

# **P** R E S S R E L E A S E

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## **GDB BEGINS MEETINGS TO PREPARE FIVE-YEAR FISCAL PLAN**

Government Development Bank for Puerto Rico President, William Lockwood, announced today the start of meetings with officials of U.S. jurisdictions that have successfully established fiscal planning processes to receive input for the development and implementation of the Commonwealth's 2006-2011 Fiscal Plan, as part of the recommendations made by rating agencies that review Puerto Rico's credit.

“Given the recent downgrade of the Commonwealth credit and other associated bonds, the credit rating agencies requested that the government of Puerto Rico develop and implement of a five-year fiscal plan. This plan, under the responsibility of the Department of the Treasury, the Office of Management and Budget (OMB) and GDB, will be the instrument that will institutionalize the fiscal planning process of the central government and other government institutions in the medium and long terms. It shall establish revenue objectives and necessary expenditures to attain fiscal stability in a reasonable term,” Lockwood stated.

As project leader, GDB has contacted several companies that have served as advisors to U.S. jurisdictions in the development and implementation of this type of fiscal plan. The challenge is to accelerate the fiscal adjustment through the innovation of internal processes at OMB, Treasury and GDB, and by strengthening career top management capabilities. One of these jurisdictions is Cobb County, Georgia, which was suggested by one of the credit agencies. GDB officers met with Cobb County representatives at the annual Government Finance Officers Association (GFOA) meeting last June and extended them an invitation to discuss their experiences with long-term fiscal planning processes. In response to this invitation, James Pehrson,

Assistant Comptroller, and Brad Bower, Finance Director of Cobb County visited Puerto Rico. In addition to sharing their experience in institutionalizing long-term fiscal planning processes, the visiting officers presented their working platform for the actual implementation of the fiscal plan in the county.

The Cobb County officers met with the Mayors of Caguas and Aguadilla, William Miranda-Marín and Carlos Méndez, respectively, and their finance and information systems officers at invitation of GDB's President.

They also met with the GDB officers who are working in the initial coordination of the five-year Fiscal Plan for Puerto Rico.

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