monterey, CA – Residents of Monterey and other interested stakeholders will get a first glimpse of the results of the City's priority-based budgeting project at the City Council meeting on Tuesday, March 1st at 7 p.m.

The City is moving away from "line-item budgeting" to "program budgeting" so it can gain greater visibility to the true cost of programs. Priority-based budgeting is a first step in the program budgeting process, which will eventually accomplish the following:

a) monitor the performance of individual programs;

b) set fees more accurately, and;

c) make decisions about where to invest and / or withdraw City resources.

The transition to this new way of budgeting began last fall when the City engaged interested stakeholders in an exercise to discover the community's priorities. More than 600 people participated in the exercise by allocating a hypothetical $500 on a series of general goals established by the City Council. Participants included Monterey residents, students, representatives from the hospitality industry, military, and educational institutions.

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City departments analyzed the services they provide and grouped them into 155 individual programs. Using a mathematical model developed by consultants who are working with Monterey and more than a dozen other cities, the City's programs were weighted according to the priorities set in the $500 exercise.

The model allows the City to look at its array of programs from multiple perspectives simultaneously. Programs can be sorted through filters, e.g. mandated by state and federal agencies, and then re-sorted through a different filter, e.g. cost to the general fund.

"This is a dynamic and complex model that will help the City for years to come as we evolve from line-item budgeting to program budgeting based on the community's priorities," said Assistant City Manager Fred Cohn. "Our goal is to make sure the City delivers programs efficiently and effectively to the community."

Members of the public are encouraged to attend the March 1 Council meeting or to watch it on cable channel 25 to hear the preliminary results of the prioritization work and to learn more about how it will be used in development of next year's budget.

Further discussion about priority-based budgeting also will come at the March 15 City Council meeting during the mid-year budget review, which assesses the City's financial condition at the half-way point of the current fiscal year. Information on the City's priority-based based budgeting program is available online at monterey.org/prioritybasedbudget/

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