

Strategic Consulting Group

11 Grace Avenue, Suite 308
Great Neck, New York 11021
Phone: (516) 487-9815
rtortora@capmark.org

To: Donna Gayden
City Manager, City of Long Beach
From: Richard Tortora
Margaret Guarino
Re: Strategic Consulting Services Proposal
Date: May 28, 2020

At your request, I prepared the following proposal for ongoing strategic consulting services to be delivered to the City of Long Beach, New York (the "City") by CMA's Strategic Consulting Group ("SCG").

A. FISCAL CONDITIONS ANALYSIS

The Fiscal Conditions Analysis (the "Analysis") will provide valuable information on the current state of the City's finances, seek to identify the root causes of structural imbalances and provide information to allow SCG to update the Annual Fiscal Analysis.

In connection with the Analysis, SCG's services will include the following:

- 1) Prepare a written Fiscal Conditions Analysis to evaluate:
 - a) Environmental factors, including but not limited to, community needs and resources, economic development activities, property value trends, intergovernmental constraints, disaster risk and an assessment of local and national economic conditions.
 - b) Organizational factors, including but not limited to, management practices, departmental structures, applicable local, State and Federal fiscal policies and timeliness of financial reporting.
 - c) Current financial conditions, including but not limited to, revenues, expenditures, fund balance, debt obligations, capital improvement needs, unfunded liabilities, pending claims and litigation, capital improvement needs and cash flow requirements.
- 2) Collect and analyze applicable financial reports, plans and budgets and develop financial measures and ratios;
- 3) Establish and distribute a tentative project timeline and framework;
- 4) Assess supporting data to identify reporting or operational deficiencies;
- 5) Identify key fiscal trends;
- 6) Evaluate real property tax and debt capacity;
- 7) Collect financial and operational data on peer jurisdictions and develop internal and external benchmarks;
- 8) Evaluate credit rating factors and develop short and long-term rating strategies;

- 9) Prepare a written plan in a succinct manner which is graphically compelling for public consumption and clearly delineates fiscal and operational findings;
- 10) Work collaboratively with City staff to discuss project progression and direction;
- 11) Provide regular written progress updates;
- 12) Participate in City Board meetings, as requested, and;
- 13) Develop performance measures to annually assess fiscal conditions

Dedicated On-Site SCG Personnel During the course of the Analysis, SCG personnel will be at City Hall as needed to work with City personnel.

B. STRATEGIC ANNUAL FISCAL ANALYSIS

Subsequent to the Fiscal Conditions Analysis, the SCG will prepare and deliver a forward-looking Annual Fiscal Analysis. The Plan will include various strategies and is intended to expand upon the Analysis. SGC's services with respect to the Plan would include the following:

- 1) Continued review of operations, existing and future debt, elimination of any structural deficits, efficiency and management practices;
- 2) Integrate the budget and financial forecasting into the budget process;
- 3) Assess of key variables and trending of the historic data for forecasting purposes;
- 4) Analyze key drivers and risk measurements;
- 5) Communicate objectives, findings and recommendations with City officials and staff;
- 6) Develop performance measurements to annually test and assess fiscal progress of the Plan;
- 7) Prepare a comprehensive credit rating strategy;
- 8) Conduct a sensitivity analysis of the City's annual Operating Budget in all major funds;
- 9) Evaluate actual payroll, including regular payroll, overtime, emergency and benefits;
- 10) Perform a benchmark and forecast analysis relative to increasing service fees charged by the City;
- 11) Analyze revenue enhancement, while identifying potential revenue increases and, if applicable, developing a related progressive rate structure;
- 12) Identifying potential cost reduction areas within the City's Operating Budget;
- 13) Assist with the implementation of Plan recommendations, and;
- 14) If applicable, provide grant procurement services relative to Plan recommendations.

C. ADDITIONAL SERVICES

During the course of this engagement, in addition to its work on the Fiscal Conditions Analysis and Annual Fiscal Analysis, SCG personnel will provide the following services:

- 1) Work closely with the City Comptroller, while reporting directly to the City Manager, to restructure the City's daily money-management and financial problem-solving approach, in order to (a) optimize ROI on individual transactions and (b) build the foundation for financial stability in the near term, and growth in the long-term.
- 2) Evaluate minor and large-scale transactions from the perspective of a credit-rating agency, while balancing the need to provide essential government/municipal services to residents and cash flow considerations.
- 3) Recognize short-term and long-term investment opportunities that may otherwise go unnoticed by accountants/auditors and provide the finance "counterpoint" in situations where opportunities are identified but disregarded due to other pressing, financial concerns;
- 4) Participate in regular meetings with all major department heads and DPW Division leaders, as needed, to evaluate emergency and routine transactions and review solutions to problems and the City's approach to future problems in a manner that stresses financial conservation.
- 5) Help determine the optimal financing "mix" for large scale transactions, e.g., cash from operating budget, borrowing (capital plan), grants, etc. and develop detailed plans, with benchmarks, to help key personnel follow-through on objectives.
- 6) Together with the City Manager, SCG will prepare a written report for the City Council on a quarterly basis that provides an update on the status of SCG's activities for the prior quarter.

Grant Funding Opportunities

CMA will actively seek ways to mitigate the cost of its Strategic Consulting Services to the City. In connection with this engagement, the SCG will review potential grant opportunities in an effort to effectively reduce the cost of our service to the City. If the SCG identifies a grant opportunity that fits the scope of this engagement, it will present the opportunity to the City and discuss how it could be pursued.

If the SCG identifies grant opportunities with respect to the implementation of SCG plan recommendations, the opportunity will be presented to City officials. If requested by the City, the SCG may be engaged to assist the City to apply for such grants.

D. COMPENSATION

In consideration for the SCG's services rendered as outlined above, CMA will be compensated via a monthly retainer of ten thousand (\$10,000) dollars, payable the 15th day of each month commencing on June 15, 2020, continuing for eleven (11) additional, successive months, and concluding on May 15, 2021.

In addition to the above noted fees, CMA would seek reimbursement, at its cost, for its out of pocket expenses including overnight delivery, printing, postage and travel.

E. ENGAGEMENT COMMENCEMENT DATE AND TERM

Ongoing Engagement

The SCG would continue its work on this engagement through the end of May 2021.

Term

The term of this agreement is twelve (12) months from the date hereof.

Renewal Option

This Agreement is renewable by City for two, additional, one-year terms, at its option, exercised in writing and sent to CMA at its offices in Great Neck.


Please evidence your consent to the terms of this agreement by signing below and returning a copy of this agreement to me at my office in Great Neck at your earliest convenience. We look forward to continuing our relationship with you and the City of Long Beach.

Reviewed and agreed to this 6th of June, 2020.

Capital Markets Advisors, LLC



Richard Tortora
President


Signature

Donna Gayden
City Manager

June 2, 2020

Item No. 1
Resolution No. 39/20

The following Resolution was moved by Mr. Delury
and seconded by Ms. McInnis :

Resolution Authorizing the Continued Retention of
Capital Markets Advisors, LLC.

WHEREAS, pursuant to Resolution No. 27/19, duly adopted by the City Council on April 16, 2019, the City of Long Beach retained the professional services of Capital Markets Advisors, LLC ("CMA"), an independent registered municipal advisor, to provide on-site consulting services to assist the City in improving the efficiency and effectiveness of our day-to-day operations for a period of one year; and

WHEREAS, it is the desire of the City Council to continue the retention of CMA, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, to act as a consultant to the City, for a term of one year, at a cost of \$10,000 per month, commencing June 15, 2020 through May 15, 2021, with the City's option to renew for two additional one-year terms, exercised in writing;

NOW, THEREFORE, be it

RESOLVED, by the City Council of the City of Long Beach, New York that the City Manager may continue the retention of CMA, 11 Grace Avenue, Suite 308, Great Neck, New York 11021 to perform professional municipal consulting services on behalf of the City, including but not limited to on-site services, a Fiscal Conditions Analysis and a Strategic Annual Fiscal Analysis; and be it further

RESOLVED that CMS shall report directly to the City Manager, and provide quarterly updates to the City Council; and be it further

RESOLVED that the contract term shall be for one year, at a cost of \$10,000 per month commencing on June 15, 2020 to May 15, 2021, with the City's option to renew for two additional one-year terms, exercised in writing; and be it further


RESOLVED that the Comptroller is hereby authorized and directed to pay the cost thereof upon receipt of duly executed contract and certified claims therefor with funds available in Account No. A1210.54440 (City Manager's Contracted Services) that will be reimbursed to the City through the New York State Financial Restructuring Board; and be it further

June 2, 2020

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Item No. 1
Resolution No. 39/20

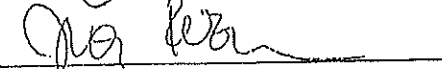
RESOLVED, that said agreement shall contain such other terms and conditions as the City Manager shall deem proper.

APPROVED:



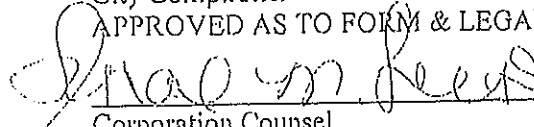
City Manager

APPROVED AS TO FUNDS:



City Comptroller

APPROVED AS TO FORM & LEGALITY:



Corporation Counsel

VOTING:

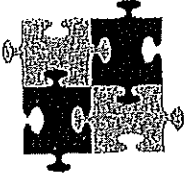
Council Member Delury - AYE

Council Member Mandel - AYE

Council Member Treston - AYE

Vice President McInnis - AYE

President Bendo - AYE



CMA
Capital Markets Advisors, LLC

Strategic Consulting Group

11 Grace Avenue, Suite 308
Great Neck, New York 11021
Phone: (516) 487-9815
rtortora@capmark.org

To: Robert M. Agostisi
Acting City Manager, City of Long Beach
From: Richard Tortora
Margaret Guarino
Cc: James Nytko
Re: Strategic Consulting Services Proposal
Date: March 14, 2019

At your request, following our meeting at City Hall on Tuesday, I prepared the following proposal for strategic consulting services to be delivered to the City of Long Beach, New York (the "City") by CMA's Strategic Consulting Group ("SCG").

A. FISCAL CONDITIONS ANALYSIS

The Fiscal Conditions Analysis (the "Analysis") will provide valuable information on the current state of the City's finances, seek to identify the root causes of structural imbalances and provide a foundation for the development of the Multiyear Fiscal Improvement Plan, to follow.

In connection with the Analysis, SCG's services will include the following:

- 1) Prepare a written Fiscal Conditions Analysis to evaluate:
 - a) Environmental factors, including but not limited to, community needs and resources, economic development activities, property value trends, intergovernmental constraints, disaster risk and an assessment of local and national economic conditions.
 - b) Organizational factors, including but not limited to, management practices, departmental structures, applicable local, State and Federal fiscal policies and timeliness of financial reporting.
 - c) Current financial conditions, including but not limited to, revenues, expenditures, fund balance, debt obligations, capital improvement needs, unfunded liabilities, pending claims and litigation, capital improvement needs and cash flow requirements.
- 2) Collect and analyze applicable financial reports, plans and budgets and develop financial measures and ratios;
- 3) Establish and distribute a tentative project timeline and framework;
- 4) Assess supporting data to identify reporting or operational deficiencies;
- 5) Identify key fiscal trends;
- 6) Evaluate real property tax and debt capacity;
- 7) Conduct in-person interviews with key staff members and stakeholders of the City;

- 8) Collect financial and operational data on peer jurisdictions and develop internal and external benchmarks;
- 9) Evaluate credit rating factors and develop short and long-term rating strategies;
- 10) Prepare a written plan in a succinct manner which is graphically compelling for public consumption and clearly delineates fiscal and operational findings;
- 11) Work collaboratively with City staff to discuss project progression and direction;
- 12) Provide regular written progress updates;
- 13) Participate in City Board meetings, as requested, and;
- 14) Develop performance measures to annually assess fiscal conditions

Dedicated On-Site SCG Personnel During the course of the Analysis, SCG personnel will be at City Hall on a weekly basis working with City personnel and interviewing key department staff. Subsequent to the interview period, and for the term of this engagement, dedicated SCG team members will be assigned to and work at the City on a weekly basis.

Deliverables With respect to the Analysis, SCG will deliver the following:

- 1) **Project Updates** Regular written project updates will be provided to the City. The City and the SCG will mutually agree upon the frequency of the updates.
- 2) **Draft Analysis** The SCG shall prepare and present a draft report for the City's review that includes all items outlined above. Comments from City officials and staff will be incorporated into the draft document, which will be revised and re-circulated to City officials for additional review.
- 3) **Final Report** Subsequent to the City's review of the second draft report, a Final Report shall be prepared. At the City's discretion, the Final Report will be publicly presented at a meeting of the City Council.

In addition to a digital format, bound copies of the Final Report will be made available.

B. STRATEGIC MULTIYEAR FISCAL IMPROVEMENT PLAN

Subsequent to the Fiscal Conditions Analysis, the SCG will prepare and deliver a forward-looking Multiyear Fiscal Improvement Plan. The Plan will include various strategies and is intended to expand upon the Analysis. SCG's services with respect to the Plan would include the following:

- 1) Continued review of operations, existing and future debt, elimination of any structural deficits, efficiency and management practices;
- 2) Integrate the budget and financial forecasting into the budget process;
- 3) Collect and organize five-year, historic data if not previously collected;
- 4) Assess of key variables and trending of the historic data for forecasting purposes;

- 5) Analyze key drivers and risk measurements;
- 6) Communicate objectives, findings and recommendations with City officials and staff;
- 7) Develop performance measurements to annually test and assess fiscal progress of the Plan;
- 8) Prepare a comprehensive credit rating strategy;
- 9) Conduct a sensitivity analysis of the City's annual Operating Budget in all major funds;
- 10) Evaluate actual payroll, including regular payroll, overtime, emergency and benefits;
- 11) Perform a benchmark and forecast analysis relative to increasing service fees charged by the City;
- 12) Analyze revenue enhancement, while identifying potential revenue increases and, if applicable, developing a related progressive rate structure;
- 13) Identifying potential cost reduction areas within the City's Operating Budget;
- 14) Assist with the implementation of Plan recommendations, and;
- 15) If applicable, provide grant procurement services relative to Plan recommendations.

C. ADDITIONAL SERVICES

During the course of this engagement, in addition to its work on the Fiscal Conditions Analysis and Multiyear Fiscal Financial Plan, SCG personnel will provide the following services to the City as discussed in our meeting of March 12, 2019:

- 1) Work closely with the City Comptroller, while reporting directly to the City Manager, to restructure the City's daily money-management and financial problem-solving approach, in order to (a) optimize ROI on individual transactions and (b) build the foundation for financial stability in the near term, and growth in the long-term.
- 2) Evaluate minor and large-scale transactions from the perspective of a credit-rating agency, while balancing the need to provide essential government/municipal services to residents and cash flow considerations.
- 3) Recognize short-term and long-term investment opportunities that may otherwise go unnoticed by accountants/auditors and provide the finance "counterpoint" in situations where opportunities are identified but disregarded due to other pressing, financial concerns;
- 4) Participate in regular meetings with all major department heads and DPW Division leaders to evaluate emergency and routine transactions and review solutions to problems and the City's approach to future problems in a manner that stresses financial conservation.
- 5) Help determine the optimal financing "mix" for large scale transactions, e.g., cash from operating budget, borrowing (capital plan), grants, etc. and develop detailed plans, with benchmarks, to help key personnel follow-through on objectives.

Grant Funding Opportunities

CMA will actively seek ways to mitigate the cost of its Strategic Consulting Services to the City. In connection with this engagement, the SCG will review potential grant opportunities in an effort to effectively reduce the cost of our service to the City. If the SCG identifies a grant opportunity that fits the scope of this engagement, it will present the opportunity to the City and discuss how it could be pursued.

If the SCG identifies grant opportunities with respect to the implementation of SCG plan recommendations, the opportunity will be presented to City officials. If requested by the City, the SCG may be engaged to assist the City to apply for such grants. The cost of this service will be mutually agreed upon between the SCG and the City depending on the scope the applications.

D. COMPENSATION

In consideration for the SCG's services rendered as outlined above, CMA will be compensated via a monthly retainer of twelve thousand (\$12,000) dollars, payable the 15th day of each month commencing on March 15, 2019, continuing for eleven (11) additional, successive months, and concluding on February 15, 2020.

In addition to the above noted fees, CMA would seek reimbursement, at its cost, for its out of pocket expenses including overnight delivery, printing, postage and travel.

E. ENGAGEMENT COMMENCEMENT DATE AND TERM

Commencing this Engagement

The SCG would commence its work on this project during the week of March 18, 2019. We expect that the first draft of the Analysis could be delivered to the City within 3-4 months of our start date. Following completion and acceptance of the Analysis, work on the Plan would commence. We expect the Plan could be delivered to the City within 3-4 months of our start date on that project.

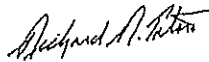
Term

The term of this agreement will for twelve (12) months from the date hereof.

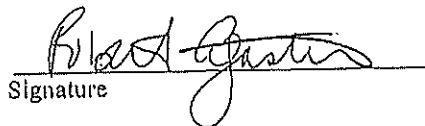
Please evidence your agreement to the terms of this agreement by signing below and returning a copy of this agreement to me at my office in Great Neck at your earliest convenience. The US Securities and Exchange Commission requires that CMA have signed agreements on file for each of our engagements.

Reviewed and agreed to this ____ of March, 2019.

Capital Markets Advisors, LLC



Richard Tortora
President


Signature

Robert Agostisi
Acting City Manager

April 16, 2019

Item No. 3
Resolution No. 27/19

The following Resolution was moved by Ms. Diamond
and seconded by Pres. Eramo :

Resolution Authorizing the Acting City Manager to Enter
into an Agreement for Strategic Consulting Services.

WHEREAS, the City of Long Beach desires to retain the professional services of Capital Markets Advisors, LLC ("CMA"), an independent registered municipal advisor, to provide on-site consulting services to assist the City in improving the efficiency and effectiveness of our day-to-day operations; and

WHEREAS, CMA shall study and comprehensively analyze the City's fiscal condition, which will provide valuable information on the current state of the City's finances, seeking to identify the root causes of structural imbalances and provide a foundation for the development of a Strategic Multiyear Fiscal Improvement Plan; and

WHEREAS, during the course of this engagement, CMA shall also provide the following services:

1. Work closely with the City Comptroller, while reporting directly to the Acting City Manager, to restructure the City's daily money-management and financial problem-solving approach, in order to optimize return on investments on individual transactions and to build the foundation for financial stability in the near term, and growth in the long term; and
2. Evaluate minor and large-scale transactions from the perspective of a credit-rating agency, while balancing the need to provide essential municipal services to residents and cash flow considerations; and
3. Recognize short and long term investment opportunities that may otherwise go unnoticed by accountants/auditors and provide the finance "counterpoint" in situations where opportunities are identified but disregarded due to other pressing, financial concerns; and
4. Participate in regular meetings with all major department heads and DPW division leaders to evaluate emergency and routine transactions and review solutions to problems and the City's approach to future problems in a manner that stresses financial conservation; and
5. Help determine the optimal financing mix for large scale transactions, for example, cash from the operating budget, borrowing (capital plan), grants, etc. and develop detailed plans, with benchmarks, to help key personnel follow through on objectives; and

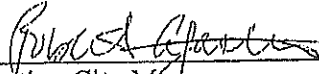
WHEREAS, Capital Markets Advisors, LLC ("CMA"), 11 Grace Avenue, Suite 308, Great Neck, New York 11021, has agreed to act as consultant on behalf of the City, providing expertise in the services as outlined above, for a term of one year, at a cost of \$10,000 per month through May 31, 2019, and \$12,000 per month for the remainder of the contractual term;

NOW, THEREFORE, be it

RESOLVED, by the City Council of the City of Long Beach, New York that the Acting City Manager may retain Capital Markets Advisors, LLC ("CMA"), 11 Grace Avenue, Suite 308, Great Neck, New York 11021 to perform professional municipal consulting services on behalf of the City, including but not limited to on-site services; a written Fiscal Conditions Analysis; a written Strategic Multiyear Fiscal Improvement Plan; and all of the additional services as outlined above, reporting directly to the Acting City Manager, for a term of one year, at a cost of \$10,000 per month through May 31, 2019, and \$12,000 per month for the remainder of the contractual term. Funds are available in Account No. A.1210.54440 (City Manager's Contracted Services); and be it further

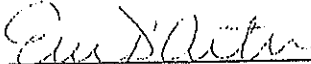
RESOLVED, that said agreement shall contain such other terms and conditions as the Acting City Manager shall deem proper.

APPROVED:



Acting City Manager

APPROVED AS TO AVAILABLE FUNDS:



Acting City Comptroller

APPROVED AS TO FORM & LEGALITY:



Corporation Counsel

VOTING:

- Council Member Bendo - AYE
- Council Member Mandel - NO
- Council Member Moore - AYE
- Vice President Diamond - AYE
- President Eramo - AYE