

This Project Status Report provides a summary of the work activities completed by CMA's Strategic Consulting Group during the period July to September of 2020 and the anticipated work over the coming months. During this time our efforts to delve into the City's budget and financial operations have continued. We have received updates from various City Departments and have participated in conversations with several City officials. Our work has focused on the following projects:

- Development of a Five-Year Financial Plan
- Fiscal and Management Policies and Procedures
- Development of Organizational Charts
- Updating the City's Budget Book
- Engel Burman Tax Analysis

Each project is further described, in detail, below.

FIVE-YEAR FINANCIAL PLAN (FISCAL YEARS 2021-2025)

Overview: The development of the City's Five-Year Financial Plan (the "Plan") continues to advance. A first draft of the Plan has been delivered to the City Administration and is further discussed below.

Plan: CMA has finalized a draft list of fiscal and operational recommendations which have been deemed reasonable, achievable and applicable for the consideration of the City. In conjunction with the development of these recommendations, CMA simultaneously prepared the first draft of the Plan. The Plan was delivered to the City Administration on August 19, 2020. At that time CMA requested that the City review the Plan for accuracy and for comment. The City Administration has commenced its initial review of the Plan and a conference call was held on September 15th with CMA to discuss certain areas of the Plan. The City Manager and the City Comptroller advised that they will be providing further comments in the coming days/weeks. Once received, CMA intends to revise the Plan and a second draft will be distributed.

The recommendations of the Plan are based on interviews with the various departments, as well as CMA's analysis of City operations. The Plan can be considered an extension and a logical next step of the previously delivered (draft) Fiscal Conditions Analysis (the "Analysis"). Throughout the Plan, there are a number of recommended studies which CMA suggested to be conducted. CMA advised the City that we stand ready to conduct those analyses as part of our contract with the City (with the exception of the cybersecurity analysis).

Next Steps: As per a conversation with City officials on September 15th, CMA anticipates comments on the Plan in the near future. Once received, CMA will distribute a revised draft version of the Plan. There will likely be additional comments to the Plan that will require additional drafts to be distributed. Once the Plan has been thoroughly vetted, CMA believes it is the City's intention to publicly release the Plan. CMA will assist the City with respect to this release.

FISCAL POLICIES AND PROCEDURES

Overview: The development of fiscal and management policies and procedures (the "Policies") continues to advance. The Policies are intended to enhance transparency and to define and guide key operations of the City.

Policies: To date, CMA has delivered to the City drafts of Policies in the following areas:

- Americans with Disabilities Act
- Capital Asset
- Capital Budget
- Debt Management
- Elected and Appointed Officials
- Expenditure
- Fund Balance
- Grant and Financial Award
- Information Technology
- Investment
- Public Relations
- Procurement
- Revenue
- Social Media
- Telecommuting
- Travel
- Vehicle Usage

Next Steps: Several of the draft Policies are in the process of being reviewed and/or considered by the City. In addition, the City Manager recently reached out to CMA to discuss the process for the adoption of these policies. New lines of communication were opened with the City Council which will help to enhance this process.

Once the City has been able to adopt a number of Policies, CMA has suggested combining them into a comprehensive "Policy Manual." CMA believes this will it

both easier to track the Policies and to revise them on an annual basis. At the City's request, CMA stands ready to develop a framework for the Policy Manual.

ENGEL BURMAN TAX ANALYSIS

Overview: CMA has continued working with the City to analyze the potential development of the Superblock by Engel Burman. Engel Burman has proposed the building of two condo buildings totaling 200 units and a rental apartment building with 238 units. In conjunction with the development, Engel Burman has been seeking and negotiating a 25-year PILOT with the Nassau County Industrial Development Agency for a partial tax-exemption on the rental building.

Tax Analysis: Based on a study commissioned by the developer and prepared by Nelson, Pope & Voorhis, LLC and a subsequent evaluation by the National Development Council, CMA prepared an analysis detailing the potential net impact to the City during the proposed PILOT period.

The prepared analysis was subsequently presented to the City Council during private sessions as well as public meetings.

DEVELOPMENT OF ORGANIZATIONAL CHARTS

Overview: The development an Organizational Chart Manual has been completed and a draft has been delivered to the City Administration.

Organizational

Charts: At the request of the City, CMA developed a consolidated organizational chart and a series of departmental charts. The purpose of the charts is to enhance transparency with respect to the chain of command and the reporting structure. with several assumptions being made. The charts were compiled into a manual and were also included in the first draft of the Five-Year Financial Plan. CMA utilized readily available information. As such, the charts should be reviewed by each department for accuracy.

UPDATING THE CITY'S BUDGET BOOK

Overview: City officials have recently reached out to CMA to request assistance in revamping the City's Annual Budget Book in connection with the 2021-2022 fiscal year. The revised Budget Book will be constructed to comply with all applicable generally accepted industry best practices.

CITY OF LONG BEACH, NEW YORK

STRATEGIC PLANNING UPDATE (JULY - SEPTEMBER, TO DATE)



Budget Book: CMA has only recently commenced work on the project and has made initial requests to the City for information. CMA will work closely with the City Manager and City Comptroller to complete this project in a timely fashion.