



PRIORITY BASED BUDGETING

City Manager's Office

City Council
July 6, 2021

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BACKGROUND

1. Priority Based Budgeting creates a link between strategic planning and long-term financial planning.
2. February 2020 – City Council began development of a new strategic plan:
 - a) Four public meetings held to discuss priorities and receive public input.
3. August 2020 – City Council approved Agreement for Priority Based Budgeting Software with ResourceX for a four-year term.
4. October 2020 – City Council approved Envision Riverside 2025 Strategic Plan.



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PBB OVERVIEW

Priority Based Budgeting model developed by building data layers around programs.



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SHORT TERM PBB GOALS (1 year or less)

1. Establish communication and educate project stakeholders
2. Develop citywide support and understanding of the PBB process
3. Achieve 100% participation and utilization from all departments
4. Identify all programs and services the City provides
5. Understand where the City is allocating its resources and how resources align with the City's strategic plan
6. Develop program insights and take initial steps to realign resources to support City Council's priorities



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PBB YEAR 1 MODEL

1. Program inventory = 606 programs in 17 departments:
 - a) 390 Community programs and 216 Governance programs
2. Each program scored and peer reviewed alongside strategic priorities, cross-cutting threads and basic program attributes;
3. Programs divided into quartiles to determine alignment with strategic plan:

Number of Programs	Quartile Definition
93 programs	MOST aligned with strategic plan
234 programs	MORE aligned with strategic plan
172 programs	LESS aligned with strategic plan
107 programs	LEAST aligned with strategic plan



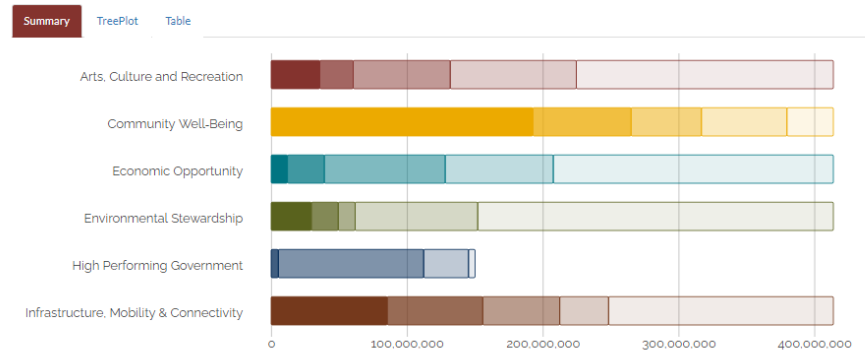
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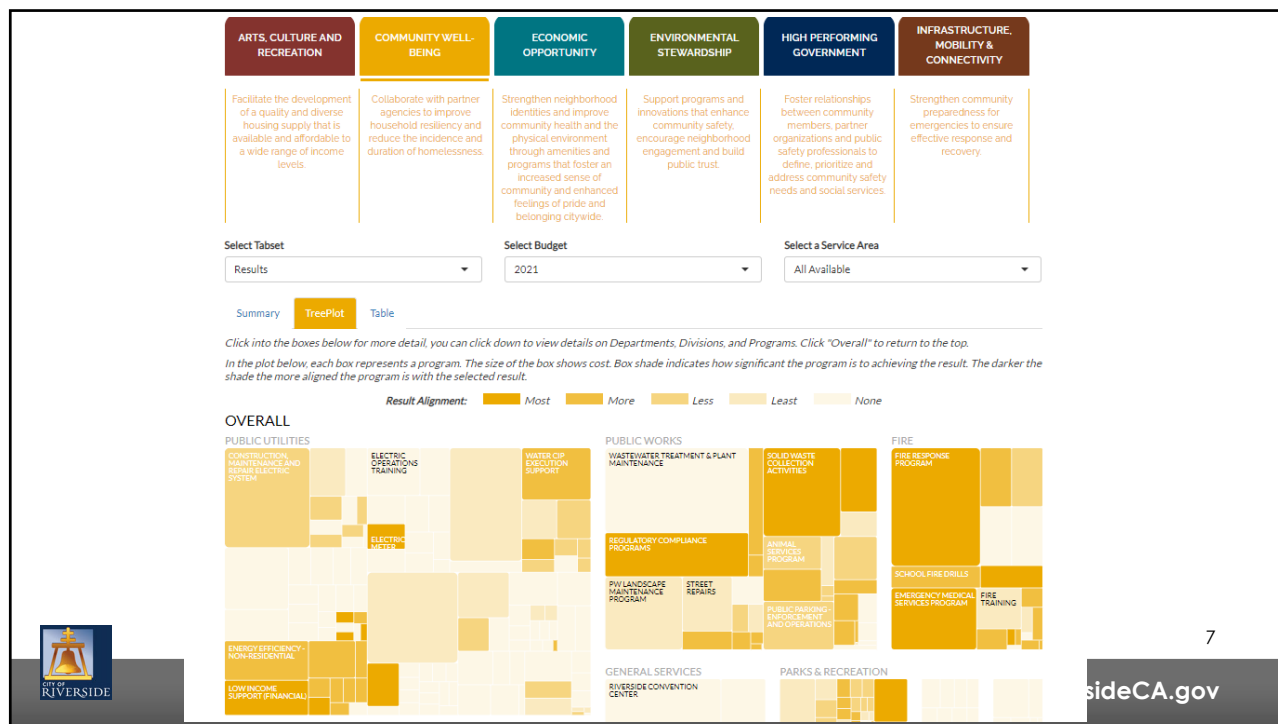
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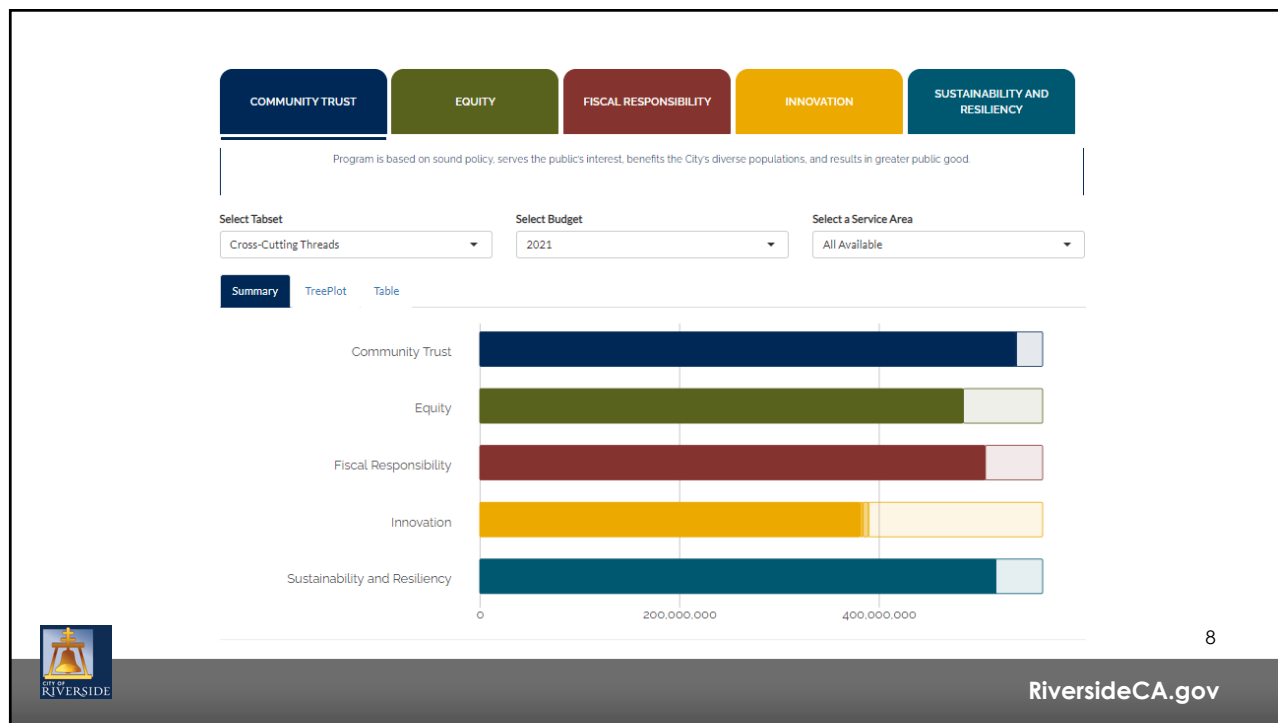
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PBB YEAR 2 TIMELINE

1. PBB Year 2 kicks-off in July 2021;
2. Four-month process includes:
 1. Review and update program inventory
 2. Update program cost allocations with FY 2021/22 budget
 3. Re-do program scoring and peer review
 4. Dive deeper into program insights
3. Year 2 process will refine PBB model for use as a decision-making tool during FY 2022-2024 budget development process – beginning in December 2021.



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RECOMMENDATION

That the City Council receive an update on the completion of the Year 1 Priority Based Budgeting Year process and the timeline for implementing Year 2 of Priority Based Budgeting.



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