# NATIONAL RESOURCE NETWORK ANNOUNCES PARTNERSHIP WITH CITY OF ROCKFORD

*Network to work with City leadership to develop seven-year financial plan; City of Rockford to adopt long-term financial planning policy, bringing benefits to taxpayers and the City*

The National Resource Network (The Network) and the City of Rockford, Illinois, have announced a partnership to develop a seven-year financial plan, which will focus on improving the City's fiscal sustainability and economic competitiveness. On Tuesday, the Rockford City Council unanimously approved the partnership. Work on the plan is expected to be complete by September 2018.

In addition to the partnership, the City of Rockford has also announced the adoption of a long-term financial planning policy, which will provide several benefits to the City and taxpayers, including service and tax stability, as well as better prioritization of resources. The policy will be applied to the City's main operating funds and will be presented as part of the annual budget process. This process will allow the City to prepare for known changes in revenues and expenditures and develop a plan for eliminating any budget shortfalls.

"We are excited to be partnering with the City of Rockford to provide technical assistance and develop a multi-year financial plan that addresses the City's unique challenges," said David Eichenthal, Executive Director of the National Resource Network. "The City's leadership is ready to take the steps needed to achieve fiscal sustainability, and we look forward to working with Mayor Tom McNamara and the City of Rockford."

In August 2017, the Network invited eligible cities to apply for technical assistance related to the development of multi-year financial plans. The City of Rockford – among 58 cities around the country to be invited to apply for technical assistance – met several of the eligibility criteria, including population decline, poverty rates, and annual average unemployment rates. The City is currently facing a cumulative deficit of $62 million over the next five years. In addition to meeting specific criteria, the

Network looks to partner with cities where local leadership demonstrates readiness and willingness to support the work of a multi-year financial plan.

"While no municipality wants to face a budget crisis, it is an unfortunate reality in today's economic climate. We know that if we aren't financially stable, we won't be able to be a good partner to our current businesses and those we want to attract," said Mayor McNamara. "We are excited to begin working with National Resource Network. Their expertise and proven track record on municipal operations, funding and budgeting will help us improve our finances for 2018 and beyond."

The nation's most economically challenged cities often face serious fiscal issues, and the Network has found that multi-year financial plans are a best practice for these local governments. The Network's work in Rockford will focus on several key components, including:

- Developing seven-year financial projections using the City's existing five-year structural deficit projections as a starting point. The Network team will use historical data, current budget, short-term and long-term revenue expectations and expenditure changes to build the baseline forecast.
- Conducting a budget and data analysis that will focus on identifying opportunities to create budget capacity given Rockford's unique constraints. This will include looking at how to increase revenue and lower expenses, and evaluate ways to make investments in priority areas to make Rockford a more attractive place to live and work.
- Focusing on key expenditure drivers and identifying opportunities to reinvest savings to align with targeted community goals, such as enhanced housing stock, reduced crime, and community and economic development.
- Identifying possible strategies designed to improve the City's long-term fiscal sustainability and economic competitiveness. This will involve the Network team conducting a series of meetings to identify best practices in use or sought by the City.
- Working with the City to convene an advisory committee which will be responsible for reviewing the baseline seven-year financial analysis and recommending potential initiatives.

After the work is complete, Rockford will have a seven-year financial and management plan and a series of policy changes that will help the City achieve the sustainability necessary to meet the Council's and the community's goals.

The City of Rockford is providing 25 percent of the funding for this initiative, with the remaining 75 percent being paid for by the Network with grant funding from the Laura and John Arnold Foundation (LJAF). The Network received a $4 million grant from LJAF earlier in 2017 to launch an enhanced initiative to provide on-the-ground, customized assistance to economically challenged cities across the United States and to fund a competition among states to drive the adoption of State Resource Network.

Since its launch in 2014, the Network has partnered with 50 cities in 22 states across the country to overcome significant challenges – including population decline, poverty, access to health care, and

unemployment – and to increase their overall economic competitiveness. For example, the Network worked with Providence, Rhode Island city leadership to construct a 10-year financial plan to balance budgets and provide for key investments, while better integrating governmental departments. The Network also worked with the city to bring community stakeholders into the process, including colleges and universities, business organizations, nonprofits, and foundations. The approach has received praise from local leaders, as well as local and national media. In addition to these efforts, the Network has focused on increasing partnerships between state and local governments, launching State Resource Networks with the Commonwealth of Massachusetts and the State of California.

**About National Resource Network**
In 2013, the National Resource Network began as a technical assistance program funded by the U.S. Department of Housing and Urban Development. The Network is led by a group of leading experts from the private and public sectors, including Enterprise Community Partners, PFM, HR&A Advisors, New York University's Robert F. Wagner Graduate School of Public Service and the International City/County Management Association. The Network develops and delivers innovative solutions to American cities to help them address their toughest economic challenges. More information about the National Resource Network is available online at http://nationalresourcenetwork.org. You can also follow the National Resource Network on Twitter @NatlResourceNet.

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