

## ORDINANCE NO. 20-007

**AN ORDINANCE APPROVING AND RATIFYING THE SUBMISSION OF AN APPLICATION TO THE NATIONAL RESOURCE NETWORK AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE NATIONAL RESOURCE NETWORK FOR ASSISTANCE RELATED TO THE DEVELOPMENT OF MULTI-YEAR FINANCIAL PLAN; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.**

**WHEREAS**, the National Resource Network (Network) was established under a cooperative agreement between the U.S. Department of Housing and Urban Development (HUD) and Enterprise Community Partners, Inc. and was created out of demand from communities 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; and

**WHEREAS**, 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 and the Network helps communities address these challenges through on-the-ground expert engagements and advisory services, and assists in developing and implementing cross-cutting strategies designed to promote economic recovery at the local level; and

**WHEREAS**, in 2017, the Network received a grant from Arnold Ventures (AV) to supplement its initial funding under the HUD Cooperative Agreement and a portion of the AV funding has been designated to establish an Ohio State Resource Network (OSRN) that brings the Network's approach to more Ohio communities and specifically provides support for technical assistance related to the development of multi-year financial plans; and

**WHEREAS**, in August 2019, the Network invited a group of eligible communities to apply for technical assistance related to the development of multi-year financial plans and subsequently the City submitted an application on August 30, 2019, and participated in on-site assessment on October 8, 2019; and

**WHEREAS**, based on the assessment and ensuing discussions with the City, the Network will provide the following deliverables to the City:

- New Multi-Year Financial Plan
  - Five-Year Financial Projection with Baseline Status Quo Scenario
  - Comprehensive Report in the form of a detailed PowerPoint Presentation
  - Presentations on the Final Report to the City
- Regional Collaborative Body
  - Strategy and Implementation Roadmap

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**WHEREAS**, the total estimated cost of the assistance is \$187,500.00 of which \$140,625.00 (75%) will be funded by the Network through the AV grant and the City's share of \$46,875.00 (25%) will initially be paid with operating funds from the City Manager's budget dedicated for strategic planning and it is the City's goal to offset a portion of these costs through private donations; and

**WHEREAS**, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to immediately execute the Memorandum of Understanding and initiate the process for payment and to allow the Network to begin the first phase and ultimately complete the plan by the timeline schedule of April 30, 2020; and

**WHEREAS**, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Municipal Departments of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio, finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter; and NOW, THEREFORE

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This City Commission hereby approves and ratifies the submission of an application for assistance to the National Resource Network and authorizes and directs the City Manager to enter into a Memorandum of Understanding with the National Resource Network for assistance related to the development of a multi-year financial plan, substantially in the same form as Exhibit "A", a copy of which is attached to this Ordinance and is specifically incorporated as if fully rewritten herein, together with such revisions or additions as are approved by the Law Director as not being adverse to the City and as being consistent with carrying out the terms of this Ordinance.

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.


Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all

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deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.

  
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PRESIDENT OF THE CITY COMMISSION

ATTEST:   
\_\_\_\_\_  
KELLY L. KRESSER  
CLERK OF THE CITY COMMISSION

Passed: January 13, 2020



**Memorandum of Understanding between  
the City of Sandusky and the National Resource Network  
December 11, 2019**

1. This Memorandum of Understanding commemorates an agreement between the City of Sandusky (the "City"), a municipality in the State of Ohio and the county seat of Erie County, and the National Resource Network (the "Network").
2. The Network was established 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").
3. The Network was created out of demand from communities 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 communities 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 communities 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 Arnold Ventures (hereafter "AV") to supplement its initial funding under the HUD Cooperative Agreement. A portion of the AV funding has been designated to establish an Ohio State Resource Network (hereafter "OSRN") that brings the Network's approach to more Ohio communities. The AV funding specifically provides 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.

**EXHIBIT**

**"A"**

6. The Network is working collaboratively with the Greater Ohio Policy Center (hereafter "GOPC"), a 501(c)3, non-profit organization incorporated in Ohio. GOPC deploys a strategic mix of advocacy, research, publications, convenings, and stakeholder partnerships to drive independent, creative policy reforms and achieve practical, politically savvy results.
7. In August 2019, the Network invited a group of eligible communities to apply for technical assistance related to the development of multi-year financial plans. On August 30, 2019, the City of Sandusky submitted an application to the Network prepared by Eric Wobser, the City Manager.
8. Network and GOPC staff participated in an on-site assessment visit on October 8, 2019, and followed up with a telephone conference call with the City Manager to discuss the assessment findings and components of a potential engagement on November 27, 2019.
9. On the basis of the assessment and the telephone conference call, the Network developed a proposal for the delivery of direct assistance including:

**Phase I: Develop a new multi-year financial plan**

The Network will assist the City of Sandusky in developing a new, comprehensive five-year financial plan. A multi-year financial plan takes a comprehensive look at a government's finances projected over several years to identify future gaps in resources, including any operating deficits, and provide strategies to fill those gaps in a way that advances a strategic vision.

The Network will also evaluate City government's readiness for any recession that occurs over the five-year planning period. Multiple participants referenced the hard decisions that City government made following the Great Recession, including a significant reduction in headcount. Considering the critical role that tourism plays in Sandusky's economy and the degree to which tourism can be affected by economic downturns, the City should evaluate its ability to weather the next financial storm before it arrives.

The Network will deploy a team to develop a baseline multi-year financial forecast, integrate the known capital needs into that baseline, review current operations to determine if there are opportunities to reallocate resources, and then provide targeted recommendations on how to address any budgetary shortfall and strengthen City government's structural position. The team will incorporate that analysis in a five-year plan document that the Commission and City Manager can use in their own discussions on budgetary, hiring, borrowing, and operational decisions and share with their private, non-profit, and other public sector partners when developing Sandusky's next strategic plan.

*Step I: Financial Trend Analysis and Five-year Projection*

The Network will develop a five-year projection for the General and Capital Projects Funds in a baseline "carry forward" or status quo scenario to determine the likelihood that Sandusky will have a budgetary deficit absent corrective action during the plan period.

This analysis provides a quantified answer to the question whether City government has structural financial stability. It also helps identify the specific revenue and expenditure lines that drive City government's financial performance and surface opportunities to change that performance, if needed.

The Network team will use historical financial data, demographic and economic data, and insight from City management to generate the projections and financial trend analysis that distills the City's financial performance into a narrative that is accessible to people without a background in municipal finance. At the end of the engagement the team will deliver the budget projection model to the City so that the Commission, City Manager, and Finance Director can use it going forward.

*Step II: Recession Readiness Assessment*

The Network will conduct a recession readiness assessment that evaluates City government's reserve levels, the sensitivity of key revenues to an economic downturn, and the percentage of budget committed to fixed costs. For the revenue discussion, the team will meet with Cedar Fair and other major employers identified by the City to discuss their sensitivity to an economic downturn. Depending on the findings, the analysis may include recommendations regarding the use of budget stabilization funds, revenue diversification, debt management, or capital improvement planning.

*Step III: Operational Review and Capital Plan Integration*

Financial figures only tell part of the story regarding City government's needs and resource allocation decisions. The Network will meet with the City's department directors and select division managers for Public Works to discuss their needs, opportunities, and limitations regarding staffing and major non-personnel expenditures. The financial trend analysis completed in Step I may also surface issues for discussion regarding how the City currently allocates its resources and whether there are opportunities to do so differently in support of the Bicentennial Vision Plan or its successor plan.

Depending on the level of information available in the City's Capital Improvement Plan, we will also integrate the projects from that document into the projection model to guide discussions about which projects the City can afford, when, and under what circumstances.

*Step IV: Initiative Development and Plan Presentation*

Based on the information collected to date, the analysis conducted during the prior steps will likely identify gaps between the City's needs and resources to meet those needs, absent corrective action. The Network will identify a handful of potential high-impact, high-priority initiatives to address any budgetary shortfall, increase the amounts available for investment in the City's capital plan, or set aside for investment in priorities in the Bicentennial Vision Plan or its successor plan.

The Network will take the findings from all four steps and document them in the form of a detailed PowerPoint-based report. The team will present the report to the Commission, City management, the Firelands Regional Partnership, and other partners identified by the City.

## **Phase II: Support the establishment of a Regional Collaborative Body**

The City of Sandusky and its partners have already begun advancing plans for a regional collaborative organization. This includes an analysis of precedent frameworks used by similar regional entities, a selection of a preferred model, and a preliminary outline of the vision, focus areas, structure, and capacity and funding needs that will allow this new entity to accomplish its primary goals.

To build on this momentum, the Network can provide additional support targeted at validating the preliminary work that has been completed to-date and advancing a business plan and implementation roadmap for the new regional collaborative body.

### *Step I: Stakeholder Outreach & Validation*

- January 2020: Stakeholder outreach and evaluation of alignment between the proposed framework and stakeholder priorities.

### *Step II: Strategy & Implementation*

- February 2020: Define scope for advancing a strategy and implementation roadmap for the new entity. The scope may focus on advancing the overall framework or focus on one specific entity.
- March – April 2020: Strategy and implementation roadmap will allow the organization to direct future actions and provide a benchmark for monitoring progress.

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

Gordon Mann of PFM and Victoria Brown of Enterprise. Additional members of the team may assist in the execution of the direct assistance plan as needed.

11. The Network will provide the following deliverables to the City:

#### *Multi-year Financial Plan*

- Five-year financial projection model with baseline *status quo* scenario;
- Comprehensive report in the form of a detailed PowerPoint presentation;
- Presentations on the final report to the City.

#### *Regional collaborative body*

- Strategy and implementation roadmap

12. The Network estimates that the value of the direct assistance to the City of Sandusky is \$187,500. The Network will fund seventy-five percent (75%) of this cost with funds provided by AV pursuant to its grant to the Network. The City of Sandusky agrees that it will provide twenty-five percent (25%) of the total estimated cost of the direct assistance plan, or \$46,875. 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 mutually 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 60<sup>th</sup> day, the Network may exercise its right to stop work until payment is received. Whether Sandusky 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 9, the City also agrees to and commits to the following:
  - a. Upon execution of this memorandum, the City Manager 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 sections 10 and 11 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.
  - d. The City agrees and acknowledges that an integral part of the direct assistance provided by the Network will be peer-to-peer activity led by GOPC. The City shall take reasonable steps to engage with the Network and GOPC 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.
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 designated 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 by the Network, including communications with members of the media, may be limited based on provisions of the grant agreement between AV 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.

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David Eichenthal, Executive Director, National Resource Network

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Date

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Eric Wobser, City Manager, City of Sandusky

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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.)