***COMMENTS OF MICHELLE DENNIS CONCERNING THE CITY OF SANTA MONICA’S PROPOSED FY 2019-21 BIENNIAL BUDGET***

(Presented at the City of Santa Monica Budget Adoption Public Hearing, June 25, 2019)

I am Michelle Dennis. From 1983 to 2003, as Mike Dennis, I was the Director of Finance for the City of Santa Monica. From 2004 to the present, I have taught Public Budgeting and Finance at the UCLA Meyer and Renee Luskin Graduate School of Public Affairs. Since my retirement in 2003, I have followed the financial status of the city and I have been impressed.

With the advent of your Wellbeing Program in 2013 leading to the City’s recent international recognition from receipt of the NewCities Wellbeing City Award, the City of Santa Monica has moved to the forefront of inventing the future for all cities on the planet.

At the same time, City Manager Rick Cole and staff have quite correctly alerted you that the next 5 to 10 years will truly be an important inflection time for the City’s financial future. In a nut shell, it is highly probably that there will not be sufficient financial resources available for the City to keep all existing services and service levels operating, and meet all other financial obligations. While I applaud the overall financial strategy of reviewing, prioritizing and where necessary reinventing city services, moving to an outcome and performance-based budgeting process, and improving the wellbeing of city residents, I urge your consideration of three additional matters which may enable the City to avoid some program cuts which now seem inevitable:

1. **Implement a Consortium-Based Service Delivery Model**—The model of city government being the only public service provider, and even the model of city government contracting with non-profits and/or private firms to help provide public services is increasingly unworkable. What is needed is a model where city government becomes a “consortium leader” where city staff, non-profits, private sector firms and citizen-led efforts work collectively to realize wellbeing goals: goals that reflect what would actually improve citizen wellbeing lived out every day, on the ground, in neighborhoods. Bits and pieces of such a model have begun to emerge around the world, but the fleshed-out model remains to be invented. The City of Santa Monica is uniquely positioned to be at the forefront of that invention.
2. **Create a New Relationship Between Citizens and City Government**—The City of Santa Monica has a long and well-earned reputation of effectively involving citizens in local government. However, it seems to me that to practically and effectively deliver increased citizen wellbeing requires taking citizen involvement to the level of citizen empowerment on those wellbeing matters most important to citizens. This means citizens would be at the center of defining, designing and deciding what to do. This shift requires a paradigm change for city leadership and staff. The contours of the new paradigm are clear. Once again, the City of Santa Monica seems equipped now to make this change. All that is needed is the will and leadership to proceed.
3. **Provide Empowering Transparency**—It is not enough to provide reams of data, documents, and strategically selected performance measures, or even to include citizens in selecting performance measures. Citizens need to be shown how to understand and use the data to advocate for and monitor the actions being taken to increase their wellbeing.

Thank you for letting me share these thoughts with you this evening.