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In the Matter of:

CITY COUNCIL MEETING
CITY OF LONG BEACH.

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DATE: Tuesday, May 5, 2020
TIME: 7:00 p.m. (via videoconference)

APPEARANCES: DAVID FRASER, City Clerk
JOHN BENDO, City Council President
KAREN MCINNIS, City Council VP
MICHAEL DELURY, City Council Member
SCOTT MANDEL, City Council Member
ELIZABETH TRESTON, City Council Member
DONNA GAYDEN, City Manager
SIMONE FREEMAN, ESQ. Corporation Counsel
JOHN MCNALLY, Exec. Assist to City Manager
INNA REZNIK, City Comptroller
SCOTT KEMINS, Fire/Building Commissioner
TOM VOUZAKIS, CMA

DIGITALLY RECORDED PROCEEDING
TRANSCRIBED BY: GINA T. GUMA

[Audio, begins]

MR. FRASER: We are recording.

Good evening and welcome to the regular meeting of the Council of the City of Long Beach, held Tuesday, May 5th, 2020 at 7pm.

We will have a roll call. Councilmember Delury?

MR. DELURY: Present.

MR. FRASER: Councilmember Mandel?

Still didn't get you.

MR. MANDEL: Present.

MR. FRASER: Thank you.

MR. FRASER: Councilmember Treston?

MS. TRESTON: Here.

MR. FRASER: Vice President McInnis?

VP MCINNIS: Present.

MR. FRASER: President Bendo?

PRES. BENDO: Present.

D. FRASER: Let the record indicate the presence of City Manager, Donna Gayden and Corporation Counsel, Simone Freeman. We will now have a salute to the flag.

PRES. BENDO: Councilwoman McInnis would you please lead us.

ALL: I Pledge of Allegiance to the flag of the United States of America and to the

Republic for which it stands, one nation under God, indivisible, with Liberty and Justice for all.

MR. FRASER: Before we get started--- Item number 2 is up to be added by unanimous consent. Will somebody make the motion to add Item number 2, which is a resolution authorizing transfer of funds for the 2019-2020 Fiscal Year?

MR. BENDO: I will.

MR. FRASER: Who will second?

MS. TRESTON: I will.

MR. FRASER: Voting. Councilmember Delury?

MR. DELURY: Yes.

MR. FRASER: Councilmember Mandel?

MR. MANDEL: Yes.

MR. FRASER: Councilmember Treston?

MS. TRESTON: Yes.

MR. FRASER: Vice President McInnis?

VP MCINNIS: Yes.

MR. FRASER: President Bendo?

PRES. BENDO: Yes.

MR. FRASER: Item number two has been added to the agenda by unanimous consent. There is a printed copy available on the website under the agenda page.

PRES. BENDO: Alright, well good evening folks, welcome to our first meeting of May. For those of you, we have been getting some comments about the sound quality that people can't hear. It has mostly coming from I believe people watching on the Commanding Officers Association page. We've been told you plug in some headphones into whatever you're listening on rather than using like your computer or your phone speaker. That the sound does sound better. But the sound quality is fine on the City's feed on the YouTube page. So somewhere between the City's feed and it going through facebook, and now something's getting diminished in the sound, but, so try some headphones, or it does work fine on the city's YouTube feed. For those of you like I said, having sound issues.

MS. TRESTON: Just a reminder for the Councilmembers. When we are not speaking, if you can just mute, it will help everyone.

PRES. BENDO: Okay, and with that, we'll go to the City Manager's report.

MS. GAYDEN: Thank you. Good evening everyone.

What we have been working on, staff, meeting entire staff in the city, we have been

reviewing contracts with our new Corporation Counsel, we have been looking at budget adjustments. When I get into the budget presentation, I just want everybody to know that has sent in questions, we do look at your questions and we do review them against the budgets, and then I will tell you how we will give you your answers.

But the main thing that I think that everybody wants to hear, is the staff and I have been meeting on a regular basis, coming up with a three plan phase on how to re-open the boardwalk, the beaches, the parks, the rec center. And the plan would be to fully open, depending on what the Governor says, partially open, or not open at all. And so we met again today, and to make sure that as soon as he tells us that whatever we can do as far as opening, that we are ready to go so that the citizens of Long Beach can go out to the beach or go to the boardwalk, and that we have everything set up. So that's been our main goal.

We will have a plan to present to the Council next week, so that we can all take a look at it. I'm sure that after they review it, we'll post it on the website and then we will be awaiting the Governor's announcement when we can

start opening things back up. That is all I have for tonight.

PRES. BENDO: Okay, thank you then, and I guess then we can get onto the agenda.

MR. FRASER: Okay. First item is a public hearing for the purpose of giving citizens an adequate opportunity to publicly present their views on the general summary of the proposed budget for the year July 1, 2020 through June 30th, 2021.

PRES. BENDO: Okay, so the budgets been up on the city website. We are going to have a couple of presentations. Dave if you could upload the first one.

MR. FRASER: Okay, give me one second. That was your presentation, correct?

PRES. BENDO: Correct.

MR. FRASER: Okay. Give me one second to start it. Okay.

PRES. BENDO: Okay, there we go. Okay, if you can go into the presentation mode on it. On the bottom right---

MR. FRASER: Hold on, it shared the wrong window. Hold on one second, I'm sorry.

PRES. BENDO: Okay.

MR. FRASER: Okay, it's

VP MCINNIS: Dave, can you hit in the lower right hand corner? Right next to the percentage of zoom?

MR. FRASER: No, I am having a technical difficulty. I have it, I have two monitors going and I have it on the other monitor, in presentation mode, and it's not grabbing the presentation mode. Just bear with me for one second.

VP MCINNIS: Understood.

PRES. BENDO: Does anybody have a good singing voice? To entertain people?

MS. TRESTON: I do not.

MR. FRASER: Hold on.

(First Slide appears- "Greetings from Long Beach")

VP MCINNIS: Looks good Dave.

PRES. BENDO: Alright, looks like we might have it.

MR. FRASER: There you go.

PRES. BENDO: The City Manager is going to actually be doing the budget presentation itself, but we wanted to give you from the council, just do a presentation that is going to give you some context that's going to help you when you're listening to the budget presentation. Give you some context to help you understand where

we are. So with that, Dave if you can go down one. Go to the next one please.

(Next slide appears-"The Basics of City Finances- Budget breakdown")

Okay basically, the way our budget breaks down is right now, 81% of the budget goes to personnel costs. That's salary and benefits. Another 13% goes to debt service, which is paying off money that the city has borrowed previously. So that's 94 cents out of every dollar that the city takes in goes to those two things. Dave, you can go to the next one please.

(New line appears on same slide)

"That leaves only 6% of the budget to run City Operations"

The problem is we have a math problem. Not only is 6% basically, or 6 cents out of every dollar to run city operations, and that math just doesn't work. The city can't effectively be run on 6 cents out of every dollar for the operations aspect. Next please Dave.

(New slide appears-"Previous City Budgets").

And, this is stuff you heard before, about previous budgets. You know, the problem is this problem has been hidden by some bad budgets. Revenues have been continuously overestimated;

expenses underestimated; spending has not been based on what is in the bank and just as like--- for example, if somebody had \$10,000.00 in a budget line item and they spent \$5,000, they would say well, I still have \$5,000 left to spend because that is what the budget says. The problem is, the budget didn't reflect actual money that was in the bank. So there was a disconnect there. And then we just didn't have spending controls in place. Even when the money was short, there was just, there were no spending controls. Next please.

(New line appears on same slide)

"How has the City made up for the shortfalls?"

So, how did the city, how has it been making up for that over these years? By borrowing? Which is why our debt service is 13 cents out of every dollar now and just goes back to paying debt and dipping into the reserve fund, the rainy day fund. The problem is the rainy day fund is gone. It has been wiped out. There is nothing left to dip into. And that's a big problem. Next.

*(New slide appears - **"Employee Salaries-CSEA"**)*

So we talked about 81% of the budget

right now is salary and benefits. We just want to give you a breakdown of, basically let you see how that breaks down.

Our CSEA employees who are you know are the bulk of the workforce, and there the people who pick up our garbage, maintain buildings, the beaches, work on the buses, work you know, fill the offices in city hall with all the functions that need to get done. The average salary, now this is average, though some make more, some make less, but the average salary of a CSEA worker without benefits, is just under \$72,000.00. Next please.

(New line appears on same slide)

"Average Salary with benefits:"

When you add their benefits in, and that is things like, healthcare, medical, dental, pension, you know the benefits, they make just under, it is just under \$120,000.00. So like I said, that's their salary plus their benefits.

(New lines appear on same slide)

"Highest paid employee without benefits"

"Highest paid employee with benefits"

The highest paid employee, and now these numbers are all based on fiscal year 19, which is, the city's fiscal year runs July 1 to

June 30th. So fiscal year 19 would be July 1 of 2018 through June 30th of 2019. That is the last full fiscal year the city has experienced. Right now we are in fiscal year '20. So these numbers I'm showing you are from fiscal year 19 which was the last full fiscal year. The highest paid employee, just salary, no benefits, at the CSEA was about just over \$166,000 and with benefits, \$277,000.

Next, we will talk a little bit about the Fire Department now, so next please.

(New Slide appears- "Employee Salaries-Fire Department")

For our Fire Department, average salary was just over \$135,000. Next.

(New line appears on same slide)

"Average Salary with benefits"

We add their benefits in, that added about \$100,000.00 in the salary. So that brought them up to over \$235,000. Next.

(New lines appear on same slide)

"Highest paid firefighter without benefits"

"Highest paid firefighter with benefits"

The highest paid, again just salary, was about \$173,500 and then with their benefits added in, \$289,000. Go to the next one please.

(New slide appears- "Employee Salaries-Police Department")

"Average Salary without benefits"

Now we are going to talk about the Police. So the average salary in the Police Department is almost \$165,000.00. Next.

(New line appears on the same slide)

"Average Salary with benefits"

With their benefits, again, you add about \$100,000.00 in, so that brings us up to over \$274,000, almost \$275,000.

(New line appears on the same slide)

"Highest paid officer without benefits"

The highest paid, again, salary only in fiscal year 19, was over \$322,000.00. So that would include with overtime and things like that.

(New line appears on the same slide)

"Highest paid officer with benefits"

And then when you add the benefits into that one, that brings that one up over a half million dollars. So we want you to understand that 81%, where that's coming from, how that's going out. It's a huge piece of our budget. We just wanted to give you a picture of how that number comes about.

(New slide appears-"Other Labor Costs")

There are some other labor costs too. There is probably almost \$33 million dollars the city is carrying on the books right now for

accumulated vacation time, sick time and comp time. These are things the employees accumulate over time, and they carry it over, and often you will see, when people leave, they cash this out. So that's why you'll see sometimes these big-- you'll hear about these very big payouts for some employees, because they've been, for a long time, banking up this time that they then cash out when they separate. It is a big contributor to why we have some of these huge payouts when people retire and we are borrowing money for it because it is difficult to budget for these very large amounts.

The other thing that's a little unique about, I guess Long Beach or maybe Government in general, I don't know, is employees get to cash out sick time too when they separate, which is I guess a little different than what I'm used to seeing in the private sector, where sick time is kind of a "use it or lose it" kind of thing. Next please.

(New slide appears-- "Employee Benefits")

Also, again, because this is all part of that 81%, just wanted to talk about some of the benefits the employees get. They get, obviously, a very good medical and dental plan. It's quite good actually. But the majority of the employees don't contribute to it. The exempt

employees do contribute 10% to their medical and the exempts are a small number. They are probably only 12 or 13. And then the CSEA employees hired after April of 2017, they contribute 10% their first four years and 15% starting in their fifth year. Police and Fire do not contribute. And also they're reimbursed for their copays as well. So if they have copays, they get reimbursed for them as part of their contract.

Obviously, they have a pension plan as well. Employees do not contribute to their pension plan. Again, that is something in the private sector, for those of you that work in the private sector like I do. You don't see that anymore. Many companies have done away with pensions and have replaced them with 401ks. I know in my particular case, my company did away with our pension plan about five or six years ago and switched us over to a 401k that we are clearly all contributing quite a bit to, to play catch up.

This is just another, just an example of another benefit that they get. In the summer time, City Hall closes early from July 1st to September 15th. Closes an hour early so basically, the workweek gets' shortened from 40 hours to 35 hours. So effectively it equates to

about, an extra, if you put all that time together, about an extra 7 days off. (Next please).

(New slide appears: "CSEA Benefits-Time Off")

Just wanted to get into again, some of the specifics of the individual units and what they get.

Exempt employees follow, generally follow the CSEA benefits, but as far as time off, you know, they get 15 paid holidays; they max out at 25 vacation days; 15 sick days; they get five personal days in addition to the vacation. If they don't use any of their sick days they get 2 additional personal days; and then if they donate blood, they get a day off for that and they can donate blood up to two times a year. (Next please).

(New slide appears: ("CSEA Benefits-Other"))

They get something called longevity pay. What that basically is, it's a kind of an annual bonus they get based just on years of service with the city. Termination leave: when they separate from the city after 10 years, they get a certain number of days pay for each year they worked for the city. So if they worked for the city for 20 years for example, they would get

100 days of termination leave when they separate from the city, in addition to any vacation they had accumulated, or comp time, or sick time that they're cashing out as well. They do get paid if they work outside of normal working hours at night and weekends, and then they get some life insurance from the city as well. (Next please).

(New slide appears: "CSEA Benefits - Other" cont.)

They also--- if an employee goes out because they are injured or something like that, while they are out, they still continue to accumulate vacation time, all the other allowances that they get. Personal days, things like that--- sick time, that still accumulates while they're out on sick time, or while they're out on an injury. The city provides the workers uniforms. If they do training related to their job, that gets reimbursed. And this is again, just an example, I just picked this one out, there's others, but it's a small thing, like for example, for the people that work on, the mechanics that work on vehicles and stuff, they get a tool allowance. (Next please).

(New slide appears: "Firefighter Benefits-Time Off")

Now, we will talk about the
firefighters.

They work 24 hours on and 72 hours off, so basically, they work one day in four. They get 13 holidays; they get 720 hours of vacation a year, which is about 30 days; they get 240 hours in sick time and 60 hours of personal leave. So with the vacation, it works out to about five shifts a month and that doesn't account for sick or personal. Sometimes they also swap shifts you know, to cover if they are short or something. But that again, gives you an indication of their time. (Next please).

(New slide appears: "Firefighter Benefits-Other")

They also get longevity pay. So again, that's annual bonus based on years of service. They also get termination leave. If they leave at 40 hours per year of service, again if they work 20 years, they get 800 hours. As you would expect, they get uniform and equipment allowance---obviously, the first responders have equipment they need to have and maintain. They also again, if somebody is out on a line of duty injury, they do still accumulate vacation, personal days, things like that. And, there's a college reimbursement if they take courses. (Next please).

(New slide appears: "Police Benefits-Time Off")

The police. They work four days on, four days off. A shift is typically 10 hours for

the police, so they work four 10 hour shifts, and then they're off for four days. They get--- assuming they are covering other shifts or overtime or things like that, this is just basics. They get 13 paid holidays, 24 vacation days, 26 sick days. If they don't use any of their sick days, they get an additional five personal days. So on top of the seven personal days they get, that would give them 12 if they don't use no sick time. If they donate blood, they get 2 days off, and they are allowed to donate blood up to four times for a total of 8 days. (Next please).

(New slide appears: "Police Benefits-Other")

They also get longevity pay. Again, based on years of service, and it's scaled, so the longer you're with the city the more you get. It's the same with the others. They also get termination leave. They get 6 days of pay for each year of service, so again, if somebody works 20 years, they would get 120 days of pay when they separate. They get--- it's called a night differential. They get extra pay for working at night. By their contract, night is determined to be from 4pm to 8am, so 16 hours a day is considered working at night. They get also a clothing and uniform allowance. Allowance for

equipment cleaning and things like that. Again, like the others, if somebody is out on a line of duty injury, they do still accumulate their other banks and they also get reimbursed. (Next please).

(New slide appears: "As Stated Earlier...")

Again, just like we stated earlier, we wanted to try and help you understand where that 81% is coming from and how it's broken down, where it's going. It's a high number. It's a big piece of the budget. With the debt service on top, like I said, it creates some math problems for us on how we can run the city. It's very difficult to run the city on 6%, and because basically it can't be done, the city has been borrowing and dipping into that reserve fund which is now gone. (Next please).

(New slide appears: "How Did We Get Here?")

We are not necessarily going to go through all of this, but you know it is kind of that laundry list of how we got here---basically, the city has systemic problems.

So, it's the way the city's been operating. It is a systemic problem. The budgeting has been unrealistic. There hasn't been the oversight that's been needed. You know, the borrowing to

plug the holes rather than fixing the problems; overtime; the way the city operates; is it really operating the most efficient way it should? We have to acknowledge there's been, politics has been a factor in this as well. And another big one is a lack of new revenue streams as well. Which is something that is going to be looked at in this upcoming year. (Next please).

(New slide appears: "Where Are We Now?")

You will get more details in the City Manager's presentation, but the cumulative effect of the tax increase that will be coming up this year if the budget passes, is 3.68% as the budget stands now. The actual tax increase that the city is doing is 1.81%. The difference between the 1.81% and the 3.68% are adjustments that are made by the state and the county to things like the property assessments and the homestead vs. non-homestead, which basically means, there's a formula that the state gives the city that says "okay, if you have a whole pie that's the taxes. This is how we want you to slice the pie to determines how much of the taxes get paid by homeowners and how much of the taxes get paid by commercial properties". And that's something that the state determines and the state

gives the city a formula. So the adjustment due to the state formula plus reassessment stuff from the county, makes up the difference between the actual 1.81% increase that the city's doing. And that's how it gets to the 3.68%. This does stay below the state tax cap.

(New slide appears: "But...")

But, there's always a but, you know. We borrowed \$4.25 million dollars on Thursday. That was approved to carry us through the rest of the year because of expected revenue reductions due to the COVID19. The expectation that beach revenues will be down and many other revenues, so that money had to be borrowed to carry us for the rest of the year because the way the tax receipts work in the city is, the city basically gets its property tax revenue which is a big chunk. It gets it in the beginning of July and then in December, sorry to January. So, what tends to carry the city through the latter part of the fiscal year, because remember, our fiscal year ends June 30th, was the things like the beach revenue and selling parking passes for the Long Island Railroad station, and those things that happen, revenue sources that happen late in the year. The problem is, we don't know if they're

going to happen, so we had to borrow this \$4.25 million dollars to carry the city.

Now, if those revenues do come in, we can just pay it off because there is the ability to pay this off right away.

We are still borrowing money to cover separation payments, because that is again, a systemic issue that needs to be addressed in this upcoming year.

We have to build the city's reserve fund. As I told you, that rainy day fund, it's gone. Municipal finance law requires that the city have 5% at a minimum, 5% of basically what it spends each year, in the bank as a reserve fund. We don't have that. Right now, we are violating finance law, and we have to build that fund back up. And then, again, I don't want to sound like a broken record, but the labor cost, that 81% is too big a piece of the budget and it's making it difficult to run the city's operations. (Next please).

(New slide appears: "Why Are We Still Borrowing?")

Why are we still borrowing? Well, here's the thing. If we wanted to just fix this, this year with a tax increase, and not borrow anything, this year's tax increase would have been

over 18% to basically plug the hole. (Next please).

(New line appears: "A huge tax increase...won't fix things")

Here is the issue. The problem is, as I said, we have systemic problems. We have problems with the way the city is operating. Just taxing you to death still does not fix the problems that are causing this. So, a decision was made that to spend this year, upcoming year, working on fixing the systemic issues. We have to fix the underlying problems. We can't just tax our way out of this. So, like I said, ---and the proof is, we've all had 8% tax increases each of the last 2 years, and we are still in a financial mess. Jacking up your taxes, when you add them cumulatively, almost 20% over the last couple of years and we are still in a mess. So you can see that it is not just about taxing to fix it, we can't start climbing out the hole when the hole keeps getting deeper. We have to fix the underlying problems. (Next).

(New slide appears: "Turnaround Options")

There is not a lot of options here for a turnaround. There's just a few basic things you can do. Raise taxes, like I said. We can keep borrowing, but the problem is, the more we

borrow, the more the debt service goes up and the more the debt service goes up, the less there is to spend. Again, just for example, the city's debt service, I think about six years ago, was only 6%. ---it more than doubled in just the last few years, the debt service. So that's an unsustainable trajectory. Just can't keep doing it.

We could come up with new revenue streams or figure out a way to maybe increase current revenue streams. Again, things that we are going to have to be looking at this upcoming year. And the other one is cutting spending. There is not a lot of options here. (Next please).

(New slide appears: "What Has Been Done So Far?")

What's been done so far? First thing is we are building a leadership team that has the skills that we need to start implementing this turnaround. We have our new City Manager that we worked with a search firm to find. She has pretty intense financial experience and especially with troubled municipalities. That was a skill set that we were in desperate need of, and we brought her in. We just had a new Corporation Counsel that started and she has been tasked with

improving our legal operations, which is also again, a sizeable chunk of the city's budget. You may have heard our Police Commissioner is retiring. Shortly, we are going to be beginning the search for a new Police Commissioner. We have also been working with the CSEA leadership to start identifying savings. They have been a good partner to work with. We need to start doing the same with the Fire Union and the Police Union. Again, this has to be a partnership. We are all in this together and we have to fix this together. Finally, you all know this, we had to make a very difficult decision to do staff reductions. Not something ideal. Taking someone's livelihood away is not something that should be taken lightly, and it wasn't, but this comes down to math. Unfortunately, we just don't have the money. So we have laid off 21 full time employees and 143 part time employees. Currently, the 21 full time, honestly, have all come from the CSEA. Which is unfortunate that that's the way it has worked to date, but we are going to have to be working with the other two unions as well for some savings. Also, I would like to say that we laid off a lot of part time employees as well, for a total of about 164. (Next please).

(New slide appears: "Next Steps")

Now, what do we need to do in this upcoming year?

We need to start developing budgets that are realistic. We cannot turn around and say we are going to bring in \$93 million dollars in revenue when we have never brought in more than \$87,000,000, which has happened within some of the budgets for the last couple of years, and the same with expenditures. Where somebody puts in \$500,000.00 in a line item for something, knowing they are going to spend \$800,000.00, but then their budget won't work. That practice has to come to an end. We have to hold department heads accountable for their budgets. That is something that really hasn't happened. We are going to have to take a good look at the city operations and what services the city provides. The simple fact is, if we don't have the money, we just can't pay for some things. We can't provide \$1.20 worth of services when people are only paying \$1.00 in taxes. Again, it just comes down to basic arithmetic. We may have to merge and streamline some departments. We are already---the City Manager has been taking some action already. Looks like probably the ice arena, the magnolia

center and the rec will all be merged together, under a single management structure, which will streamline things. And again, we will have to potentially look at the--- staffing and what we can afford and what we need. Again, continue building that team that is going to turn us around. That has the skills we need to turn this around. A big one! Something the city has never done before. We need to develop a long-term financial plan. A turnaround plan. We never had that before. The city now has a Financial Advisor on board and the Comptroller and the City Manager are working with the Financial Advisors on that plan, but this is not something that is going to get fixed overnight. This is a multi-year process to get us back to where we need to be. So we need a plan to do that. And the plan that is re-evaluated and updated---on a regular basis. Something the city has not done before. We have to do it. And then, we are probably going to have to again, we have already been working with the CSEA, we are going to have to work with the Unions to bring the labor costs in line with what the city is able to spend. We can't spend more than we take in. I can't believe I'm going to say something my father used to say to me when I was a

kid, about money not growing on trees, but it applies here. There isn't a tree out there somewhere growing money that we just go get. We can only spend what we have. (Next please)

(New slide appears: "Taxpayers Are Not Off The Hook")

This is the reality of it, and this is like I said, the context we are trying to give you. We are not out of the woods and as I said---like I said, saying it over and over, labor costs right now are huge for the city and they have to come down. They have to come down because we can't run the city the way things are structured right now. We are going to have to sit down and talk with them and work with the Unions and figure out how we can get those costs down. And it's just again basic math, simple fact of life. If we can't get those cost down, because like I said, this year we made a determination rather than to clobber people with a massive tax increase, we were going to go back and work on the underlying issues to try to fix them as much as we can this year. So we can then do another realistic budget next year that has, if there is a tax increase, it's one that is going to start getting us where we need to be rather than us just putting a band-aid on a bullet wound. So if we can't address

this issue, people just need to understand what may happen next year, in next year's budget, because again, it's just simple math, we could be looking at a very significant tax increase or major service cuts. Because, as I said, the math isn't working right now and with that, I'll just finish and say thank you.

I guess we will move on now to our City Manager's presentation.

MS. GAYDEN: Thank you. I'm just waiting for Dave to load it. Dave?

MR. FRASER: I'm here. I'm just trying to get it loaded and shared. Hold on one second.

MS. GAYDEN: Okay.

Alright. Well, it was there.

MR. FRASER: Hold on.

MS. GAYDEN: Okay. Ready?

MR. FRASER: Yes, go ahead.

(First Slide appears: "Proposed Annual Budget Presentation")

MS. GAYDEN: The proposed annual budget, we are calling this "A Fresh Start for Long Beach" and this is the budget for July 1, 2020 to June 30th, 2021.

(New slide appears: "Agenda")

There is an agenda. We are going to

talk about the introduction, the budget process, the budget highlights and then we are going to have our Consultants come on and talk about the New York State Comptroller's report.

In the introduction, what we are trying to do, you can go to our introduction. We are going to talk about the city's priorities and goals.

In this fresh new start, we know that we have to increase existing sources and new revenue streams. Some of the new revenue streams we are looking at is applying for additional grants. Getting money where we can. I have started asking all of our Legislators and anyone that has given us a grant, for example for CDBG, if there is any additional money available. We are also looking at bringing in parking meters. Selling of assets that we no longer need. We do know that we have someone interested in one of our buildings and what we are looking at, that anything we sell as far as assets, they will be sold at the fair market value.

Dave, is this for me to move?

MR. FRASER: No, give me one second, and it's again, sharing the wrong screen.

MS. GAYDEN: I can continue and you

can catch up.

MR. FRASER: Yes.

MS. GAYDEN: So we are going to talk about the history, which you will see shortly, of the financial challenges. In 2011, the city was on the verge of insolvency. Moody's downgraded the city's bond rating 5 notches to B33 from A3. Then in 2012, Super storm Sandy caused \$120 million dollars of damage to the city's infrastructure.

(New slide appears: "City's Priorities and Goals")

In 2014, the New York State Comptroller fiscal stress score improves from moderate to not-too moderate fiscal stress.

(New slide appears: "History of Financial Challenges")

Okay, thanks. In 2015, the bond rating upgraded one notch to BAA2 with a positive outlook. And in 2016, the bond rating upgraded one additional notch to BAA1 with a positive outlook. City's finances trending in the right direction.

In 2018, the city is ranked as the second most fiscally-stressed community in the entire state of New York by the New York State Comptroller. In 2019, Moody's downgraded the city's bond rating to BAA2 with negative outlook.

In 2020, COVID-19 happened. The City Council passed a \$4.2 million deficit note to cover our expenses because of COVID. Go to the next slide.

(New slide appears: "History of Structural Imbalances")

The city has had a history of structural imbalances. This has been talked about before. The city's budget and financial---resulted in an annual operating deficit in the general fund, the total of \$8.5 million dollars over the last four years. That is an average of \$2.1 million per year.

The total, and this is very important that everybody understands this, the total general fund balance, which is that rainy day fund that was mentioned before, decreased 97.2% from \$9.9 million dollars at June 30th, 2014 to \$285,000.00 as of June 30th, 2019.

This decline in the fund balance represented and is a result from poor budgeting practices by city officials, including unrealistic estimates of revenues, the use of nonrecurring fund resources, and in the general fund, a lack of financial planning. And this statement actually came from the State Comptroller's Office.

Over the past few years, the Council and City Officials also underestimated expenditures, overestimated revenues resulting in a large operating

deficit, and a greater reliance on fund balances that were planned. So you can see from the very first bullet point or the second bullet point, I'm sorry, that the \$9.9 million down to the \$285,000, that we definitely were depending on the fund balance to get us through. (Next slide).

(New slide appears: "Budget Process")

The budget process. Here you can see, and I won't go over the entire slide because this is one that's gone through every year. This tells us how we do our budget over the three or four months. I came in in March and so the budget had actually started. Inna and the staff had started working with the Department Heads, and the entire process, which everybody must know, that the entire process is collaborative. It's not put together by Inna, it's not put together by myself, it's the Department Heads, Inna and myself all putting the budget together. (Next slide)

(New slide appears: "...City's framework for managing the City's financial resources...")

In January, they began preparation of the departmental budgets. February, the departments submitted their budgets. March, we had meetings to review the budget requests. April, we proposed budgets and then we finalized them. And when we

finalized them, we went back to the departments to say "this is the budget that we are putting before the City Council and this is the budget that you will be held accountable for". And now we are in May and we are doing public hearings, and the budget should be adopted before May 31st.

(New slide appears: "Prime Indicators Point to Bleak Reality")

So everyone knows that the city will monitor its budget every year, all throughout the year. One of the recommendations that we did see from some of the questions was that we all believe in transparency, so beginning in June, there will be monthly budget reports. Budget to actual reports that will be put on the website, so that the community can see the progress that we are making or exactly where we are.

We have some prime indicators which points to a bleak reality. So again, you have from the \$20.4 million at 6/30/2015 and the fund balance at 6/30/2019 we had a \$6.5 million dollar deficit in the fund balance. We have been downgraded by Moody's, to a BAA2, with a negative outlook. New York Comptroller's fiscal stress test, sorry, fiscal stress score, the City of Long Beach is now the number one city in the entire state of New York that is fiscally-stressed, and

the City has exceeded the Governor Cuomo's tax cap for the past 2 years.

(New slide appears: "Budget Highlights")

The highlights of the budget. The proposed operating budget overview that we have done is the 2020 to the 2021 total is, the total budget is \$94 million. It is \$2.9 million less than the previous year, and how we arrived at that is, that 1) it was with the budget cuts. This year when we did the budget, we looked at the budget going back, I believe it was to 2017, and we looked at actuals. What we actually spent line by line, and then we did an average of where we should be. We looked at, of course, there were the layoffs, and that also would include benefits. And then we looked at the revenues that we knew--- that would come in, and then we also did a reduction on the revenues because of COVID. And so that brought us to a budget of \$94.7 million. I will say that that \$94.7 million does not include the \$4.25 million that we just borrowed. We will put that in and we are working on ways to ensure that that money will be paid back without any additional borrowing in the next fiscal year.

(New slide appears: "Proposed Budget Overview-Water Fund")

Here you can see in the water fund,

the total proposed water budget is \$5.2 million. 90.1% of it is the departmental income and then 25.9% is spent on employee and employee benefits. (Next slide)

(New slide appears: "Proposed Budget Overview-Sewer Fund")

In the sewer fund, the departmental income is 90.4% and we have another 29% that is paid out on debt service. That debt service is money that we had borrowed to do different projects in the sewer fund. (Next slide)

(New slide appears: "How your Tax Dollars are Spent")

This is how your tax dollars are spent. If anyone went to, and I know many of you did, went to the website to look at the budget, this is just showing you the dollar and showing you of that \$1.00, how we spend that money. And you see that 24.5% is employee benefits. When you add everything together, you will come back to the 94% as far as employee salaries. The 24.5% really is just employee benefits, and that is on an average. And so you can take a look at this slide, you can take a look at this slide and see all the different ways that we have to spend \$1.00 within the city. (Next slide)

(New slide appears: "Declining Fund Balance")

This is one of the more important slides. This talks about a declining fund balance. I

wanted everyone to see that, and you see that in 2014 and 2015, we had a fund balance, that was our rainy day fund, of \$20 million dollars or \$20.4 million dollars. And then 2015 and 2016, it went down to a \$11.2 million dollars, in 2016 and 2017 it went down to, well it went up to \$19 million dollars, so that was a good year. They were starting to put money back into the fund balance. In 2017 to 2018, the \$19,000,000.00 went down to \$5.1. What's important to note is that the 2018 to 2019, it went from a \$5.1 to a \$6.5 negative. That is over an \$11 million dollar swing from money you had in the bank to, now you owe the bank \$6.5 million dollars. So, if you go to the next slide).

(New slide appears: "Deteriorating Credit Rating")

I'm sorry, go back. Can you go back one?

(Previous slide appears: "Declining Fund Balance")

So if you see this \$6.5 million dollars, one of the things we have been talking about is building a multiyear plan. It will take a minimum of 5 years to turn this \$6.5 million dollars back into positive funds. It is a requirement of the state that we start working on reducing the negative of this \$6.5. This will have to be done several different ways.

In the current budget, we do have a small amount that is supposed to go back into the fund balance. Unfortunately, some of the questions that have been asked is, "when will the borrowing stop?" Our goal is that, the borrowing will stop within the next couple of years. The problem is, is that we have a lot of payouts that are high dollar amounts that have absolutely to do with these services that we provide or the monies that collect. And so, as we go back and try to do any type of negotiation, we have to work hard at reducing the \$6.5 million dollars and we have to work hard at bringing in new revenues. But we do have only about five to six years to turn this \$6.5 million dollars back into a positive fund balance.

(Next slide).

(New slide appears: "Deteriorating Credit Rating")

This is just another slide telling you about the credit rating. From January 29, 2016 to February 20, 2019. We are now at a BAA1, outlook still remains negative.

It is anticipated that sometime during this summer, Moody's will downgrade the city again because the city has been borrowing money over the last few years. It did not change much from when they talked to Moody's once before and that because of the borrowing and because of the budget, which the

state has talked about, because the budgets have not been realistic, we do anticipate that Moody's will downgrade the city once again. (Next slide)

(New slide appears: "Property Tax and Levy")

This is just a recap of what was mentioned before. We have our property tax and levy. The city only raised taxes that we are responsible for by 1.81% and the overall tax increase was 3.68%. So when you see on the tax line item, when you review the budget, you will see that the biggest increase in the revenue side, is on the taxes. That's the 1.81%.

(New slide appears: "Right-Sizing the Workforce")

This is the rightsizing of the workforce. This slide tells a lot. You see that in 2016, we averaged, in total, 887 full time employees or all employees. Then in 2017, we went from 887 to 952. Then we went down again in 2018, so you can see that this is a portion of what is going on with our fund balance. That in 2017, we had a high force, high workforce. Then in 2018, it went back down to 890, and then 2019 it went down to 884, which is close to 2016, and in 2020, our full workforce is 888. Which is just one higher than what we were in 2016. (Next slide).

(New slide appears: "NYS Comptroller Reports")

Now, I am going to turn it over to Tom to talk about the New York Comptroller's Fiscal Stress Test.

(New slide appears: "NYS Comptroller Fiscal Stress Test")

Tom is one of our Consultants from our CMA Financial Advisors.

MR. FRASER: Give me one second. We are having trouble unmuting his connection. Okay Tom, you are unmuted.

MR. VOZAKIS: Thank you.

MR. FRASER: Sorry about that.

MR. VOZAKIS: Thanks Donna. That's alright. I just wanted to speak briefly about the NYS Comptroller. Their roll in monitoring the city's finances and some of the tools that they offer to assist the city and other fiscally distressed entities.

The fiscal stress monitoring system is the State Comptroller's program to identify issues for municipalities and school districts with budgetary issues. The system analyzes the financial information that's submitted to OSC against this other uniform financial and environmental indicators, and it is supposed to act as a warning sign to provide information to the government leaders and citizens so they can be

prepared to take some strategic long-term action to “right the ship”.

There are two indicators that they use to evaluate municipalities. First, the Financial Indicators to measure the key drivers of fiscal stress in local government financial operations. And then, Environmental Indicators to get some insight into economic and demographic forces. Now these might be beyond the control of local officials, but they could still have an impact on revenue capabilities and the demand for services.

There are three categories of stress, the lowest form being susceptible to stress, moderate stress and finally, significant stress. If we move to the next slide, you will see that the city has been rated at “significant stress” for each of the past three years, with its stress score increasing by 51% over that time since 2015.

(New slide appears: "NYS Comptroller Fiscal Stress Test"..cont)

In both 2017 and 2019, the city was rated as having the highest stress scored municipality in New York State. So the situation is obviously becoming increasingly dire and immediate action needs to be taken to fix the situation. On the next slide -

**(New slide appears: "NYS Office of the State
Comptroller Findings")**

Because the city issued deficit financing back in 2014, one caveat of that was that the State Comptroller would review each budget for the city each year. And every year they put out a report of their findings and recommendations for the city.

A lot of this information has been spoken about by Donna and the Council, but I'd like to bring your attention to the last two bullet points. The rapid decline in the fund balance was a result of the poor budgeting practices and city officials relied on unrealistic estimates of revenues, and more importantly, non-recurring funding sources for the general funding, the general funds and a lack of financial planning.

Over the past few years, they also underestimated expense expenditures and overestimated revenues when preparing the budgets, which I think has been spoken about a great deal today.

**(New slide appears: "NYS Office of State
Comptroller Recommendations")**

The next slide shows some of the recommendations that the State Comptroller included in their report, which the City Council and the city

officials has taken to heart by beginning to adopt balanced budgets with realistic estimates of revenue and recurring expenditures that will be able to fund those. Also, preparing a multi-year financial plan and a fiscal improvement plan, which the city has already begun to undertake. Adopting, again, realistic and balanced budgets based on historical trends of actual receipts and revenues, instead of previous budgeted revenues and expenditures. And that once the budget is adopted, the Council and the Manager's office continue to monitor the situation and see how actual results compare to what was budgeted and expected in order to take the appropriate measures and fix anything that might be off.

(New slide appears: "NYS Financial Restructuring Board Findings and Recommendations - June 2019 Comprehensive Review Report")

The next slide shows a graphic about the Financial Restructuring Board, which is a state advisory board that's meant to assist municipalities and school districts in financial distress. The FRB is authorized to conduct comprehensive reviews of, in this case, the city's finances and operations and provide grant funding to undertake certain initiatives that might be deemed fiscally responsible or provide budgetary savings to the city.

(New slide appears: "NYS Financial Restructuring Board Findings")

**and Recommendations – June 2019 Comprehensive Review Report” –
with chart)**

The FRB put out a report last year suggesting certain initiatives for the city to undertake that they felt would be prudent and financially responsible, and that they may be willing to provide grant funding for the city to undertake. evaluating the police department and the fire departments; initiating a separation pay policy and incorporating that into the budget instead of continuing to borrow for separation pay; electronic employee timekeeping, to better monitor the employee work hours; to look into labor and healthcare efficiencies; and finally, bring in a strategic financial consultant.

Now the last point, the financial consultant the city has received grant funding for this and has brought us on as a strategic consultant, primarily to prepare the multi-year plan. That cost has been subsidized by the FRB. The City continues to work with the FRB to seek out funding for other initiatives that might help the current situation.

So with that, I'd like to pass it back to Donna to conclude her presentation.

(New slide appears: "Thank You")

MS. GAYDEN: Okay, thank you. I

wanted to let everyone know that we received several emails and we received several budget suggestion and comments that we are looking at and we are reviewing each one against the budget. What we are going to do is, we are going to review and we are going to answer each question or suggestion. We are going to put them altogether and put them on the website. We are asking that if anyone is listening or watching tonight, that you have all of your questions or suggestions in to info@longbeachny.gov by May 12th. We are going to put all of those together and then answer them and post the answers on the website. We also will send the answers to each individual person that either sent us a suggestion or comment. I do want to say that we had some very good comments and some very good suggestions, and I want you to know that we are taking them seriously and we're looking at the budget. I wanted to say that the questions that came in, suggestions and questions that came in tonight from 20 individuals, there was Bob Johnson, Joseph Rau, Maureen Walsh, Michelle Knox, Walter, Sean O'Neill. Walter I'm sorry, I couldn't pronounce your name - Chris P., Alex O'Neal, Kyle K., Donna O'Neill, Alonzo Merkerson, Shawn Nicholson, Regina Crystal, Robin Donovan, Denise Ford, Eileen Hession, Ed Smith, Anne Chatterton, Lavine and Warren Forman. Your questions

that were sent in, you will see your answers coming up shortly and then everyone else that emailed, that I did not happen to mention your name, please know that we received your email and we will be responding to you as well. A couple of the people that have emailed us and that is on this list, we will be reaching out to you for you to clarify your question. Thank you again, and please send those in and we will have the responses back to you and posted by May 18th.

That's all for me.

PRES. BENDO: Okay, well that was a lot to take in, and with that, I guess we will move on to the agenda.

MR. FRASER: Okay. Item one is a resolution authorizing the City Manager to enter into a contract for the rental of 20 yard roll-off containers and the disposal of tideline debris on an "as needed" basis with the lowest responsible bidder.

PRES. BENDO: Okay. Pretty straight forward. I think something we do fairly regularly. Is anyone from Public Works on that is going to talk about this?

MR. FRASER: No. We don't have anybody on from Public Works.

PRES. BENDO: Okay. Do you have anything to add City Manager? Do you have any

additional information to add or is this just pretty straight forward?

MS. GAYDEN: It's pretty straight forward at this time, and it's on an "as needed" basis.

PRES. BENDO: Right, and I did see the memo---with the bids that came in and this was the lowest, the lowest bid.

MS. GAYDEN: It was the lowest most responsible bid, yes.

PRES. BENDO: Any questions from the Council? Okay.

MR. DELURY: How many bids did we actually get?

PRES. BENDO: Four.

MR. DELURY: Thank you.

PRES. BENDO: Alright, and I wasn't informed that we got any questions from the public on this issue so we can move on to item two.

MR. FRASER: Item two has been added by unanimous consent, and Item two is a resolution authorizing transfer of funds for the 2019-20 fiscal year.

PRES. BENDO: Okay, so this was the transfer one, that my papers are spread out all over the place.

MS. GAYDEN: It was a transfer of money into transportation from the contingency so that we could have the fire truck, the fire engine repaired.

PRES. BENDO: It is transferring \$3,200.00. Any questions from the council? Okay, hearing none, we can go on.

MR. FRASER: On to the voting. Okay. Item one is a resolution authorizing the City Manager to enter into a contract for the rental of 20 yard roll-off containers and the disposal of tideline debris on an "as needed" basis with the lowest responsible bidder.

Who will introduce and move the adoption of this item?

MR. DELURY: I will.

MR. FRASER: Second.

MR. MANDEL: I will.

MR. FRASER: Voting. Councilmember Delury?

MR. DELURY: Yes.

MR. FRASER: Councilmember Mandel?

MR. MANDEL: Yes.

MR. FRASER: Councilmember Treston? Councilmember Treston?

PRES. BENDO: Unmute.

MR. FRASER: I'm not getting your audio.

PRES. BENDO: She's showing as muted right now.

MR. FRASER: Yeah. Hold on. There we go. Is that a yes? We had you for a second. If it's a yes, just give me a "thumbs up" in the camera.

Okay, I see the nod. Okay, thank you.

VP. MCINNIS: Yes.

PRES. BENDO: Yes.

MR. FRASER: Item two which was added by unanimous consent is a resolution authorizing transfer of funds for the 2019-20 fiscal year.

Who will introduce and move the adoption of this item?

VP. MCINNIS: I will.

MR. FRASER: Second?

PRES. BENDO: Who did you get as the primary?

MR. FRASER: McInnis.

PRES. BENDO: Then I will.

MR. FRASER: Voting. Councilmember Delury?

MR. DELURY: Yes.

MR. FRASER: Councilmember Mandel?

MR. MANDEL: Yes

MR. FRASER: Councilmember Treston?

MS. TRESTON: Yes

MR. FRASER: Vice President McInnis?

VP. MCINNIS: Yes

MR. FRASER: President Bendo?

PRES. BENDO: Yes.

MR. FRASER: Who will make a motion
to close the meeting?

MS. TRESTON: I will.

MR. FRASER: Second?

VP. MCINNIS: I will.

MR. FRASER: Voting. Councilmember
Delury?

MR. DELURY: Yes.

MR. FRASER: Councilmember Mandel?

MR. MANDEL: Yes.

MR. FRASER: Councilmember Treston?

MS. TRESTON: Yes.

MR. FRASER: Vice President McInnis?

VP. MCINNIS: Yes.

MR. FRASER: President Bendo?

PRES. BENDO: Yes.

MR. FRASER: Okay.

PRES. BENDO: Okay, I guess on to
good and welfare. We did get some questions from the

public. Let's see. I guess we will start with **Gemma Tansey**: asked regarding enforcement of mask-wearing and social distancing. The Governor has indicated that municipalities should impose fines and penalties for those who do not follow this directive. What is the fine if you receive a summons in Long Beach?

I believe Mr. McNally can field that one.

MR.MCNALLY: Sure. It's a Class B Misdemeanor with a fine of \$1,000.00, but the ultimate amount payable is going to be determined by a judge.

PRES.BENDO: Okay. Thank you.

Next, we have **Norah Egan**: asking about the---Police Commissioner position.

As I said earlier, he has announced his retirement. He will be retiring at the end of this month. She also wants to know who is the city intending to appoint as a temporary Police Commissioner when he steps down at the end of the month, and will the position be posted on the city website? And will there be a search committee set up to search for a permanent replacement and when? City Manager, do you want to field that?

MS. GAYDEN: Sure. The Police Commissioner, when he retires, we will announce who will be replacing him until we find a new Police

Commissioner. It has been agreed upon that to find a new Police Commissioner, that the city will hire an outside firm to do the search. We are working on the job description and working on and looking for a---I'm sorry, I just saw something pop up on my screen here. We are looking for a committee to fill the interviews. After the Search Committee, after the outside firm, whoever is chosen to bring us a candidate. The outside firm would then just go through everything and then send to the city, the top three candidates that they feel that would fill that position. Yes, the information will be posted on the website and all of that will be forthcoming within the next week, week and a half.

PRES. BENDO: Okay. Great, and let me see here, I guess there's another question. When will the transcript of the April 21st and 30th meetings be available? And she's (Norah Egan) asking about using an Excel reporting? I don't know if that is the transcription service. (Norah Egan) Do we have anyone available in City Hall to transcribe the meetings? So I guess, City Manager?

MS. GAYDEN: Yes. We are hoping that, and we apologize that they haven't been posted. We now having all of the minutes transcribed by someone that works for the city and we hope that they,

the plan is that the meeting minutes will be available by the next meeting on the 19th. So everything is done now in-house.

PRES. BENDO: Okay. I guess we have a question from **Audrey Hadden**: At the MLK Center - the center deemed safe and sound after hurricane Sandy, why is it deemed unsafe in May 2020. It is like its being used to feed some of the people in that neighborhood? Looks like there are multiple questions. I want to see, make sure - okay, I guess our Fire Commissioner I believe is on and he should be able to field that one.

COMMISSIONER KEMINS: Okay, as far as the MLK Center, it is currently closed due to the, it's closed to the public due to the COVID19 emergency. On about April 30th, we were informed that there were issues with the fire alarm system at the building. The building maintenance had the alarm vendor go look---was burned out. The fire alarm in the building was inoperable. What that means according to New York State code is, that if building is required to have a fire alarm and the occupants are unable to be notified by the alarm in case of a fire or smoke condition in the building, that the building is deemed unsafe. I know the city is working right now on getting the system repaired as soon as

possible, and I think somebody else can go into more detail for that, but right now, because of the New York State Code and the Nassau County Fire Protection Ordinance, without a working fire and smoke detection system, the building cannot be occupied.

PRES. BENDO: Okay. And I guess there's another question from **Audrey** also about the grab-and-go program, feeding the seniors, and I guess there's been volunteers over there that are literally doing some good work helping feed the less fortunate seniors and students and stuff. So, I guess she has a question about the grab-and-go program. I guess Mr. McNally, you could probably field that one.

MR.MCNALLY: Sure. There seems to be a little confusion about running what program. The MLK Center, Inc. is a separate non-profit funded by the city substantively at all, and they are the ones that are running this program. And they are doing so with their own volunteers ostensibly not with anyone that is on the city's payroll while they're volunteering. So, the gist of the questions was a little bit of confusion between the different roles of what's a city program and what's not a city program, and what's staffed by city employees.

PRES. BENDO: Okay. Good, thank you.

Next, **Lisa Santinos**: I read online that you are hiring Charlie Rubin as the new police commissioner. He is a good man and my question is how did you find him and how many individuals did you interview for the job?

Okay. I guess, I don't know who Charlie Rubin is, but he's a good man. I guess City Manager, do you want to field that?

MS. GAYDEN: The only thing I can say about Charlie Rubin is that he has reached out to me via email with his resume, so I'm glad he's a good man. His name will be given to the search committee when they begin interviewing for the position. I did email Mr. Rubin back today apologizing that it took me a little while to get back to him. That I had received his information and that I would be passing it on and I would make sure to let him know, once his information was passed on. That is all I have. There, nobody has been hired.

PRES. BENDO: Okay. And then she's asking, on the same topic, how many individuals did we interview for the City Manager and the Executive Assistant to the City Manager?

The City Manager, I'm not sure which round you're talking about. The first time we interviewed probably six or seven different people.

When they did not work out, we wound up finding Ms. Gayden through a search firm. They did the grunt work there. That is how she came to us, was through a search firm.

For the Executive Assistant to the City Manager, we received two people applied for the job. Both were interviewed. She (Lisa Santinos) had another question. She is already trying to get rid of Donna. She is asking if there's a search ongoing to replace Ms. Gayden.

No, not yet because her contract isn't up and there's extensions in the contract and so we're not intending to let her leave anytime soon. I know where she lives and I'm ready to slash her tires if needed. So, yeah, not an issue yet.

We have **Robert Saminsky**: State Comptroller, Thomas DiNapoli in his December 19th report, reported on abuses and questionable payments authorized by the city for unused accruals and by a violation of the city's code, the charter and the collective bargaining agreements. What actions has the City Council taken and the City Manager to end these practices to assure this doesn't happen again.

Yep, good question. This one, you know, comes up periodically. ---As I guess people might be aware of---I guess I'm kind of the one that

kind of found this and kind of blew the whistle on it. A few things. As I said several times at previous meetings, we have an internal investigation going on right now, being done by an outside law firm, so that's underway and we expect something there relatively soon, I believe. And that was something, that quite frankly, you may remember Councilman Mandel and I were kind of really fighting tooth and nail, late in 2019 to get some outside eyes looking at this, to have an independent look at it. Unfortunately, we had some difficulty getting that done, but it is being done now which is a good thing. Yes, this stuff is all being looked into and obviously, we can't talk about active investigation, but like I said, we expect something there shortly and we'll be able to share information then.

Let's see, since the beginning, (same person - Mr. Saminsky), since the beginning of the budget year, have any payments for vacation or sick leave been paid, and if so, has our Comptroller, Ms. Reznik made sure they were proper?

I guess, Donna that's---

MS. GAYDEN: Yes, I can answer that. Since I've been here, I have to check before March, but since I've been here, we've made a couple of small ones. And so not only has the Comptroller's office

made sure that they were right, they went through Civil Service and they went through time, through Payroll, to make sure that what was said on the sheet, was actually correct. The payouts that we've had so far, have not exceeded \$5,000.00. And it was really just for time that they had not taken. Any large payouts have to be audited to ensure that the amount is correct.

PRES. BENDO: Okay. Great, thanks. I'm going to butcher this thing, **Donna Korolczuk---**, and this one's a little lengthy, so let's see if maybe I can press it down. (Question) After last Thursday's meeting, seeing the money lost in beach revenue and after two consecutive years of 8% tax increases, I believe Long Beach residents should be able to enjoy the beach in a safe manner this summer (no arguing there). I know Long Beach, the City Council has to make difficult decisions during this time to help the town out, but has the idea of making the beach and boardwalk only accessible for residents, been discussed? As we are a city beach and not a state. limit the amount of people coming in, while residents could still enjoy their beach.

Okay, so basically I think the City Manager kind of addressed that in the beginning of the meeting or remarks, that the staff is now putting

together a plan for various scenarios that are going to look at all these things. I know there's some legal questions---. Our Corp Counsel is looking at--- about the legalities whether it could be residents only, since you have to remember the beach was paid for with Army Corp money, Army Corp of Engineers money, and the boardwalk with FEMA money, so that, I believe is also being looked at. So these plans because we obviously have to be prepared in case we do get to open up on time. And then she had a follow-up, asking if Congresswoman Kathleen Rice is the right person to contact to get some support for Long Beach, so she could spread the word.

Yes, it's not just Kathleen Rice. All the help we can get, and residents want to reach out to the other elected officials, it's Senator Schumer, it's obviously, Congresswoman Rice, Governor Cuomo, Senator Kaminsky, Assemblywoman Miller, Legislator Ford. All of our elected representatives We are guessing they are all thinking like us, they are all on the same page as us, so any help and support we can get from them is appreciated.

Clearly, Long Beach is not unique. There are a lot of other municipalities out there now, also in similar situations, so a lot of people are looking for help right now.

John Wieder: wants to know, now that the sale of beach passes has been delayed, what's the new schedule for selling the beach passes? Has it been considered to sell them in phases? And also asking, when will the beaches open? And then he has the same question about the boardwalk - what are the plans for the boardwalk and when it might be re-opening?

So again, not to sound like a broken record. That will all be part of these, the plan that the staff is working on now, and as soon as that's done, we will be able to share that.

And that was actually the last question, so with that, I guess we're done. So thanks everyone for coming out. We dumped a lot of information on you tonight. But, we hope it helped, and we look forward to seeing you at the next meeting. And remember, please if you go out, and you can't social distance, wear a mask. And we'll see you next time. Have a good night everyone.

MS. TRESTON: Don't forget to fill out your census.

PRES. BENDO: Yes, please, fill out your census.

[Audio, concluded]

C E R T I F I C A T E

I, Gina T. Guma, certify that the foregoing transcript of City Council Meeting, City of Long Beach, was prepared using the available transcription equipment and to the best of my ability, is a true and accurate record of the recording.

Gina T. Guma
Acting Deputy City Clerk

Date: May 19, 2020