DATE	June 15, 2011	PHONE	831.646.5692
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CITY COUNCIL ADOPTS BUDGET

Monterey, CA – The Monterey City Council has adopted a balanced budget for the 2011-2012 fiscal year. The $57 million General Fund budget closes a $5 million gap between expenses and revenues with a combination of employee concessions, new revenues, and reductions in staffing and services.

The 2011-2012 budget incorporated public input from a "priority-based budgeting process" begun last fall. Sixteen public meetings were held and hundreds of citizens participated by giving input on city spending in order to help re-set or validate spending priorities. The results helped inform decisions about service reductions as the budget took shape in the spring.

With a $5 million gap to close, the City pursued a plan to seek employee concessions, eliminate or reduce some services and positions, and increase revenues. City employees contributed $1.2 million in concessions, agreeing to re-open existing contracts and contribute 3-4% more to their retirement, thereby reducing the City's share of retirement costs.

Because all six of the City's employee labor organizations agreed to concessions, the number of positions slated for elimination or reduction decreased from 40 to 22 by the

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time the budget was adopted by Council on June 7, 2011. Savings from positions that will be eliminated or reduced over the next few months totaled $3.1 million.

"Every position saved from elimination helps the City maintain the service levels our residents have come to expect," said City Manager Fred Meurer. "Even so, the City has not lost anywhere near as many positions as we are losing this year."

Additional revenues of $700,000 closed the remainder of the $5 million gap.

Budget Reduction Plan Summary

Budget Shortfall	Millions
Employee pay concessions	$ 1.2
Revenues	$ 0.7
Program/position reductions	$ 3.1
Total Budget Savings	**$ 5.0**

For a detailed look at the proposed 2011-2012 Monterey City Budget adopted by the City Council, just click on this link.

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