In 2005, the City of Menlo Park realized that unless major changes were made in its budget structure it would go into a $2.9 million deficit in the 2006-07 fiscal year. The obvious choices were available to city officials – from service reductions to revenue enhancements, but what was unique was the approach these leaders took to the problem: involving the citizens of Menlo Park in a very creative process called “Participatory Budgeting.”

Naming the campaign, “Your City/Your Decision,” the city brought in Community Focus as the lead practitioners. The campaign entailed two distinct segments: information gathering, followed by community deliberations. In Phase I, actual city budgets were printed and mailed to each resident of Menlo Park with instructions as to how they could use the information provided to balance the city budget by themselves. Residents mailed the budget packets back to city staff, which took their input and formulated several representative deficit-closing strategies – each with different levels of service cuts and/or revenue growth measures. Over 1,600 residents mailed in their responses to the budget exercise.

In Phase II, the city gathered residents in “community workshops” to discuss the various deficit reduction themes and offer their opinions on which one(s) they thought best addressed the gap. About 225 Menlo Park residents attended these workshops with over 90% of them resolving on a combination plan of service cuts along with increased taxes. The average result of these workshops was to gain $1.57 million through cost cuts and $1.31 million via increased revenues to close the $2.9 million deficit.