

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 4, 2023

**NEW ISSUE
BOND ANTICIPATION NOTES**

RATINGS: (See “RATINGS” herein)

In the opinion of Bond Counsel to the City, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the City with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), and the accuracy of certain representations made by the City, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an “item of tax preference” for purposes of the Federal alternative minimum tax imposed on individuals. However, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See “TAX MATTERS” herein.

The Notes will NOT be designated by the City as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

**CITY OF LONG BEACH
NASSAU COUNTY, NEW YORK**

**\$4,838,000
BOND ANTICIPATION NOTES – 2023 SERIES C
(the “Notes”)**

Date of Issue: October 20, 2023

Maturity Date: September 27, 2024

The Notes are general obligations of the City of Long Beach, Nassau County, New York, (the “City”) and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the City, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (see “TAX INFORMATION – Tax Levy Limitation Law” in Appendix A hereto).

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser, the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company (“DTC”).

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the City, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

DTC will act as Securities Depository for those Notes issued as book-entry notes registered to Cede & Co. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Purchasers will not receive certificates representing their ownership interests in those Notes issued as book-entry-only notes. Payment of the principal of and interest on such Notes will be made by the City to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Notes as described herein. (See “Book-Entry-Only System” herein.)

The Notes are offered when, as and if issued by the City subject to the receipt of the final approving opinion of Harris Beach PLLC, New York, New York, Bond Counsel to the City, and certain other conditions. Capital Markets Advisors, LLC has served as Municipal Advisor to the City in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made on or about October 20, 2023.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”). FOR A DESCRIPTION OF THE CITY’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

Dated: October __, 2023

This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

**CITY OF LONG BEACH
NASSAU COUNTY, NEW YORK**

ACTING CITY MANAGER

RONALD J. WALSH

CITY COUNCIL

KAREN MCINNIS.....PRESIDENT

ELIZABETH M. TRESTON.....VICE PRESIDENT

JOHN BENDO.....MEMBER

ROY LESTERMEMBER

TINA POSTERLIMEMBER

INNA REZNIK.....COMPROLLER

DAVID FRASER.....CITY CLERK

DENNIS COHEN, ESQ.....CORPORATION COUNSEL

**BOND COUNSEL
HARRIS BEACH PLLC
*New York, New York***

MUNICIPAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC
*Long Island * Hudson Valley * Southern Tier * Western New York*
(516) 487-9818

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

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OFFICIAL STATEMENT
CITY OF LONG BEACH
NASSAU COUNTY, NEW YORK

Relating to

\$4,838,000
BOND ANTICIPATION NOTES – 2023 SERIES C

This Official Statement including the cover page and appendices hereto, has been prepared by the City of Long Beach, Nassau County, New York, (the “City”, “County”, and “State”, respectively) and presents certain information relating to the City’s \$4,838,000 Bond Anticipation Notes – 2023 Series C (the “Notes”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the “State”) contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes will be dated and will mature as stated on the cover page hereof. The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes of either series will be issued in registered form (i) registered in the name of the successful bidder(s) or (ii) book-entry form registered to Cede & Co., as the partnership nominee for DTC.

If the Notes are issued in registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the City, as Paying Agent, at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in registered book-entry form, such notes (“DTC Notes”) will be delivered to DTC, which will act as securities depository for the DTC Notes. Beneficial owners will not receive certificates representing their interest in the DTC Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. A single note certificate will be issued for those DTC Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said DTC Notes will be paid in Federal Funds by the Paying Agent to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the DTC Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. See “Book-Entry-Only System” herein.

The City will act as Paying Agent for the Notes. The City’s contact information is as follows: Inna Reznik, City Comptroller, 1 West Chester Street, Long Beach, NY 11561, Phone: (516) 705-7225, Fax: (516) 431-1730.

Authorization for and Purpose of the Notes

The Notes are being issued pursuant to the Constitution and laws of the State, including among others, the City Charter, the Local Finance Law and bond ordinances duly adopted by the City Council on their respective dates. Proceeds from the sale of the Notes will be used to provide original and additional original financing for various capital projects in and for the City as shown in the table below.

<u>Purpose</u>	<u>Resolution Number</u>	<u>Authorization Date</u>	<u>New Money</u>	<u>Amount to Notes</u>
Extraordinary Expenses from Superstorm Sandy	2098/15	12/15/2015	\$ 2,473,000	\$ 2,473,000
Eco Dev - Infrastructure Improvements	3005/16	5/17/2016	1,000,000	1,000,000
Eco Dev - EAF and EIS for Comprehensive Plan	3005/16	5/17/2016	165,000	165,000
FEMA HMP Buildings Project	3036/19	9/3/2019	<u>1,200,000</u>	<u>1,200,000</u>
	Totals:		<u>\$4,838,000</u>	<u>\$4,838,000</u>

Optional Redemption

The Notes are not subject to optional redemption prior to maturity.

Nature of Obligation

The Notes when duly issued and paid for will constitute a contract between the City and the holder thereof.

The Notes will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the City has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the City, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limitation Law") (see "TAX INFORMATION – Tax Levy Limitation Law" in Appendix A hereto).

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the City's power to increase its annual tax levy. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City is subject to statutory limitations set forth in Tax Levy Limitation Law, unless the City complies with certain procedural requirements to permit the City to levy certain year-to-year increases in real property taxes. (See "TAX INFORMATION – Tax Levy Limitation Law" in Appendix A hereto.)

DESCRIPTION OF BOOK-ENTRY SYSTEM

The following applies to those Notes issued in book entry form. The Depository Trust Company ("DTC") will act as securities depository for the Notes. Said Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note of each series bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other

securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued. To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE DTC NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEHOLDERS; (IV) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS NOTEOWNER.

MUNICIPAL BANKRUPTCY

The undertakings of the City should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the City could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the City, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has enacted legislation establishing financial control boards and fiscal stability authorities to monitor finance matters and restructure outstanding indebtedness for the cities of Yonkers, Troy and Buffalo and for the counties of Nassau and Erie.

No current state law purports to create any priority for holders of the Notes should the City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The above references to the Bankruptcy Act are not to be construed as an indication that the City is currently considering or expects to resort to the provisions of the Bankruptcy Act.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the City upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the City may not be enforced by levy and execution against property owned by the City. Remedies for enforcement of payment are not expressly included in the City's contract with holders of its bonds and notes.

The Federal Bankruptcy Code allows public bodies recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975. At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness."

This Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

SUPERSTORM SANDY AND STORM MITIGATION MEASURES

Damaging storms have occurred in the City in 1938, 1950, 1953, 1960, 1962, 1984, 1991, 1992 and most recently in 2012. On October 29, 2012, Superstorm Sandy, then a Category 1 post-tropical cyclone, struck the southern Atlantic coast of Nassau County, New York. The resulting storm surge and winds caused substantial damage to the City, as well as widespread physical damage (including loss of electrical power and other utilities) throughout the City and in nearby areas of New York City and Nassau and Suffolk Counties. In the days following the storm, most schools and businesses - and many roads, bridges and public transportation systems - were closed. The total economic cost to the East Coast was estimated to be over \$60 billion. The City sustained substantial damage from both wind and storm surge. Original estimates of the losses included \$33-\$48 million for debris removal and \$125-150 million in infrastructure repairs. Actual costs to date are detailed out below:

Certain expenses relating to debris removal, emergency protective measures, repairs and reconstruction of roads, bridges, utility systems and governmental buildings, and restoration of parks, are eligible for financial assistance from FEMA. FEMA has been actively engaged, and it is expected that sufficient federal funding will be available to meet all verified claims. FEMA is authorized to reimburse the City for 90% of many of the City's storm clean up and rehabilitation expenses. The State has announced the availability of funding to cover the remaining 10% for initial street clearance and reopening of roads. The City expects that nearly all of the costs will be covered by insurance proceeds, FEMA aid and State aid.

The City has received insurance payments totaling \$10.8 million from its insurance carriers. On December 18, 2012 the City received an advance check from FEMA in the amount of \$24.32 million (75% of estimated costs) that has been applied to the FEMA Category A clean-up and debris removal costs. Subsequent to this advance FEMA's share of the costs was increased to 90%. In July 2014, Governor Cuomo announced the State would cover the remaining 10%. While much remains uncertain, the restoration of services and the rebuilding of utility, commercial, residential and community infrastructure and buildings is ongoing and in many cases completed. The City has submitted Project Worksheets ("PW") to FEMA with total expenses of approximately \$134 million and has received approximately \$114 million from these completed project worksheets. The City's beachfront boardwalk was reconstructed pursuant to a \$44.2 million contract and is now complete. The project worksheet for the reconstruction of the Boardwalk has been completed and the City has received full reimbursement for FEMA's and New York State's shares of these costs.

The City has been working diligently with FEMA and the State to complete the outstanding PWs for each of the projects related to the rebuilding of the damaged infrastructure. The funding received from the substantially completed PWs to date cover payment of approximately 85% of the projected expenses from Superstorm Sandy recovery costs.

The City has created a separate set of accounts to track the revenues and expenses related to the Superstorm Sandy recovery efforts. This will allow the City to maintain the ability to perform multi-year comparisons of its normal operating revenue and expenses without having to adjust for the Superstorm Sandy related items.

Storm and Climate Change Mitigation Efforts

In March 2014, the Governor's Office of Storm Recovery ("GOSR"), now the Office of Resilient Homes and Communities, prepared the Long Beach NY Rising Community Reconstruction Plan as part of New York State's Rising Community Reconstruction Program. The plan identifies innovative reconstruction and resiliency projects and other actions to mitigate increasingly common natural risks resulting from climate change. Strategies incorporated into the plan include: (i) Employing appropriate techniques to mitigate ocean and bay storm surge and stormwater flooding to protect Long Beach's infrastructure, people, and assets while positioning for resilient redevelopment; (ii) Protecting critical Long Beach health and social services assets and increase the capacity to provide needed emergency and community services before, during, and after disasters; (iii) Implementing measures to make Long Beach economic generators more resilient, while also facilitating enhancement of key commercial areas and the redevelopment of underutilized areas to stimulate economic growth; (iv) Increasing Long Beach's capacity to facilitate and foster actions that lead to greater resiliency, emergency preparedness, and sustainability; (v) Restoring and enhancing natural resources for both resiliency and recreation purposes while also protecting

important cultural resources; and (vi) Encouraging and facilitating housing resiliency and sustainability measures while striving to maintain the character of Long Beach. A full copy of the plan is available at: https://stormrecovery.ny.gov/long_beach_nyrcr_plan.pdf.

In response to the above-mentioned plan, the City is undertaking several Hazard Mitigation Projects (“HMP”) utilizing funding from the FEMA Public Assistance Program related to Superstorm Sandy. The projects are detailed in the following pages with additional information available on the City’s Department of Public Works website: <https://www.longbeachny.gov/publicworks>.

References to websites and/or website addresses presented herein are for informational purposes only and implies no warranty of accuracy of information therein. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The Sewer Project

Superstorm Sandy did substantial damage to the Long Beach Water Pollution Control Plant (“WPCP”) and the South Shore Water Reclamation Facility, requiring a major reconstruction of such facilities (the “Sewer Project”). As such, the City and the County entered into an Intermunicipal Agreement whereby the City would apply for financing of the Sewer Project and the County would contract to make the necessary improvements in connection therewith. The City is currently in the final stages of entering into a project finance agreement with the New York State Environmental Facilities Corporation (“EFC”) whereas the City will use EFC loans to pay for the construction costs of such improvements by the County.

Such costs will then be reimbursed to the City via FEMA (90%) and GOSR (10%) and immediately repaid to EFC to retire any borrowed monies. The Sewer Project is being 100% funded through the FEMA and GOSR grants and, should there be any additional costs that are not reimbursable from such grants, the County has agreed to pay them. The City is not expected to incur any additional debt in connection with the Sewer Project. The scope of the Sewer Project includes the construction of a 19,000 linear foot force main under Reynolds Channel, conversion of the WPCP to a pump station, decommissioning of all facilities other than the main building at the WPCP and hardening all satellite pump stations (three) to protect against future storms.

Other Hazard Mitigation Projects

- U.S. Army Corps of Engineers Coastal Erosion Protection Project - A new dune system, sand replenishment, and the rehabilitation of the groins on the south shore of the City was successfully completed to mitigate against flooding on the entire south shore of the City. Additional information can be found at the following link: <https://www.dec.ny.gov/lands/110710.html>.
- North Shore Critical Infrastructure Protection Project - The City was awarded approximately \$39 million under the FEMA 404 Hazard Mitigation Program to rehabilitate the north shore of the City between Monroe Blvd and the Veterans Memorial Park. The project was awarded on December 20, 2022 and will take approximately two years to complete. The project includes the erection of a cantilever steel bulkhead to stabilize the shoreline, replace utilities that are currently vulnerable, and construct a storm water pump station to mitigate flooding on Riverside Blvd.
- GOSR North Shore Bulkhead Project - The \$12 million project was completed in June 2021. The City-owned bulkheads on Doyle Street and Heron Street were replaced in their entirety. The new bulkhead height is the Base Flood Elevation (“BFE”) to mitigate flooding. A concrete cap was added to the bulkhead on West Bay Drive between Washington Blvd and Magnolia Blvd to mitigate flooding. All street end bulkheads in the west end of the City were replaced and elevated to the BFE to mitigate flooding.
- GOSR Drainage Improvement Project - The \$6.5 million project is complete. The project addressed chronic flooding on West Park Avenue, National Blvd. and the intersection of Riverside Blvd and East Pine Street. The first Storm Water Pump Station was constructed at Tennessee Avenue and is now active.

- Water Treatment Plant and Booster Pump House Hazard Mitigation - The City has requested funding from FEMA under their 406 Hazard Mitigation Program to provide flood protection to the Water Purification Plant and booster pump house. The Hazard Mitigation proposal is currently under review by FEMA.
- 150 West Pine Street Building - The City was awarded \$3,086,378 under the FEMA 406 Hazard Mitigation Program to harden 150 West Pine Street to mitigate the potential impacts from future flood events. The plans for the project are 100% complete. Construction is anticipated in 2024. The project will protect to the BFE.
- Martin Luther King Center Hazard Mitigation - Premier Builders Inc. was retained by the City to implement a Hazard Mitigation Project at the Martin Luther King Center. The project cost is \$1,150,000 and 100% reimbursable under the FEMA Public Assistance Program. The work includes dry floodproofing the exterior, sump pumps, and stop log systems at all entry/egress points. The project was awarded on March 15, 2022 and construction is in progress. The project will protect to the BFE.
- City Hall - The City requested approximately \$1 million under the FEMA 406 Hazard Mitigation Program to implement flood protection measures to mitigate damage from flooding at City Hall. The work includes dry floodproofing, relocation of the backup generator to the roof, stop log systems, and the installation of sump pumps. The application is currently under review by FEMA.
- Recreation/Senior Center - The City was awarded \$963,192 on April 9, 2021 under the FEMA 406 Hazard Mitigation Program to implement flood protection measures to mitigate potential damage from flooding at the Senior/Recreation Center. The project is in the design phase. Construction is scheduled for 2024.
- Ice Arena Hazard Mitigation - Premier Builders Inc. was retained by the City to implement a Hazard Mitigation Project at the City's Ice Arena. The project cost is \$912,500 and 100% reimbursable under the FEMA Public Assistance Program. The work includes dry flood-proofing the exterior, replacement of the front entry windows/doors, structural repairs to the eastside of the building, sump pumps, and stop log systems at all entry/egress points. The project was completed in 2023 and protects to the BFE.
- Central Garage - The City was awarded approximately \$500,000 under the FEMA 406 Hazard Mitigation Program to implement flood protection measures to mitigate potential damage from flooding at the City's Central Garage. The project is in the design phase. Construction is scheduled for 2024.
- Animal Shelter - The City was awarded \$137,133 under the FEMA 406 Hazard Mitigation Program to implement flood protection measures to mitigate potential damage from flooding at the Animal Shelter. The project is in the design phase. Construction is scheduled for 2024.
- Indiana and Maple Blvd Firehouse - The City requested funding under the FEMA 406 Hazard Mitigation Program to implement flood protection measures to mitigate potential damage from flooding at the Indiana and Maple Blvd Firehouse. The application is currently under review by FEMA.

MARKET AND RISK FACTORS

The financial and economic condition of the City as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the City's control. There can be no assurance that adverse events in the State, and in other jurisdictions in the country including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction, or of any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

Economic impacts from disease outbreaks or similar public health threats could have an adverse impact on the City's financial condition and operating results. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, had been declared a pandemic by the World Health Organization on March 11, 2020. See "COVID-19" herein for a further discussion of the impacts of the COVID-19 pandemic, which has had an adverse effect on the City's finances.

The City is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and counties in the State, including the City, in any year, the City may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the City.

In addition, there may be unforeseen adverse events within the City that affect the market for the Notes, which could result in adverse comment by Moody's Investors Service, Inc. or any other rating agency with respect to the City's financial situation, or in possible actions by these rating agencies to withdraw, suspend or lower their credit ratings on outstanding indebtedness and obligations of the City.

Other adverse events within the City that could affect the market for the Notes include any events which impact upon the City's ability to eliminate projected budget deficits in future fiscal years; economic trends within the City; and labor actions by unionized employees of the City. It is anticipated that the various news media will report on events which occur in the City and that such media coverage as well as such events could have an impact on the market for, and the market price of the Notes.

COVID-19

The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread globally, including the United States, and to New York State, has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide.

The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State of New York has likewise declared a state of emergency and the Legislature has added "disease outbreak" to the definition of "disaster" (which already includes "epidemic") in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020. Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement same.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve have taken significant steps to backstop those markets and to provide much-needed liquidity, but the markets remain volatile.

Federal Response

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the \$2.3 trillion Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which attempt to address financial stability and liquidity issues through a variety of stimulus measures.

The CARES Act includes a \$150 billion Coronavirus Relief Fund, which provides funds to states, tribal governments and local governments with populations exceeding 500,000 (local governments with smaller populations can receive monies from the amount allocated to their state). This money is intended for programs that are necessary expenditures incurred due to the public health emergency resulting from the pandemic. This money is not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it may indirectly assist with revenue shortfalls in cases where the expenses that are being covered by this fund would otherwise create a further budget shortfall.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (“ARP”). Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2024.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

Currently, the City is eligible to receive \$3,417,217 and received the first tranche of funding on July 23, 2021 in the amount of \$1,708,608.74. On January 6, 2021, the US Department of Treasury released the Final Rule for the State and Local Coronavirus Fiscal Recovery Fund, which was authorized under the American Rescue Plan Act. The Final Rule went into effect on April 1, 2022. The City expects to use the funds for government operations and services.

State Response

State Budget: The City of New York has been the epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses. At the time that the State budget was being finalized in early April 2020, the Budget Director estimated that, due to COVID-19, the State would suffer an anticipated budget gap of \$10-\$15 billion.

To mitigate such a potential gap, the State’s adopted budget for the fiscal year ending March 31, 2021 allowed the State to reduce expenditures (including aid to local school districts and municipalities) if, during certain defined periods in 2020 (i.e., April 1 - April 30, May 1- June 30, and July 1 - December 31), tax receipts were lower than anticipated or disbursements from the State’s general fund were higher than anticipated. In such a scenario, the State Budget Director would develop a plan to make spending reductions, which would take effect automatically unless the Legislature passes its own plan within ten days.

On April 25, 2020, the State Division of the Budget (“DOB”) announced the release of the State’s Fiscal Year 2021 Enacted State Budget Financial Plan, which projected a \$13.3 billion (14%) shortfall in revenue from the Executive Budget Forecast that was released in January and estimated a \$61 billion decline in State revenues through FY2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of federal assistance, initial budget control actions outlined in the Financial Plan reduced spending by \$10.1 billion from the Executive Budget. This represented a \$7.3 billion reduction in State spending from FY2020 levels.

On May 10, 2021, DOB announced the release of the State’s Fiscal Year 2022 Enacted State Budget Financial Plan. DOB reported that the estimates for General Fund receipts for FY2021 through FY2024 in the Financial Plan were \$33 billion lower than in the February 2020 Financial Plan, the last public estimates before the pandemic. A modest increase in tax receipts estimates since the Mid-Year Update to the Financial Plan in October 2020 did not fundamentally alter the State’s fiscal challenges. The projected aggregate two-year budget gap (FY2021 and FY2022) that must be closed in the FY2022 Executive Budget was projected to total \$12.7 billion.

On May 6, 2022, DOB announced the release of the State’s Fiscal Year 2023 Enacted State Budget Financial Plan. The \$12.75 billion in recovery aid from ARP is expected to be used over four years (FY2022-FY2025) to offset revenue loss, ensure the continuation of essential services and assistance provided by government, and assist in the public health emergency response and recovery efforts. In FY2022, \$4.5 billion was used to fund eligible expenses as defined in the US Treasury regulations. The remaining amounts will be used as follows: \$2.3 billion in FY2023, \$2.4 billion in FY2024, and \$3.6 billion in FY2025, with all amounts expected to be expended by December 2024. The allocation and use of recovery aid may be adjusted by DOB, depending on future needs and developments.

Local Response

The State Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement the same. Specifically, in the event of a qualifying disaster or reasonable apprehension of immediate danger to the public safety, the municipal chief executive has the authority to declare a local state of emergency for a period of up to 30 days and issue orders to protect life and property or to bring the emergency situation under control. The City declared a local state of emergency which has since ended.

While the impacts of COVID-19 on the global, federal, State and local economy cannot be predicted with any certainty, the pandemic has had an adverse impact on the City's operation and finances. On May 27, 2020, the City issued \$4,250,000 Deficiency Note – 2020, to finance a projected General Fund revenue shortfall for the fiscal year ended June 30, 2020. This note was redeemed prior to maturity and renewed with the proceeds of the City's \$4,250,000 Deficiency Note – 2021, which matured on February 22, 2022 and were paid with budgeted funds of the City. The City did not issue any deficiency notes for 2022 or 2023.

The City has incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, payroll and other than payroll related expenses, the aggregate cost of which total approximately \$786,289.22. The City has paid such costs from budgetary appropriations and/or available funds. The City's State aid for the 2021, 2022 and 2023 fiscal years was not reduced and the City does not expect a reduction in State aid during the 2023-2024 fiscal year. The City does not believe that the increased costs or the potential reductions in State aid or other revenues described above will have a material adverse impact on the finances of the City. The City also believes that it can mitigate the impact of any delays or proposed reductions in State aid or other revenues by reducing expenditures, increasing revenues, appropriating other available funds on hand, reducing staffing levels, and/or by any combination of the foregoing. The City will continue to monitor the pandemic and its impact and will take such proactive measures as may be required to maintain its operations and meet its obligations.

CYBERSECURITY

The City, like many other public and private entities, relies on technology to conduct its operations. As a recipient, provider and custodian of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. The results of any such attack could impact business operations and/or incapacitate City digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

Federal Income Taxes

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the City with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for federal income tax purposes. Bond counsel is of the further opinion that interest on the Notes is not an "item of tax preference" for purposes of the Federal alternative minimum tax on individuals. However, for tax years beginning after December 31, 2022, the Code imposes a federal corporate alternative minimum tax equal to 15 percent of the "adjusted financial statement income" of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual "adjusted financial statement income" for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on tax-exempt obligations such as the Notes is included in the computation of a corporation's "adjusted financial statement income".

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and in certain circumstances,

payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Notes. In the arbitrage and use of proceeds certificate to be executed in connection with the issuance of the Notes, the City will covenant to comply with certain procedures and will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Notes will NOT be designated by the City as “qualified tax-exempt obligations” within the meaning of, and pursuant to, Section 265(b)(3) of the Code.

State and Local Income Taxes

In the opinion of Bond Counsel, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Notes.

Interest on the Notes may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion, however, as to the tax treatment of the Notes under other state or local jurisdictions. Each purchaser of the Notes should consult his or her own tax advisor regarding the taxable status of the Notes in a particular state or local jurisdiction other than the State of New York.

Other Considerations

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to Federal or State income taxation, or otherwise prevent bondholders and Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination, or the course or result of any Internal Revenue Service examination of the Notes or of obligations which present similar tax issues, will not affect the market price or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, New York, New York, Bond Counsel to the City. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the City, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York, as amended (see “TAX INFORMATION – Tax Levy Limitation Law” within Appendix A herein); provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors’ rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an “item of tax preference” for purposes of the Federal alternative minimum taxes imposed on individuals, however, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York); and (iv) based upon Bond Counsel’s examination of law and review of the arbitrage and use of proceeds certificate executed by the City Comptroller of the City pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be “arbitrage bonds” within the meaning of said section, and no matters have come to Bond Counsel’s attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel expresses no opinion regarding Federal or State income tax consequences arising with respect to the Notes.

Such legal opinions will also state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel’s engagement in relation to the issuance of the Notes, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the City together with other legally available sources of revenue, if any, will be sufficient to enable the City to pay the principal of and interest on the Notes as the same become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the City, would materially affect the ability of the City to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the City, in connection with the sale of such Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

The City is subject to a number of lawsuits in the ordinary conduct of its affairs. The City does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the City, except as noted below. The threshold used by the City in determining whether to include an individual case is whether it may result in damages exceeding \$500,000.

Gentile v. City of Long Beach. This personal injury case arises out of plaintiff’s entry into the water at the 2020 Long Beach Polar Bears Super Bowl Splash. Plaintiff’s claim is against both the City and the local Polar Bear organization. Plaintiff’s claim is that neither the City nor the organization sufficiently controlled the crowd, which

caused his accident. Plaintiff testified (at his 50h examination) that he was caused to trip and fall, while entering the water, over a little girl and his head struck the sand through shallow water. To date, plaintiff is effectively quadriplegic, though has recently regained some very limited use of his upper extremities. Damages in this claim are quite substantial. Plaintiff's demand is currently \$7.5 million. The City intends on vigorously defending this case, which is still proceeding through the stages of pre-trial litigation.

O'Sullivan v. Long Beach. The plaintiff in this personal injury action allegedly fell off her bicycle and fractured her wrist badly enough to require open reduction and internal fixation. Plaintiff alleges the City caused ice to form by plowing the boardwalk and then leaving piles of snow which subsequently melted and re-froze. The trial court denied the City's motion for summary judgment and the Appellate Division, Second Department affirmed. Prior to the appellate court's determination, plaintiff's settlement demand was \$90,000. Subsequent to that determination, Plaintiff has raised her demand to \$100,000. The City will continue to pursue the defense of this matter, as well as evaluate the potential of settlement.

Cirigliano v. Long Beach. This matter involves a slip and fall on a City roadway. The claims against the City include a failure to properly maintain the roadway and affirmative creation of the condition through snow removal activities. This matter was just placed in suit and no demand has yet been made but plaintiff alleges a fracture that required open reduction and internal fixation.

Papetti v. Long Beach. This is a personal injury claim, where plaintiff sustained injuries (broken fibula requiring surgery) after allegedly falling from her bicycle. The alleged cause of the fall resulted from the wind whipping yellow caution tape, which was attached to a construction barrel, and the caution tape wrapping around her handlebars. The trial court denied the City's motion for summary judgment and that determination is now up on appeal. Plaintiff's demand is currently \$300,000.

Lavin v. Long Beach. This is a person injury claim, where plaintiff sustained injuries after allegedly falling from his bicycle over an almost block-length split down the road. Pre-existing conditions/injuries were allegedly exacerbated by the fall and he allegedly sustained several broken ribs and a hemothorax. Use of a feeding tube and oxygen, which had originally resulted from 9/11 related cancer but had been discontinued, became necessitated again. No settlement demand has been given to date. The City will continue to defend this case, and evaluate any potential settlement opportunity if/when plaintiff's counsel engages in such discussion.

Chernaski v. City of Long Beach. Plaintiff, a Lieutenant in the City's police department, alleges two separate causes of action, one for breach of contract and the other for unlawful retaliation in violation of Title VII and state law. The breach of contract claim stems from an alleged breach of a prior settlement agreement between plaintiff and the City when the City did not pay him retroactive raises following the issuance of an interest arbitration award between the City and plaintiff's former collective bargaining unit which was issued on May 29, 2013. Plaintiff's Title VII stems from an allegation that he was retaliated against after he filed an internal EEO complaint regarding the promotion of a police officer. Discovery has completed and this case is now at the summary judgment stage. Both parties are fully submitted. Plaintiff's complaint prayed for relief in excess of \$500,000.00. The City has vigorously defended this case and will continue to do so.

Donohue v. City of Long Beach. This is a personal injury claim allegedly arising out of a slip and fall on snow/ice on a City-owned roadway, the allegation being that the City's snow removal activities created the condition by virtue of compressing snow into ice. The plaintiff allegedly sustained multiple fractures of the ankle requiring open reduction and internal fixation. This matter only recently went into suit and the City will defend vigorously.

Giordano v. City of Long Beach. This is a personal injury action arising out of a beach volleyball player diving for a ball and sustaining injury upon landing on the sand. The claim is that under a couple inches of loose sand there was compressed sand, likely from heavy machinery being operated on the beach, that was hard as rock. The plaintiff allegedly suffered injuries to both upper extremities with multiple fractures and torn muscle requiring multiple surgeries. This matter is not yet in suit but will be defended vigorously upon its filing.

Guma v. City of Long Beach. This is a class action lawsuit arising out of the City's boot and tow program. A complaint was filed in the eastern District of New York and the City's answer is due in the middle of August. The City is currently evaluating the case.

Natalie White v. City of Long Beach. Plaintiff is a former City employee who alleges she was terminated on May 21, 2020 for reasons related to her race and gender in violation of Title VII and Title VI. She also asserts equal protection and *Monell* claims under Section 1983. The City has submitted three (3) separate written requests for a pre-motion conference in anticipation of a motion to dismiss under Rule 12(b)(6). The first two (2) letters resulted in the withdrawal of several claims and a Second Amended Complaint limited to the claims referenced above. The case is currently being litigated.

Wasserman v. City of Long Beach. Michael Wasserman is a City resident suing the City for violation of his freedom of speech. Wasserman was issued a summons related to his display of various flags in violation of a City ordinance. The case is currently in settlement discussions with the plaintiff.

Kevin Holian v. City of Long Beach. Plaintiff alleges he was pulled over by former Police Commissioner Michael Tangney, threatened to be shot, punched in the face, falsely imprisoned, and later defamed in a Newsday article. A motion for reargument and the City's partial appeal from Supreme Court's decision on summary judgment are pending given the automatic stay effected upon Commissioner Tangney's death. Plaintiff recently had the Estate substituted for Tangney and a stipulation is pending that would allow the proceedings to move forward. A note of issue was filed in 2019. The case is currently being litigated.

Benny v. City of Long Beach. Plaintiff brought multiple claims against the City and a pair of police officers. Several claims were dismissed on a Rule 12(b)(6) motion. The Court also granted permission to move for summary judgment (pre-discovery), which the City did. More claims were dismissed and all that remains is an excessive force claim against the officers. That decision, to the extent it denied the officers qualified immunity, is now on appeal to the Second Circuit. No further proceedings have been conducted outside of the appeal other than a mediation conference conducted before Judge Tiscione. There is potential for meaningful exposure here if our defense and/or appeal is unsuccessful.

Sullivan v. City of Long Beach, Plaintiff alleges that he was retaliated against because he supported Republican candidates and transferred back to the sewer department, compelled to engage in union activities supporting Democratic candidates, and ultimately terminated. The City denies there was retaliation. Summary Judgement motions should be filed shortly.

Agostisi v. City of Long Beach, This is a First Amendment retaliation lawsuit brought by a former Corporation Counsel who alleges he was retaliated against for political reasons. The City sued plaintiff for the return of accrual payouts and did not pay additional monies that plaintiff claimed he was owed. The case is currently in discovery.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Notes

This Preliminary Official Statement is in a form "deemed final" by the City for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the City will provide an executed copy of its "Undertaking to Provide Notices of Events" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the City for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of

Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the City; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City]; (xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The City may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Notes; but the City does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

The City's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the City, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the City to comply with the Undertaking will not constitute a default with respect to the Notes.

The City reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Compliance History

On July 20, 2020, the City filed, late, a material event notice concerning the May 27, 2020 issuance of \$4,250,000 Deficiency Notes which were purchased via negotiation by Capital One Bank Public Funding, LLC.

For the fiscal year ended June 30, 2020, the City did not timely file unaudited financial statements within six months of the end of the fiscal year. The 2020 AUD was filed late on June 2, 2021 and the audited financial statements were filed late on June 18, 2021. A failure to file notice was posted on December 29, 2020.

The City has taken steps to ensure that its annual financial information and audited financial statements will be filed in a timely manner in the future.

RATING

The City has not applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Notes.

On June 29, 2023, Moody's upgraded the City's underlying credit rating to "Baa1" with a positive outlook from "Baa2" with a positive outlook.

Such rating reflects only the view of such rating agency and an explanation to the significance of such rating should be obtained from Moody's. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any downward change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes. See "MARKET AND RISK FACTORS".

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the City in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the City. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

ADDITIONAL INFORMATION

Any statements in the Official Statement involving matters of opinion or estimates whether expressly so stated are intended as such and not as representation of fact. No representation is made that of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the original purchasers or holders of any of the Notes.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original sourced documents to digital format, and neither the City nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the City disclaims any duty or obligation either to update or to maintain the information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the City also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The City hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "illustrate," "example," and "continue," or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the City assumes no obligation to update any such forward-looking statements. The

forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

Harris Beach PLLC has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

Additional information and copies of the Official Statement may be obtained from the City or Capital Markets Advisors, LLC (CMA), 11 Grace Avenue, Suite 308, Great Neck, New York 11021, Telephone: (516) 487-9818.

CITY OF LONG BEACH
NASSAU COUNTY, NEW YORK

By: _____
Inna Reznik
City Comptroller

DATED: October __, 2023

APPENDIX A

THE CITY

THE CITY

General Information

The City is situated on the south shore of Long Island, in Nassau County, about 25 miles east of New York City. Incorporated in 1922, the City has a land area of approximately 2.1 square miles and is bounded on the north by Reynolds Channel and on the south by the Atlantic Ocean. Reynolds Channel separates the City from the Long Island “mainland.” Its elevation is at sea level. Summer temperatures average 13 degrees cooler than Manhattan and in the winter, 10 degrees warmer. The population, according to the 2020 U.S. Census is 35,029. The population increases during the summer by an estimated 15,000 persons.

Bus transportation to points in Nassau County is provided by the Nassau Inter-County Express and transportation to New York City by the Long Island Railroad, Long Beach Branch. A City-owned bus system provides local transportation.

Along the 3.5 mile ocean beach is a 50 foot wide boardwalk, 2.2 miles in length, which, though extensively damaged by Superstorm Sandy, was rebuilt within a year, by October 2013. The beach and boardwalk attract thousands of visitors each summer weekend, along with residents. Throughout the year, various festivals, fairs, markets, concerts, movies, and other events take place on the beach, boardwalk, or at Kennedy Plaza, which is adjacent to City Hall. The municipal recreation center offers a full suite of activities ranging from a fitness center to numerous leagues for youth and adults alike. The City maintains an indoor swimming pool with steam room and an ice arena that offers free skates, lessons, and leagues. The municipal fishing pier provides bay fishing for sportsmen.

The Long Beach Public Library operates three branches and is a fully automated lending library with several hundred thousand volumes and an extensive periodical file. Diversified programs include film presentations, concerts, book discussions, lectures and seminars of community interest.

The Long Beach City School District (the “School District”) serves the City, as well as areas outside the City limits. The School District maintains four elementary schools and a junior and senior high school. Several parochial and private nursery schools located in the City also educate local children.

There are more than 300 licensed businesses within the City’s borders, most of which are clustered along the east end, central and west end business districts. Along with home and professional services, the City is home to a thriving artisanal food and restaurant scene that gains more acclaim each year.

The Long Beach Police Department is comprised of 65 officers and consists of a detective division, a traffic enforcement division, narcotics enforcement unit, street crimes unit, juvenile unit, bicycle patrol unit and a community policing program.

Three firehouses, 19 pieces of equipment, 17 paid firemen, including one Executive Officer, 3 paid paramedics and about 140 volunteers provide community-wide fire and EMS services.

Electric service is provided by PSEGLI and gas service by National Grid. Water and sewer services are City functions. Plans are being finalized to transform the City’s sewer plant to a pump station that would send effluent to Nassau County’s sewer system, eliminating the need for the City’s service.

Since Superstorm Sandy, hundreds of millions of dollars have been invested to better protect the City from future storms. PSEGLI’s substation has been elevated, the Army Corp of Engineers has finished re-engineering the City’s beaches and installed new groins to reduce erosion, FEMA-compliant bulk heading has been installed along all public property on the City’s north shore, and contractors have finished the Governor’s Office of Storm Recovery Drainage Improvement Project to mitigate stormwater flooding in the City’s most vulnerable areas. Work is soon to commence on a project to protect the City’s critical infrastructure from future storms. Many of the individual, privately-owned homes most impacted by past storms have elevated their structures above the 100-year flood plain. (See also “SUPERSTORM SANDY” herein).

The City also recently saw the commencement of construction of the “Superblock” property along the boardwalk. The property has remained vacant and tied up in litigation from several decades, but with that resolved, a developer is investing over \$300 million to construct more than one million square feet of condominiums, rental units, retail and recreation space on the prime real estate in the heart of the City.

Form of Government

The chief executive officer of the City is the City Manager who is appointed by the City Council. The City Council members are elected for varying terms. Each term is staggered so that every two years, three of the five members run. There is no limitation as to the number of terms which may be served by members of the City Council. The City Council members elect the President of the Council.

The City Manager appoints the City Clerk, the City Treasurer, the Tax Assessor, the City Comptroller, the Corporation Counsel and the commissioners of Public Works and Buildings.

Financial Organization

Certain of the financial functions of the City are the responsibility of the City Manager and the City Comptroller. The chief fiscal officer of the City is the City Comptroller; however the City Manager is the budget officer of the City. The duties of the City Comptroller include the following:

1. a) To keep and supervise the books of general accounts of the City which books include a general journal, general ledger, commitment register, claim record, appropriation ledger, and bond ledger and such other books that from time to time may be found necessary to properly reflect the financial condition of the City.
 - b) To prescribe the form of receipts, vouchers, bills or claims to be filed by all departments, institutions, offices and agencies of the City government.
 - c) To examine and approve purchase orders and other documents by which the City incurs financial obligations, having ascertained before approval that moneys have been duly appropriated and allotted to meet such obligations and will be available when such obligations shall become due and payable and to record such obligations as encumbrances of the respective appropriation from which such obligations are to be paid.
 - d) To audit and approve all bills, invoices, payrolls and other evidences of claims, demands or charges against the City and to determine the regularity, legality and correctness of the same.
 - e) To prepare and submit to the Council, monthly statements of the financial condition of the City, annual reports to the State Comptroller and such other reports as may be required by the City Manager or the City Council. In order that such reports may be promptly prepared and submitted it is the duty of all officials and employees to keep all records current and to submit to the City Comptroller all statements, bank balances, bank reconciliation's and summaries kept by them daily, weekly or monthly, as required to properly prepare such reports.
 - f) To perform such other duties pertaining to the financial records of the City as may be directed by the City Council, the City Manager or by any law or by any fiscal officer of the State authorized to do so by law.
2. All books, papers, files or other records pertaining directly or indirectly to the finances of the City shall be in such form and kept in such places as to be readily accessible to the Comptroller for examination and audit.
 3. All officials and employees who are charged with the receipt or the disbursement of any City moneys shall keep a daily record or such receipts and disbursements in the form which shall be prescribed by the City Comptroller. They shall also keep such books, rolls and subsidiary ledgers as are prescribed by law or that may be prescribed by the City Comptroller for the purpose of having a control for accounts kept by the City Comptroller in the general books of the City. All officials or employees keeping such records are required to balance such books,

rolls and subsidiary ledgers periodically and in any event at least semi-annually and at such times as the Comptroller shall direct.

4. All officials and employees keeping records not directly dealing with receipts and disbursements but that may be used as a basis for determining amounts due or to become due the City or that may be the basis of claims against the City shall keep such records in the form prescribed by the City Comptroller. All time sheets, books and payroll records shall be kept in the form prescribed by the City Comptroller.
5. All employees of the City are charged with the duty of promptly preparing and submitting to the City Comptroller any statement or reports of information pertaining to any account book or record kept by them or in their department which may be required.
6. The Commissioner of Public Works is currently managing the City's interactions with FEMA, including filing necessary submissions and seeking accelerated reimbursements from moneys disbursed by FEMA to the State for the City's cleaning and rebuilding efforts. The City Comptroller's Office is actively overseeing these activities as it determines the timing of its expenses and formulates its capital planning. The Commissioner will be managing any funds to be received by the City from the State (GOSR) in connection with the Sewer Project. (See "SUPERSTORM SANDY - The Sewer Project", herein).

Employees

The City currently has 332 full-time employees and approximately 600 part-time and seasonal employees. Police and Fire Department employees, as well as general City employees, are each represented by a collective bargaining agent. Those agents which represent full time employees and the dates of expiration of their agreements are as follows:

<u># of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
218	Civil Service Employees Association	6/30/2025
64	Police Benevolent Association	6/30/2017 ⁽¹⁾
5	Commanding Officers Association	6/30/2025
20	United Fire Fighters Association	6/30/2010 ⁽¹⁾
25	Non-Union	N/A

(1) Collective bargaining is ongoing.

Employee Pension Benefits

Substantially all employees of the City are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"). (Both systems are referred to together hereinafter as the "Retirement Systems" where appropriate). These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. As of April 9, 2022, Tier 5 and 6 members only need five years of service credit to be vested. This affects members of both ERS and PFRS. Previously, Tier 5 and 6 members needed 10 years of service to be eligible for a service retirement benefit. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute 3% of gross annual salary toward the cost of retirement programs during their first 10 years of service.

On December 10, 2009, then Governor Paterson signed into law a new Tier 5. The law is effective for new ERS employees hired after January 1, 2010. New ERS employees will now contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service.

On March 15, 2012, Governor Andrew Cuomo signed into law a new Tier 6. The law is effective for new ERS and PFRS employees hired on or after April 1, 2012. Among other provisions, the new tier increases employee contribution rates in a progressive fashion from 3% to 6% (depending on the level of salary); increases the retirement age from 62 to 63; vests after 10 years of service; includes an optional defined contribution plan for new non-union employees with salaries \$75,000 and above; and limits pension benefits for employees earning more than the Governor’s salary. With regard to the ERS, a pension reform bill, Chapter 49 of the Laws of 2003 changed the cycle of billing to match budget cycles of the City. Under the previous method, the City was unsure of how much it paid to the system until after its budget was implemented. Under the current system the contribution for a given fiscal year is based on the value of the pension fund on the prior April 1 instead of the following April 1 so that the City is able to more accurately include the cost of the contribution into its budget. Chapter 49 requires the City to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible.

In certain years past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, employer contribution rates for the State’s Retirement System may have been higher than the minimum contribution rate established by Chapter 49. To mitigate the potential increases in the employer contribution rate, legislation was enacted that would permit local governments and schools districts to borrow a portion of their required payments from the State pension plan at interest rates of 5%-7% percent. The legislation also authorized local governments and school district to establish reserve accounts to fund future payment increases that are a result of fluctuations in pension plan performance. Future contribution rates will be affected by the investment performance of the ERS portfolio.

Payments by the City to the Retirement Systems for the past five fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2019	\$3,142,775	\$3,716,527
2020	3,015,757	3,739,327
2021	3,370,390	4,030,525
2022	3,047,967	3,954,186
2023	3,120,120	3,851,902

The State, at various times, will enact laws which allow local employers to defer a portion of their retirement bill and enact laws authorizing local governments to make available various retirement incentive programs and amortize certain contribution costs. The law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts.

In 2012 through 2015, inclusive, the City elected to defer a portion of its ERS and PFRS retirement contribution under Chapter 57 of the Laws of 2010 of the State of New York. The deferred amounts are due in ten annual installments including interest ranging from 3.00%-3.75% per annum. At June 30, 2022, outstanding amounts owed to the Retirement Systems totaled \$804,420 (\$424,866 related to ERS and \$379,554 related to PFRS).

Other Post Employment Benefits

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), replaces GASB Statement No. 45. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past

periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The City has retained an actuarial firm to complete actuarial and disclosure requirements for its OPEB plan in conformity with GASB 75 beginning with the fiscal year 2018 valuation. The City's total OPEB liability as of June 30, 2022 was \$148,077,339 using a discount rate of 2.16% and actuarial assumptions and other inputs as described in the City's June 30, 2022 audited financial statements.

Should the City be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the City's finances and could force the City to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the City to partially fund its actuarial accrued OPEB liability. At this time, the State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the City has decided to continue funding the expenditure on a pay-as-you-go basis.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

Legislation has been introduced in the State Legislature to authorize local governments and other public entities to establish trusts to accumulate and disburse funds through governing board appropriation for payment of OPEB liabilities. This legislation would authorize the establishment of a trust by resolution of the local government's governing board which would serve as the trustee (unless trustee authority is delegated to the local government's chief fiscal officer). Trust investments would be held by the State Comptroller as sole custodian for investment in accordance with a written investment policy developed by the trustee and a written agreement between the trust and the State Comptroller. Trust funds would not be subject to local government creditor claims, and local government officers would not be subject to liability for loss on investments in the trust.

Recent Residential and Commercial Development

The City has seen significant economic and residential development in recent years. Following is a listing of certain recently completed and ongoing projects within the City.

- The "Superblock" project began construction on three 10-story buildings, including two condominium buildings and one rental building. The project includes 438 units and 10,000 square feet of retail/commercial space along the boardwalk at an estimated construction cost in excess of \$250 million. Completion of the rental building is expected in Fall 2023 and the condo buildings in Summer 2024.
- A new 8-unit multiple dwelling was recently completed at 848 East Broadway.
- A new 6-unit Homeowners Association at 561 West Broadway was recently completed.
- A new 6-unit townhouse was recently completed at 100 Lindell Boulevard.
- A new 23-unit rental building at 251 East Park Avenue was completed in Fall 2022.
- A new 23-unit rental building at 249 East Park Avenue was completed in Winter 2022 and apartments have begun to be rented.
- There is a new 6-story, 18-unit condo building at 661 West Broadway under construction with completion expected in Summer 2024.

- South Nassau Communities Hospital completed the expansion of their Urgent Care Center at 325 East Bay Drive into a Free Standing Emergency Department able to accept 9-1-1 ambulances. South Nassau also recently built a 15,000-square foot Medical Arts Pavilion within the City, which was completed in Summer 2023. South Nassau also maintains a Family Practice Facility and a Cardiology Office within the City.
- A new 10-story, 11-unit luxury condominium building located at 50 West Broadway is under construction, with completion expected in Summer 2024.
- A new mixed-use transit-oriented development at 135 E. Park Ave. was given Zoning Approval and began construction. Completion is expected in Summer 2024.
- A new mixed-use residential/commercial development is under construction at 135 E. Park Ave., with completion expected in Summer 2024.
- A proposed new 126-unit multiple dwelling at 530 West Broadway is awaiting Zoning Board approval.

Since Superstorm Sandy, the City has issued approximately 16,000 building permits. These include permits to build new or elevate homes to FEMA regulations. In the last year, the City has issued building permits for 56 new residential homes (1- & 2-family), and has issued 23 house elevation permits. These 79 homes will all be FEMA compliant, increasing the assessed valuation of the City's property.

FINANCIAL FACTORS

Budgetary Procedures

The City Manager (acting in his capacity as Budget Officer) prepares a tentative budget each year which is submitted to the City Council on or before April 10. After being reviewed by the City Council, public hearings on the budget are held. Subsequent to the public hearing, revisions (if any) are made to the budget. No later than the last day of May, the City Council adopts it as its final budget for the coming fiscal year. The budget is not subject to referendum, but is subject to the provisions of the Tax Levy Limitation Law.

Financial Statements

The City has retained independent certified public accountants to audit its financial affairs. The last audit covers the fiscal year ended June 30, 2022 and is included as Appendix C. In addition, the financial affairs of the City are subject to periodic review by the State Comptroller.

The accounting policies of the City conform to generally accepted accounting principles as they are applicable to governments. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A summary of Revenues, Expenditures and Fund Balance, Budget Results and Balance Sheets for the City are included as Appendix B.

Statutes Governing City's Investment Policy

Pursuant to the statutes of the State of New York, the City is permitted to invest only in the following investments: (1) special time deposits in, or certificates of deposits issued by, a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United State of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the City; (6) obligations of New York public benefit corporations which are made lawful investments in which the City may invest pursuant to another provision of law; (7) certain certificates of participation issued on behalf

of political subdivisions of the State of New York; and, (8) in the case of City moneys held in certain reserve funds established pursuant to law, obligations issued by the City. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, as that term is defined in the law.

The City has adopted an investment policy which states that the City will comply with the requirements of New York State statutes, as stated above, concerning the investment of City monies.

Revenues

Property Taxes. The City derives a major portion of its General Fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Property taxes accounted for approximately 55.6% of total General Fund revenues for the fiscal year ended June 30, 2022.

The following table sets forth total General Fund revenues and real property taxes during each of the last five audited fiscal years and the budgeted amounts for the two most recent fiscal years.

<u>Property Tax Revenues</u>			
<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2018	\$ 73,886,857	\$37,028,234	50.1%
2019	76,947,806	40,789,109	53.0
2020	80,214,694	45,388,541	56.6
2021	84,245,111	46,664,201	55.4
2022	90,528,801	50,296,434	55.6
2023 (Adopted Budget)	95,590,169	54,017,307	56.5
2024 (Adopted Budget)	102,103,752	59,493,371	58.3

Source: Audited Financial Statements and Adopted Budgets of the City.

State Aid

The City receives financial assistance from the State. In its proposed budget for the 2023-2024 fiscal year, approximately 9.2% of the revenues of the City are estimated to be received in the form of State aid, not including any Superstorm Sandy reimbursements. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the City, in any year, the City may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the City, may be affected by a delay in the payment of State aid. State aid appropriated and apportioned to the City can be paid only if the State has such monies available therefor. The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present State aid levels will be maintained in the future (see "COVID-19", herein).

Reimbursements of submitted expenses through FEMA are paid to the State, which is responsible for the ultimate disbursement of funds to the City. The State has declared its intention of disbursing such funds as quickly as possible. (See "SUPERSTORM SANDY", herein).

(The remainder of this page has been intentionally left blank.)

The following table sets forth total General Fund revenues and State aid during each of the last five audited fiscal years and the budgeted amounts for the two most recent fiscal years.

State Aid

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2018	\$ 73,886,857	\$6,155,780	8.3%
2019	76,947,806	5,897,406	7.7
2020	80,214,694	5,318,521	6.6
2021	84,245,111	7,459,321	8.8
2022	90,528,801	7,058,331	7.8
2023 (Adopted Budget)	95,590,169	9,473,500	9.9
2024 (Adopted Budget)	102,103,752	9,390,824	9.2

Source: Audited Financial Statements and Adopted Budgets of the City.

Results of Operations and Deficits

2017-2018 Fiscal Year

According to the audited financial statements of the City for the fiscal year ended June 30, 2018, the City ended with a General Fund surplus of \$3,151,044, a Water Fund surplus of \$985,969 and a Sewer Fund surplus of \$362,151.

2018-2019 Fiscal Year

According to the audited financial statements of the City for the fiscal year ended June 30, 2019, the City ended with a General Fund surplus of \$285,248, a Water Fund surplus of \$920,951 and a Sewer Fund deficit of \$81,809.

The 2019 audited financial statements reflect a total Governmental Funds deficit of \$6,542,687. As of June 30, 2019, the City had a liability of \$26,588,389 for bond anticipation notes payable. At the time these notes were converted into long term debt, the City recognized those proceeds as other financing sources, with the issuance of bonds occurring in September 2020. These other financing sources were recognized in fiscal year 2020.

2019-2020 Fiscal Year

According to the audited financial statements of the City for the fiscal year ended June 30, 2020, the City ended with a General Fund surplus of \$1,923,930, a Water Fund surplus of \$1,023,752 and a Sewer Fund surplus of \$123,625.

2020-2021 Fiscal Year

According to the audited financial statements of the City for the fiscal year ended June 30, 2021, the City ended with a General Fund surplus of \$5,718,172, a Water Fund surplus of \$1,884,891 and a Sewer Fund surplus of \$1,906,167.

On May 27, 2020, the City issued \$4,250,000 Deficiency Notes – 2020 to address anticipated revenue shortfalls for the fiscal year ended June 30, 2020 as a result of COVID-19 (See “COVID-19”, herein). These notes were redeemed prior to maturity and renewed with the proceeds of the City’s \$4,250,000 Deficiency Notes – 2021, which matured on February 22, 2022 and were paid with budgeted funds of the City.

During the 2021 fiscal year, the City, with the help of a consultant, reconciled various capital projects that were within the capital fund. After performing the reconciliation, the City determined that certain projects should have been closed and transferred from the capital projects fund to other funds in prior years; and other projects required additional funding. These projects were in excess of 10 years old and required adjustments to record amounts due to and from other funds, while also increasing or decreasing fund balance. As a result of the reconciliation, the City realized

adjustments to fund balance of (\$2,306,227) in the General Fund, \$109,759 in the Water Fund and \$1,173,007 in the Sewer Fund.

2021-2022 Fiscal Year

According to the audited financial statements of the City for the fiscal year ended June 30, 2022, the City ended with a General Fund surplus of \$12,289,730, a Water Fund surplus of \$1,784,613 and a Sewer Fund surplus of \$2,334,926.

On February 18, 2022, the City issued \$2,400,000 Budget Notes – 2022 Series B to finance consulting expenditures for M-3 Partners LP and O’Melveny & Myers LLP to assist the City with its negotiations in connection with the Haberman litigation. These notes matured on February 17, 2023 and were paid with grant funding from the State Financial Restructuring Board (“FRB”).

2022-2023 Adopted Budget

On May 24, 2022, the City Council adopted a budget that includes a City property tax increase of 6.65%, exceeding the statutory real property tax levy limitation, and the Council adopted a local law in connection therewith. The 2022-2023 budget is balanced.

State Local Finance Law Section 10.10 requires all municipalities that have been authorized to issue obligations to fund operating deficits to submit to the State Comptroller each year, starting with the fiscal year during which the municipality is authorized to issue the deficit obligations, and for each subsequent fiscal year during which the deficit obligations are outstanding, their proposed budget for the next fiscal year. (See “*Deficit Financing Legislation*” herein).

Based on the results of the review performed by the Office of State Comptroller (“OSC”), except for the matters described in their letter that can be found at <https://www.osc.state.ny.us/local-government/audits/city/2022/05/13/city-long-beach-budget-review-b22-7-4>, OSC found that the “significant revenue and expenditure projections in the proposed budget are reasonable.”

In its review, OSC has recommended the City consider increasing the appropriations for overtime or ensure that controls are in place to reduce the use of overtime. The City has recognized the Fire Department overtime expenses are consistently higher than budgeted for the last several years. To address this situation, the City is currently in negotiation with the United Fire Fighters Association. The City’s 2022–2023 budget, in its Regular Salaries account, includes funding for five vacant positions in the department. The City has determined that once these positions are filled, which are currently being recruited, overtime expense will be reduced and is expected to align with the amount in the proposed budget.

2023-2024 Adopted Budget

On May 23, 2023, the City Council adopted a budget that includes a City property tax increase of 10.36%, exceeding the statutory real property tax levy limitation, and the Council adopted a local law in connection therewith. The 2023-2024 budget is balanced.

State Local Finance Law Section 10.10 requires all municipalities that have been authorized to issue obligations to fund operating deficits to submit to the State Comptroller each year, starting with the fiscal year during which the municipality is authorized to issue the deficit obligations, and for each subsequent fiscal year during which the deficit obligations are outstanding, their proposed budget for the next fiscal year. (See “*Deficit Financing Legislation*” herein).

Based on the results of the review performed by the Office of State Comptroller (“OSC”), except for the matters described in their letter that can be found at <https://www.osc.state.ny.us/local-government/audits/city/2023/05/05/city-long-beach-budget-review-b23-7-3>, OSC found that the “significant revenue and expenditure projections in the proposed budget are reasonable.”

Financial Plan

For several years, the City has suffered from serious and dire financial conditions. Despite the issuance of deficit financing during 2014, structural imbalances in the operating budget required the City to continually draw on its reserves and to finance certain operational expenses. Over the fiscal year period ended June 30, 2014 through 2018, reserves in the General Fund deteriorated by approximately 96.9% from approximately \$9.1 million to \$0.3 million. In addition, at June 30, 2019, the audited financial statements reported an unassigned fund balance deficit in the General Fund of \$2,918,278.

As a result, recent administrations have begun and continue to work diligently to develop solutions to ensure the City's long term fiscal stability. Below is a listing of certain recent financial improvements and accomplishments of the City.

- The City managed to rebuild and increase total fund balance in the General Fund from \$285,248 as of June 30, 2019 to \$12,289,730 as of June 30, 2022, a 42x increase, and unassigned fund balance in the General Fund from a \$2,918,278 deficit as of June 30, 2019 to a \$10,619,571 surplus as of June 30, 2022, 463.9% increase.
- The City has prepared and adopted fifteen (15) policies and procedures to assist with the sustainability of its operations, including a debt management policy and a fund balance policy.
- The City retained Capital Markets Advisors, LLC Strategic Consulting Group ("SCG") to prepare a Fiscal Conditions Analysis to assess the fiscal state of the City and determine areas of concern to be addressed by the City's long-term financial plan. A copy of the report can be found at the following link: https://www.longbeachny.gov/City_of_Long_Beach_-_Fiscal_Conditions_Analysis.pdf
- The City launched a transparency portal on its website, allowing residents and visitors easier access to City financial documents, information about public meetings, notices, and other public information. The portal can be found at the following link: <https://www.longbeachny.gov/transparency>.
- The City created a Strategic Fiscal Improvement Dashboard on its website to provide stakeholders with an in-depth perspective of the City's financial operations, including monthly budget status reports. The dashboard can be found at the following link: <https://www.debtDash.org/long-beach/>.
- The City hired M-3 Partners LP and O'Melveny & Myers LLP to assist with the settlement discussions in connection with a sizable lawsuit, successfully reducing the liability to the City from over \$140 million to \$75 million. The fees for both firms were paid for by grant funding from the FRB.
- The City has been working with SCG to develop a Multi-Year Financial Plan to assist the City in developing a set of fiscal goals, while identifying objectives that will support its efforts for long-term financial improvement. The plan is expected to be presented to the City Council and adopted in 2023.
- The City has improved its budgeting practices in recent years. The adopted budgets of the City for the fiscal years ending June 30, 2022 through June 30, 2024, inclusive, exceeded the tax cap. In addition, the adopted budgets for the fiscal years ending June 30, 2023 and June 30, 2024 do not include any appropriation of fund balance and do not anticipate any borrowing for operating expenses, including separation payments, a significant departure from recent years. (See also "*Bonds for Separation Payments*" herein).

Bonds for Separation Payments

The City has issued bonds and notes in some recent years to fund certain separation payment to retiring City employees. Such payments have been financed pursuant to special legislation enacted for the City by the State. The legislation, enacted in 2012, authorizes the City to amortize the costs of payments to employees upon separation of service to the City. To date, the City has issued bonds or notes totaling \$24,943,227 pursuant to this legislation. On September 30, 2020, the Nassau County District Attorney issued a report relating to separation payments made by the

City. A copy of such report is available at <https://www.nassauda.org/2020-09-30-City-of-Long-Beach-Payout-Investigation---Singas-Statement-and-Maloney-Letter>.

In order to help reduce borrowing by the City for purpose in the future, the City has entered into an agreement with its Commanding Officers Association union that permits termination pay to be paid out over six years from date of retirement. The City does not plan to borrow for these payments going forward.

Deficit Financing Legislation

The City Council adopted a home rule resolution requesting that the State Legislature enact legislation authorizing the City to issue bonds pursuant to section 10.10 of the Local Finance Law in an aggregate amount not to exceed fifteen million (\$15,000,000) dollars to finance the City's accumulated General, Water, and Sewer Fund deficits as of June 30, 2012. (See "*Results of Operations and Deficits*", herein). The legislation authorized the City to issue bond anticipation notes to provide interim deficit financing, and to issue bonds to redeem such notes in a principal amount not exceeding the amount of such deficits certified by the State Comptroller. On June 17, 2013, the New York State Legislature approved the legislation, however it was vetoed by the Governor due to a typographical error.

Corrected legislation was reintroduced in both chambers of the State Legislature and was approved and signed by the Governor on February 21, 2014 as Chapter 3 of the Laws of 2014 ("Chapter 3"). Chapter 3 authorized the City to issue serial bonds for two purposes: (1) to finance certain extraordinary expenses resulting from Superstorm Sandy; and (2) to finance, subject to the provisions of section 10.10 of the Local Finance Law, accumulated deficit in the City's general fund, sewer fund, water fund and risk management fund as of June 30, 2012 provided that the bonds issued for this purpose must be issued on or before June 30, 2015 in an aggregate par amount not to exceed \$12,000,000.

Pursuant to Chapter 3, the City is subject to certain requirements and procedures pursuant to Section 10.10 of the Local Finance Law ("Section 10.10") which states that the City may not issue any bonds for the purpose of liquidating such deficits until the amounts of such deficits are confirmed and certified by the State Comptroller. On April 4, 2014, the Office of the State Comptroller certified the City's deficit in the amount of \$13,871,017 as of June 30, 2012. The City issued \$8,200,000 deficit bonds on June 27, 2014 pursuant to Chapter 3 and Section 10.10 for the purpose of liquidating an \$8,200,000 portion of the accumulated deficit.

Upon the issuance of the deficit bonds, the City Manager must submit to the State Comptroller each year, starting with the 2014-2015 fiscal year and for each subsequent fiscal year during which the deficit bonds are outstanding, the tentative or preliminary budget for the succeeding fiscal year. The State Comptroller must examine the proposed budget and make such recommendations as deemed appropriate thereon. Such recommendations shall be made after the examination into the estimates of revenues and expenditures of the City. Pursuant to Section 10.10, the City Council, no later than five days prior to the adoption of the budget, shall review any such recommendations made by the State Comptroller and may make adjustments to its proposed budget consistent with those recommendations. Any recommendations that the City Council rejects shall be explained in writing to the State Comptroller, provided however, that the City may not issue bonds for any object or purpose unless and until adjustments to its proposed budget consistent with any recommendations made by the State Comptroller or any such recommendations that are rejected have been explained in writing to the State Comptroller.

For each fiscal year that the deficit bonds are outstanding, the City Comptroller shall monitor budgets of the City and for each budget, must prepare a quarterly report of summarized budget data depicting trends of actual revenues and budget expenditures for the entire budget. Such budgetary reports must compare revenue estimates and appropriations as set forth in the budget with actual revenues and expenditures received and incurred to date. The report must also contain a corrective action plan to address any unfavorable budget variances. All reports must be completed within thirty (30) days after the end of each quarter. The City Comptroller shall also prepare, as part of such report, a quarterly trial balance of general ledger accounts. The above quarterly budgetary reports and quarterly trial balances shall be prepared in accordance with generally accepted accounting principles. These reports must be submitted at the end of each quarter to each member of the City Council and the City Manager, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee.

Beginning with the 2013-2014 fiscal year and for each fiscal year occurring during the time the deficit bonds are outstanding, within thirty days after final adoption of the budget for the next succeeding fiscal year, the City Manager must prepare a three (3) year financial plan covering the next succeeding fiscal year and the two fiscal years thereafter. The financial plan must contain the information required by paragraph (e) of Section 10.10 and must be submitted to the City Comptroller, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee.

Beginning with the 2013-2014 fiscal year and for each fiscal year occurring during the time the deficit bonds are outstanding, the City Comptroller must notify the State Comptroller at least fifteen (15) days prior to the issuance of any bonds or notes or entering into any installment purchase contract by the City and the State Comptroller may review and make recommendations regarding the affordability to the City of any such proposed issuance or contract.

The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the City as "no designation" with a fiscal score of 20.8 and an environmental score of 0.0 for the fiscal year ended June 30, 2022.

The financial affairs of the City are subject to periodic compliance reviews by OSC to ascertain whether the City has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on December 11, 2019. The purpose of the audit was to determine whether the City Council and City officials adequately managed the City's financial condition. OSC's findings included: (i) the City's total general fund balance decreased 68 percent from \$9.9 million at July 1, 2014 to \$3.2 million as of June 30, 2018, leaving an unassigned general fund deficit of \$813,994 at June 30, 2018; (ii) the City Council issued \$8 million of bonds from 2014-15 through 2016-17 and used another \$2.1 million of fund balance in 2017-18 to finance recurring expenditures, increasing the general fund debt service costs to 12.27% of the 2017-18 revenues; and (iii) the City Manager had not prepared a multiyear financial plan including a fiscal improvement plan. OSC recommended the City adopt structurally balanced budgets that contain realistic estimates of revenues and finance recurring expenditures with recurring operating revenues, instead of debt, and prepare a multiyear financial plan including a fiscal improvement plan. The City has taken steps to comply with both recommendations. The City has also retained Capital Markets Advisors, LLC's SCG to perform a fiscal conditions analysis on the current state of the City's finances and assist the City Manager to prepare a multi-year fiscal improvement plan (See "*Long Term Fiscal Recovery Plan*", herein). The complete report can be obtained from OSC's website.

See the State Comptroller's official website for more information regarding the foregoing. References to websites and/or website addresses presented herein are for informational purposes only and implies no warranty of accuracy of information therein. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

TAX INFORMATION

Real Estate Tax Levying Limitation

The City is responsible for levying taxes for City purposes. The City's real property tax levying powers, other than for debt service and certain other enumerated purposes, are limited by the State Constitution to two percent of the five-year average full valuation of taxable real property of the City (see “*Tax Levy Limitation Law*” herein).

The following table sets forth the computation of the City's real estate tax levying limitation and the determination of its tax margin under the State Constitution.

Real Property Tax Assessment and Rates

Fiscal Year Ending <u>December 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Ratio</u>	<u>Full Valuation</u>
2019	\$ 209,417,015	3.75%	\$ 5,584,453,733
2020	211,082,004	3.53	5,979,660,170
2021	212,082,478	3.28	6,465,929,207
2022	213,245,835	3.27	6,521,279,358
2023	212,989,273	2.87	<u>7,421,229,024</u>
Total Five-Year Full Valuation			<u>\$31,972,551,492</u>
Five-Year Average Full Valuation			6,394,510,298
2% of Five-Year Average Full Valuation			<u>127,890,206</u>
Total Tax Levy – General City Purposes			50,559,538
Less: Total Exclusions			<u>13,792,365</u>
Tax Levy Subject to Tax Limit			<u>36,767,173</u>
Constitutional Tax Margin			<u>\$91,123,033</u>
Percentage of Tax Limit Exhausted			<u>28.75%</u>

Sources: State Board of Real Property Services and the City of Long Beach Controller's Office.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of the city school districts of Yonkers, Syracuse, Rochester, Buffalo and New York City). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities’ tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort

settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

"It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the Flushing National Bank case stated:

"So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

Therefore, while the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation is not clear.

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

Valuations and Tax Data

The table below shows the trend during each of last five years for taxable assessed valuations, State equalization rates, full valuations, real property tax levies and real property tax rates.

Assessed Valuations

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Value	\$209,417,015	\$211,082,004	\$212,082,478	\$213,245,835	\$212,989,273
Equal. Ratio	3.75%	3.53%	3.28%	3.27%	2.87%
Full Value	5,584,453,733	5,979,660,170	6,465,929,207	6,521,279,358	7,421,229,024
Tax Levy	40,365,295	45,078,000	46,619,787	49,799,839	53,111,723
Tax Rate ⁽¹⁾	\$192.75	\$213.56	\$219.65	\$233.53	\$249.36

(1) Per \$1,000 assessed value.

Source: New York State Office of Real Property Services and City officials.

Real Property Tax Collection

City taxes are due 50% on July 1st and 50% on January 1st. If not paid by July 31st and January 31st, a 1-1/2% per month penalty is added. Tax bills of \$6,000 or more are due in full in July.

The City collects its own taxes and is responsible for the collection of its own delinquent taxes. Tax lien sales are held annually.

The table below shows the trend during each of last five fiscal years for total tax levy and the amount of taxes uncollected as of the end of each fiscal year.

<u>Fiscal Year</u> <u>Ended June 30:</u>	<u>Total</u> <u>Tax Levy</u>	<u>Taxes</u> <u>Uncollected</u>	<u>Percentage</u> <u>Taxes Uncollected</u>
2019	\$40,365,295	\$ 207,400	0.51%
2020	45,078,000	259,787	0.58
2021	46,921,594	257,391	0.55
2022	49,799,839	96,328	0.19
2023	53,111,723	0	0.00

(The remainder of this page has been intentionally left blank.)

Ten Largest Taxpayers

The following table presents the assessments of the City’s ten largest taxpayers for the 2023 assessment roll.

Taxable Assessments

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation⁽¹⁾</u>
Keyspan Gas East Corp	Utility	\$2,675,349	1.26%
Lafayette Apts	Apartments	1,054,600	0.50
Walton Stuart	Apartments	980,000	0.46
Long Beach NY Multifamily	Apartments	950,000	0.45
522 Shore Road Owners Corp	Cooperative Apartments	888,049	0.42
430-450 Shore Road Corp	Cooperative Apartments	865,432	0.41
465 National Blvd SN	Nursing Home	802,000	0.38
AHOLD Financial SVCS	Shopping Center	650,000	0.31
Neptune Towers Co-Op	Cooperative Apartments	643,934	0.30
Isla Blu @ Long Beach	Apartments	<u>640,000</u>	<u>0.30</u>
Total:		<u>\$10,149,364</u>	<u>4.79%</u>

(1) The City’s total taxable assessed value for the 2023 fiscal year is \$212,989,273.

Sales and Compensating Use Taxes

Section 1210 of the New York Tax Law authorizes counties to levy sales and compensating use taxes of up to 3% in addition to the 4% sales tax levied by the State (certain counties have received approval by the State Legislature to impose a sales and compensating use tax of greater than 3%). Sales and compensating use taxes are collected by the State and distributed to counties and municipalities of the State on a monthly basis.

The sales and compensating use tax collections recorded by the City for each of the last five fiscal years and the amount budgeted for the current fiscal year are set forth in the table below.

<u>Year Ending June 30</u>	<u>Amount Collected</u>
2019	\$4,306,037
2020	3,866,769
2021	4,744,512
2022	5,568,710
2023 ⁽¹⁾	5,068,455
2024 (Adopted Budget)	5,739,555

(1) Inclusive of three-quarters of the City’s sales tax receipts from the County.

CITY INDEBTEDNESS

The State Constitution and Local Finance Law limit the power of the City (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the City and the Notes, include the following:

Constitutional Requirements

Purpose and Pledge. Subject to certain enumerated exceptions, the City shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statutes or in the alternative, the weighted average maturity of the several objects or purposes for which such indebtedness is to be contracted. Unless substantially level or declining debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real property of the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real property as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the City to borrow and incur indebtedness by the enactment of the Local Finance Law subject, to the constitutional constraints set forth above. The power to spend money, however, generally derives from other law, including specifically the General City Law and the General Municipal Law.

Pursuant to the Local Finance Law, the City authorizes the issuance of bonds by the adoption of a bond ordinance approved by at least two-thirds of the members of the City Council, the finance board of the City. Customarily, the City Council has delegated to the City Comptroller, as chief fiscal officer of the City, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the City is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the constitution.

Except on rare occasions the City does not issue its authorized bonds or notes until this estoppel period has passed. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The City Council, as the finance board of the City, has the power to enact bond ordinances. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the City Comptroller, the chief fiscal officer of the City, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See “*Payment and Maturity*” under “*Constitutional Requirements*” herein, and “*Trend of Outstanding Indebtedness*” herein).

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes, deficiency notes and budget notes.

Trend of Outstanding Indebtedness

The following table sets forth the amount of indebtedness outstanding for the last five fiscal years.

	<u>Indebtedness Outstanding</u>				
	(Fiscal year ended June 30:)				
Year Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023⁽¹⁾</u>
Serial Bonds	\$ 80,153,000	\$110,720,166	\$111,501,000	\$180,515,000	\$170,210,000
Bond Anticipation Notes	29,229,389	3,556,089	12,515,000	27,788,500	40,228,435
Deficiency Notes	0	4,250,000	4,250,000	0	0
Budget Notes	0	0	0	2,400,000	0
Installment Purchase Debt	<u>2,176,899</u>	<u>2,922,630</u>	<u>2,775,594</u>	<u>2,234,798</u>	<u>1,678,638</u>
Total Outstanding	<u>\$111,559,288</u>	<u>\$121,448,885</u>	<u>\$131,041,594</u>	<u>\$212,938,298</u>	<u>\$212,117,073</u>

(1) Unaudited.

Source: Audited Financial Statements of the City. Summary itself is not audited.

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Constitutional Debt-Contracting Limitation

The following table sets forth the current debt-contracting limitation of the City.

Debt Contracting Limitation

Fiscal Year Ended <u>June 30</u>	Assessed <u>Valuation</u>	State Equalization <u>Ratio⁽¹⁾</u>	Full <u>Valuation</u>
2019	\$ 209,417,015	3.75%	\$ 5,584,453,733
2020	211,082,004	3.53	5,979,660,170
2021	212,082,478	3.28	6,465,929,207
2022	213,245,835	3.27	6,521,279,358
2023	212,989,273	2.87	<u>7,421,229,024</u>
Total Five-Year Full Valuation			<u>\$ 31,972,551,492</u>
Average Five-Year Full Valuation			6,394,510,298
Debt Contracting Limitation - 7% of Average Full Valuation			<u>\$ 447,615,721</u>

(1) Equalization rates are established by the New York State Office of Real Property Services and the State Comptroller’s Office.

Source: New York State Office of Real Property Services.

Debt Statement Summary

Summary of indebtedness, debt limit and net debt-contracting margin as of October 4, 2023.

Five Year Average Full Valuation of Taxable Real Property.....	<u>\$6,394,510,298</u>
Debt Limit – 7% thereof.....	447,615,721

Inclusions:

Bonds.....	\$164,550,000
Bond Anticipation Notes.....	52,902,635
Budget Notes.....	0
Revenue Anticipation Notes.....	0
Tax Anticipation Notes.....	<u>0</u>

Total Inclusions \$217,452,635

Exclusions:

Revenue Anticipation Notes.....	\$ 0
Tax Anticipation Notes.....	0
Water Debt.....	14,467,015
Sewer Debt.....	10,088,607
Appropriations.....	<u>5,065,000</u>

Total Exclusions \$29,620,622

Total Net Indebtedness.....	<u>\$187,832,013</u>
Net Debt-Contracting Margin.....	<u>\$259,783,708</u>

The percent of debt contracting power exhausted 42.0%.

Direct and Overlapping Indebtedness

The real property taxpayers of the City are responsible for a proportionate share of outstanding debt obligations of the County and the School District. Such taxpayers' share of this overlapping debt is based upon the amount of the City's equalized property values taken as a percentage of each separate unit's total values. The table below sets forth both the total outstanding principal amount of debt issued by the City and the approximate magnitude of the burden on taxable property in the City of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness

Gross Direct Indebtedness					\$217,452,635
Exclusions and Deductions					<u>29,620,622</u>
Net Direct Indebtedness					<u>\$187,832,013</u>
<u>Overlapping Debt</u>					
	<u>Issuer</u>	<u>Outstanding</u>	<u>As of</u>	<u>Share</u>	<u>Amount Applicable to City</u>
	Nassau County	\$2,971,133,000	03/31/23	2.33%	\$ 69,227,399
	Long Beach City School District	30,035,000	06/30/22	85.30	<u>25,619,855</u>
Total Net Overlapping Debt					\$ 94,847,254
Total Net Direct Debt					<u>187,832,013</u>
Total Net Direct and Overlapping Debt					<u>\$282,679,267</u>

Sources: Data provided by City, County, and District Officials.

Debt Ratios

The following table presents certain debt ratios relating to the City's net direct and overlapping indebtedness.

Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Indebtedness	\$187,832,013	\$5,362	2.53%
Net Direct and Overlapping Indebtedness	282,679,267	8,070	3.81

(1) The population of the City is estimated at 35,029.

(2) The City's full value of taxable real property for fiscal year 2023 is \$7,421,229,024.

Authorized but Unissued Items

Following the issuance of the Notes, the City will have \$30,979,113 for capital projects, \$3,299,732 for unreimbursed Sandy expenditures, \$1,705,000 in litigation costs and \$2,600,000 for tax anticipation notes authorized but unissued. In addition, the City has \$165,759,695 authorized in connection with the City's sewer consolidation with the County that will be financed through EFC. (See "SUPERSTORM SANDY – The Sewer Project", herein).

Debt Service Schedule

The following table sets forth all principal and interest payments required on the outstanding bonded indebtedness of the City, exclusive of economically defeased obligations and lease purchase obligations.

Bond Principal and Interest Maturity

Fiscal Year			Total
<u>Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2024 ⁽¹⁾	\$ 10,725,000	\$ 8,612,490	\$ 19,337,490
2025	11,195,000	6,391,679	17,586,679
2026	10,960,000	5,954,320	16,914,320
2027	11,415,000	5,515,898	16,930,898
2028	10,345,000	5,089,066	15,434,066
2029	10,385,000	4,694,438	15,079,438
2030	10,225,000	4,291,444	14,516,444
2031	9,540,000	3,902,294	13,442,294
2032	6,055,000	3,612,838	9,667,838
2033	6,255,000	3,416,907	9,671,907
2034	5,440,000	3,207,619	8,647,619
2035	5,625,000	3,021,113	8,646,113
2036	5,825,000	2,822,907	8,647,907
2037	2,150,000	2,654,581	4,804,581
2038	2,270,000	2,538,556	4,808,556
2039	2,390,000	2,416,231	4,806,231
2040	2,520,000	2,287,344	4,807,344
2041	2,655,000	2,151,500	4,806,500
2042	2,800,000	2,008,306	4,808,306
2043	2,950,000	1,857,369	4,807,369
2044	3,100,000	1,708,244	4,808,244
2045	3,245,000	1,561,516	4,806,516
2046	3,400,000	1,407,850	4,807,850
2047	3,560,000	1,246,900	4,806,900
2048	3,725,000	1,078,434	4,803,434
2049	3,905,000	901,991	4,806,991
2050	4,090,000	717,106	4,807,106
2051	4,280,000	523,550	4,803,550
2052	4,485,000	320,859	4,805,859
2053	<u>4,695,000</u>	<u>108,572</u>	<u>4,803,572</u>
Totals:	<u>\$170,210,000</u>	<u>\$86,021,919</u>	<u>\$256,231,919</u>

(1) For the entire fiscal year.

Source: City Officials.

Installment Purchase Debt

The following table sets forth all principal and interest payments required on the outstanding lease purchase obligations of the City.

Lease Purchase Obligations Principal and Interest Maturity

Fiscal Year	Principal	Interest	Total Annual Debt Service
<u>Ending June 30:</u>			
2024 ⁽¹⁾	\$ 572,008	\$40,389	\$ 612,397
2025	588,357	24,040	612,397
2026	318,021	7,524	325,545
2027	<u>200,252</u>	<u>1,517</u>	<u>201,769</u>
Totals:	<u>\$1,678,638</u>	<u>\$73,470</u>	<u>\$1,752,108</u>

(1) For the entire fiscal year.

Source: Audited Financial Statements.

Capital Planning and Budgeting

An annual Capital Budget and Plan is required by Article 6, Section 101-d of the City Charter. The purpose is to present the needs identified by the City Manager to the citizens and the City Council. The 2023-2024 Capital Budget and 2023-2024 to 2027-2028 Capital Improvement Plan advance projects that improve the health, safety, and quality of life of City residents. Additionally, the projects address issues in a priority order, making the City more efficient and responsive.

The Capital Budget has been compiled by the City’s Department of Public Works (“DPW”) for major and long-lasting improvements and facilities throughout the City.

Below is a summary of the proposed Capital Budget for 2024-2028.

	<u>2024 Capital Request</u>	<u>2025 Capital Request</u>	<u>2026 Capital Request</u>	<u>2027 Capital Request</u>	<u>2028 Capital Request</u>
General Fund					
City Funded	\$ 7,002,200	\$ 18,037,000	\$ 6,600,000	\$ 4,745,000	\$ 3,755,000
Non-City Funded	<u>48,787,789</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Fund	\$ 55,789,989	\$ 18,037,000	\$ 6,600,000	\$ 4,745,000	\$ 3,755,000
Sewer Fund					
City Funded	\$ 500,000	\$ 1,200,000	\$ 1,200,000	\$ 0	\$ 0
Non-City Funded	<u>165,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Sewer Fund	\$ 165,500,000	\$ 1,200,000	\$ 1,200,000	\$ 0	\$ 0
Water Fund					
City Funded	\$ 7,100,000	\$ 11,100,000	\$ 8,100,000	\$ 1,100,000	\$ 1,100,000
Non-City Funded	<u>5,140,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Water Fund	\$ 12,240,000	\$ 11,100,000	\$ 8,100,000	\$ 1,100,000	\$ 1,100,000
Grand Total	<u>\$ 233,529,989</u>	<u>\$ 30,337,000</u>	<u>\$ 15,900,000</u>	<u>\$ 5,845,000</u>	<u>\$ 4,855,000</u>

DPW has designated \$40.1 million for General Fund projects in the five-year Capital Improvement Plan. This does not include \$216 million in funding available to the City through, inter alia, the New York Rising Community

Reconstruction Program, Federal Emergency Management Agency Hazard Mitigation Grant Program, Financial Restructuring Board and NC CDBG Funds.

Also included is \$500,000 for Sewer Fund projects and \$7.1 million for Water Fund projects. There is a \$7.8 million carryover in the Water Fund to undertake projects related to the water plant and the distribution system.

Incorporated in the Sewer Fund (non-city funding category) are projected costs to fund consolidation of the City’s Wastewater Treatment Plant into the County’s Bay Park Plant. The estimated cost of the “Long Beach Water Pollution Control Consolidation Project” is \$165 million. The City and the County have worked collaboratively to procure 100% of the funds through the FEMA 406 Hazard Mitigation Program and Governor’s Office of Storm Recovery. This project must be completed by 2025 by NYSDEC Consent Order. The cost of this project will be included in next year’s Five Year Capital Plan as the exact cost will be better defined. (See also “SUPERSTORM SANDY - The Sewer Project”, herein).

ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>
1980	34,073	1,321,582	17,557,288
1990	33,510	1,287,348	17,990,455
2000	35,462	1,334,544	18,976,457
2010	33,275	1,339,532	19,378,102
2020	35,029	1,395,774	20,201,249

Source: U.S. Department of Commerce, Bureau of the Census

Selected Listing of Major Employers

<u>Name</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Long Beach City School District	Education	1,000
City of Long Beach	Municipality	600
Lancer Insurance Company	Insurance	406
National Boulevard Assisted Care Facility	Health Care	300
Long Beach Grandell	Health Care	250
Beach Terrace Care Center	Health Care	150
Stop and Shop	Food Chain	131

Source: City of Long Beach

Unemployment Rate Statistics

	<u>Civilian Labor Force</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City	20,200	20,400	19,900	20,000	20,400
County	722,200	728,000	714,400	716,400	729,500
State	9,826,100	9,854,000	9,580,800	9,557,900	9,617,000

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Yearly Average Unemployment Rates

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>
2018	3.2%	3.5%	4.1%
2019	3.0	3.3	3.9
2020	7.4	8.0	9.8
2021	4.2	4.5	7.0
2022	2.7	2.9	4.3

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Monthly Unemployment Rates

<u>Month</u>	<u>City</u>	<u>County</u>	<u>State</u>
July 2022	2.8%	3.1%	4.3%
August	2.9	3.2	4.2
September	2.5	2.6	3.6
October	2.4	2.5	3.7
November	2.5	2.6	3.8
December	2.4	2.5	3.8
January 2023	2.9	3.2	4.6
February	2.7	3.0	4.5
March	2.4	2.7	4.0
April	2.0	2.2	3.7
May	2.4	2.6	3.8
June	2.6	2.8	4.3

Source: New York State Department of Labor, Division of Labor Statistics. Information not seasonally adjusted.

Other Information

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which the Notes are to be issued is the City Law and the Local Finance Law.

Except to the extent shown in “Estimated Overlapping Indebtedness,” this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the City.

No principal or interest upon any obligation of the City is past due.

The fiscal year of the City is July 1 to June 30.

End of Appendix A

APPENDIX B

SUMMARY FINANCIAL STATEMENTS

CITY OF LONG BEACH
 Adopted Budgets - General Fund
 Fiscal Year Ending June 30:

	<u>2023</u>	<u>2024</u>
Revenues:		
Real Property Taxes	\$ 54,017,307	\$ 59,493,371
Non-Property Tax	6,009,000	7,012,935
Departmental Income	19,411,681	19,183,239
Intergovernmental Charges	-	150,000
Use Of Money And Property	687,000	1,307,520
Licenses and Permits	1,571,922	1,786,887
Fines and Sale of Property	1,373,333	1,496,421
Miscellaneous	506,022	518,688
State Aid	9,473,500	9,390,824
Federal Aid	2,242,404	318,876
Interfund Transfers	298,000	1,444,991
Appropriated Fund Balance	-	-
	<hr/>	<hr/>
Total Revenue	<u>\$ 95,590,169</u>	<u>\$ 102,103,752</u>
Expenditures:		
General Government Support	\$ 18,738,517	\$ 19,221,663
Education	204,000	203,000
Public Safety	17,067,044	18,300,478
Transportation	2,428,516	2,354,937
Economic Assistance and Opportunity	559,830	562,682
Culture And Recreation	5,919,042	6,013,592
Home And Community Services	10,024,068	10,128,342
Employee Benefit	23,303,395	24,128,104
Interfund Transfers	17,345,757	21,190,954
Restoration of Fund Balance	-	-
	<hr/>	<hr/>
Total Expenditures	<u>\$ 95,590,169</u>	<u>\$ 102,103,752</u>

Source: City of Long Beach Adopted Budgets. Summary itself isn't audited.

CITY OF LONG BEACH
Balance Sheet
General Fund
Fiscal Year Ended June 30:

	<u>2021</u>	<u>2022</u>
Assets:		
Cash and Cash Equivalents	\$ 4,869,324	\$ 18,520,733
Restricted Cash	4,279,981	29,447
Accounts Receivable	873,174	1,098,548
City and County Taxes	248	23,461
Due From Other Funds	5,496,864	3,901,643
State and Federal Aid Receivables	3,177,149	1,679,558
Due From Other Governments	1,821,092	2,087,167
Prepaid Items	89,589	38,033
Lease Receivable	0	2,865,091
Length of Service Award Program	1,645,479	1,571,335
	<hr/>	<hr/>
Total Assets	<u>\$ 22,252,900</u>	<u>\$ 31,815,016</u>
Deferred Outflow of Resources		
Deferred Expenditures	977,857	489,441
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	<u>\$ 23,230,757</u>	<u>\$ 32,304,457</u>
Liabilities		
Accounts Payables and Accrued Liabilities	\$ 7,849,894	\$ 7,961,283
Due to Other Funds	4,355,005	5,306,531
Due To Other Governments	0	0
Notes Payable	4,250,000	2,400,000
Unearned Revenues	560,217	838,864
Other Liabilities	0	0
	<hr/>	<hr/>
Total Liabilities	<u>\$ 17,015,116</u>	<u>\$ 16,506,678</u>
Deferred Inflow of Resources		
Leases	-	2,844,775
Unavailable Revenues	497,469	663,274
	<hr/>	<hr/>
Total Deferred Inflow of Resources	<u>497,469</u>	<u>3,508,049</u>
Fund Balances:		
Restricted	\$ 1,675,460	\$ 1,600,782
Nonspendable	89,589	38,033
Assigned	59,251	31,344
Unassigned	3,893,872	10,619,571
	<hr/>	<hr/>
Total Fund Equity	<u>5,718,172</u>	<u>12,289,730</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,230,757</u>	<u>\$ 32,304,457</u>

Source: Audited Financial Statements and AUD of the City. Summary itself isn't audited.

CITY OF LONG BEACH
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balance
 General Fund
 Fiscal Year Ended June 30:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:					
Real Property Taxes	\$ 36,567,744	\$ 40,318,549	\$ 45,388,541	\$ 46,664,201	\$ 50,296,434
Other Tax Items	460,490	470,560	507,664	352,330	584,191
Non-Property Tax Items	5,500,218	5,648,265	5,554,840	6,011,872	6,842,090
Departmental Income	19,591,494	19,818,152	18,115,392	16,577,514	18,337,240
Intergovernmental Charges	483,619	273,974	334,378	241,934	565,118
Use Of Money And Property	728,523	870,752	736,735	792,651	637,655
Licenses And Permits	2,072,953	1,517,969	1,221,177	1,818,355	1,610,863
Fines And Forfeitures	787,269	826,367	783,922	665,873	1,254,657
Sale Of Property And Compensation For Loss	393,466	521,871	661,608	645,519	470,898
Miscellaneous	611,891	736,570	650,477	961,848	764,459
State and Local Aid	6,155,780	5,897,406	5,318,521	7,432,544	7,058,331
Federal Aid	533,410	47,371	941,439	2,608,601	2,106,865
Total Revenues	<u>\$ 73,886,857</u>	<u>\$ 76,947,806</u>	<u>\$ 80,214,694</u>	<u>\$ 84,773,242</u>	<u>\$ 90,528,801</u>
Expenditures:					
General Government Support	\$ 12,443,915	\$ 12,339,284	\$ 13,912,651	\$ 15,777,295	\$ 17,970,048
Education	319,795	159,596	127,655	304,739	186,804
Public Safety	17,569,898	17,688,126	17,052,975	16,275,483	16,640,567
Transportation	2,087,294	1,828,166	1,836,519	2,141,479	2,109,315
Economic Assistance	221,773	347,877	356,826	259,578	447,432
Culture And Recreation	7,323,121	6,989,989	6,488,544	4,740,546	5,536,867
Home And Community Services	8,112,956	8,165,089	8,848,038	8,812,888	8,916,129
Employee Benefits	22,768,187	24,448,112	23,832,073	22,534,105	26,021,712
Debt Service	124,572	0	0	2,195,240	152,019
Total Expenditures	<u>\$ 70,971,511</u>	<u>\$ 71,966,239</u>	<u>\$ 72,455,281</u>	<u>\$ 73,041,353</u>	<u>\$ 77,980,893</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,915,346	\$ 4,981,567	\$ 7,759,413	\$ 11,731,889	\$ 12,547,908
Other Financing Sources (Uses):					
Issuance of Debt	-	-	3,574,762	2,700,000	3,195,000
Operating Transfer In	1,326,003	567,489	-	225,000	54,609
Operating Transfers out	(9,455,104)	(8,414,852)	(9,695,493)	(8,556,420)	(9,225,959)
Debt Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ (8,129,101)	\$ (7,847,363)	\$ (6,120,731)	\$ (5,631,420)	\$ (5,976,350)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(5,213,755)</u>	<u>(2,865,796)</u>	<u>1,638,682</u>	<u>6,100,469</u>	<u>6,571,558</u>
Fund Balance Beginning of Year	\$ 8,364,799	\$ 3,151,044	\$ 285,248	\$ 1,923,930	\$ 5,718,172
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,306,227)</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 3,151,044</u>	<u>\$ 285,248</u>	<u>\$ 1,923,930</u>	<u>\$ 5,718,172</u>	<u>\$ 12,289,730</u>

Source: Audited Financial Statements and AUD of the City. Summary itself isn't audited.

APPENDIX C

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022*

**CAN BE ACCESSED ON THE ELECTRONIC MUNICIPAL MARKET ACCESS
("EMMA") WEBSITE
OF THE MUNICIPAL SECURITIES RULEMAKING BOARD ("MSRB")
AT THE FOLLOWING LINK:**

<https://emma.msrb.org/P21730698.pdf>

**The audited financial statements referenced above are hereby incorporated into this
Official Statement.**

*** Bonadio & Co., LLP, has not commented on or approved this Official Statement, has not been requested to perform any procedures on the information in its included report since its date and has not been asked to consent to the inclusion of its report in this Official Statement.**