



11/15/2017

**Memorandum of Understanding between
the City of Salinas and the National Resource Network**

1. This memorandum of understanding commemorates an agreement between the City of Salinas, a local government incorporated in the State of California (the "City"), and the National Resource Network ("Network"), an initiative of the federal government's Strong Cities Strong Communities initiative under the auspices of the White House Council on Strong Cities, Strong Communities established pursuant to an Executive Order signed by President Barack Obama on March 15, 2012.
2. The Network was established and is operating under a cooperative agreement between the U.S. Department of Housing and Urban Development ("HUD") and Enterprise Community Partners, Inc. ("Enterprise") (the "HUD Cooperative Agreement"). The Network is a consortium comprised of Enterprise, Public Financial Management, Inc. ("PFM"), HR&A Advisors, Inc. ("HR&A"), New York University through its Robert F. Wagner School of Public Service ("NYU") and the International City/County Management Association ("ICMA") (collectively, the "Consortium Members").
3. The Network was created out of demand from cities around the country to have access to experts, technical advice, and information that can help them address the mounting challenges of growing inequality, high unemployment, under-performing schools, aging infrastructure and vacant and blighted properties. For many local governments facing dwindling budgets, especially those facing significant economic shocks, these challenges have made it difficult to effectively attract jobs, retain an educated workforce, grow the middle class, and revitalize their economies. The Network helps cities address these challenges through on-the-ground expert engagements and advisory services, among other forms of assistance. The goal of the Network is to assist cities in developing and implementing cross-cutting strategies designed to promote economic recovery at the local level.
4. In 2017, the Network received a grant from the Laura and John Arnold Foundation ("LJAF") to supplement its initial funding under the HUD cooperative agreement. The LJAF funding specifically provides for support for technical assistance related to the development of multi-year financial plans.
5. The Consortium Members have formed a Governing Board for the Network. The Network Governing Board has agreed that David Eichenthal will act as the Executive Director of the Network, and, as part of that role, is authorized to sign contracts, agreements, memoranda of understanding and other instruments that establish and

implement the relationships between the Network and cities receiving Network provided technical assistance.

6. On August 16, 2017, the Network invited a group of eligible cities to apply for technical assistance related to the development of multi-year financial plans. The City of Salinas applied for technical assistance and representatives of the City and the Network participated on a telephone conference call to review the City's application on October 27, 2017.
7. On the basis of the City's application and the telephone conference call, the Network developed an assessment of challenges and opportunities that included a proposal for the delivery of direct assistance.
8. The proposed direct assistance by the Network includes the following (provided in an expanded form in the Assessment Report dated 11/15/2017):

Task I: Kick-off and Preliminary Departmental Meetings

Task II: Develop Ten-year Financial Forecast Model. During Task II, the project team will develop a baseline ten-year budget forecast. This baseline forecast will detail the known and projected outcomes absent any policy changes for the General Fund, Enterprise Funds, the Capital Fund, and other funds.

Task III: Organizational and Operational Review. The organizational and operational review will focus on the following:

Create Budget Capacity. The project team will evaluate options to increase revenues, lower expenses, or both in order to begin bridging forecasted budget gaps during the ten-year forecast period.

Clarify City Goals. The purpose of this task will be to refine City goals so that the City organizational and financial resources can be allocated effectively.

Realign City Organization to City Goals. As the City addresses its coming fiscal challenges, it cannot afford to reduce costs or staff on an ad hoc basis. Changes in staff assignments, organizational roles, compensation/benefits, use of contracts, or partnering with other agencies needs to be done in a way that is consistent with the City's and community's goals and values.

Model Budget Changes. In each pass through the process outlined above, the project team will model the results in the 10-year financial model created as a part of this engagement.

Task IV: City's Role in Housing. Under this task, the Project Team will work with the City and community groups to identify a list of clear objectives and goals that the City and other housing partners can embrace to start toward a goal of adequate housing for all Salinas residents.

Task V: Final Reports

9. To achieve this goal, the Network will provide direct assistance to the City in accord with the following timetable:

- **December 2017**
 - Commence Task I
 - Commence Task II
- **January 2017:**
 - Completion of Task I
 - Commence Task III
- **February 2018**
 - Ongoing work on Task II and III
- **March 2018**
 - Completion of Task II
- **May 2018**
 - Ongoing work on Task III
 - Commence Task IV
- **June 2018**
 - Ongoing work on Task III
 - Ongoing work on Task IV
- **July 2018**
 - Completion of Task III
 - Completion of Task IV
 - Commence work on Task V
- **August 2018**
 - Ongoing work on Task V
- **September 2018**
 - Completion of Task V (Final Report)
- **October 2018**
 - Presentation to City Staff and Council

10. The direct assistance plan will be executed by the following team of representatives of the Network:

Russ Branson, Michael Nadol, David Eichenenthal, Vileen Leung, RJ Griffin, and Jay Fullenwider of PFM; Anna Ravindranath of Enterprise Community Partners; and Mercedes Márquez of Márquez Community Strategy.

Additional members of the team may assist in the execution of the direct assistance plan as needed.

11. The Network will execute the direct assistance plan between November 2017 and October 2018. As part of the direct assistance plan, the Network will provide the following deliverables to the City:

The Network will document its work in a series of reports addressing each major issue in this work plan: budget-balancing strategies, organizational realignment, and housing strategies. Each report will take a form that can best communicate and document the issues and recommended strategies -- either a detailed PowerPoint presentation or a standard written report. The Network will also provide an updated version of the model developed as part of Task II that incorporates the fiscal impact of proposed initiatives. The Network team will also provide presentations on the final report to the City Council.

12. The Network estimates that the value of the direct assistance plan, including costs of labor, materials, and all other expenses, is \$400,000. The Network will fund seventy-five percent (75%) of this cost with funds provided by LJAF pursuant to its grant to the Network. The City agrees that it will provide twenty-five percent (25%) of the total estimated cost of the direct assistance plan or \$100,000. The City may provide funds from its own local government budget or it may secure a commitment of funding from a third party. The City shall either make payment of its share of the cost or ensure third party payment no later than sixty (60) days after the execution of this memorandum, or on a schedule agreed upon by the City and the Network prior to the commencement of the direct assistance engagement. If payment of the City's share of the costs is not received by the 60th day, the Network may exercise its right to stop work until payment is received. Whether the City intends to secure third party funding or not, the City is responsible for meeting this requirement. In the event that the projected cost of the direct assistance plan increases without an increase in scope, the Network will be solely responsible for any increase in cost. If the value of the direct assistance increases due to an increase in scope agreed to by the Network and the City and commemorated by a written amendment pursuant to section 17 of this memorandum, the City will then be responsible for twenty-five percent (25%) of any increase in cost.

13. The fiscal sponsor for the Network is Enterprise. All payments should be sent to Enterprise in accordance with the attached payment instructions.

14. In addition to the provision of matching funds for the cost of the direct assistance plan set forth in section 8, the City also agrees to and commits to the following:

- a. Upon execution of this memorandum, the City Manager of the City commits to a good faith effort to implement actions developed as part of the direct assistance plan.
- b. As part of the execution of this memorandum, the City commits to provide timely cooperation to all reasonable requests by the Network for documents, data and other information. In addition, the City commits to participate in regular meetings as set forth in the timetable detailed in section 9 above and to arrange and

participate in such meetings determined to be necessary by the Network as part of the direct assistance plan.

- c. Upon execution of this memorandum, the City shall designate a senior official to act as the project manager and point of contact for the Network in the execution of the direct assistance plan. The designated project manager shall report to the City Manager.
- d. The City agrees and acknowledges that an integral part of the direct assistance provided by the Network will be ongoing peer-to-peer activity. The City shall take reasonable steps to engage with the Network through the peer-to-peer activity process during the term of the direct assistance plan and for an additional three years after completion of the direct assistance.
- e. Prior to the completion of the direct assistance plan, the City agrees that it will develop a written plan for continued implementation of the work developed through the direct assistance plan for a period of at least thirty-six (36) months. The NRN shall assist the City in the initial development of this plan, although the City would be ultimately responsible for its completion. This plan shall include a timetable of specific activities and an agreed-upon set of metrics for measuring the progress of the direct assistance plan.

15. Decisions related to the direct assistance plan shall be commemorated in writings, including e-mails, between the Network's designated team lead and the City's project manager. This provision shall not apply to routine sharing of information or interviews or meetings between members of the Network team and officials of the City and other stakeholders.

16. External communications, including communications with members of the media, by the Network may be limited based on provisions of the grant agreement between LJAF and the Network. The City is not bound by such limitations.

17. This memorandum is subject to termination at any time by either party. Such party who wishes to terminate the memorandum shall send a written notification to the other party at least (30) thirty days prior to the termination date. This memorandum will be effective upon the Network's execution in the space provided below. This memorandum may be amended by a written amendment executed by both the Network and the City.

David Eichenthal, Executive Director, National Resource Network

Date

Ray Corpuz, City Manager, City of Salinas

Date



Payment Instructions

For payment by wire:

Bank Name M & T Bank Corporation
Bank ABA#: 022 000 046
Bank Acct. Name: Enterprise Community Partners, Inc.
Operating Account
Bank Account #: 970150800
Reference: NRN City: _____

For payment by check:

Please send to: Enterprise Community Partners, Inc.
P.O. Box 64854
Baltimore, MD 21264-4854

By Fed Ex: M&T Bank / Montgomery Park
1800 Washington Boulevard
Baltimore, MD 21230
Attn: Lockbox #64854

(Please reference "NRN City: _____" on check.)