

North Shore Schools
Board of Education
Special Meeting
Minutes
June 23, 2022

The meeting was called to order by President David Ludmar at 6:00 p.m. in the North Shore High School Library. Present were Trustees Colacioppo, Galati, Jones, Macari, Mosca and Russo. Also present were Interim Superintendent Dr. Thomas Dolan and Assistant Superintendents Dr. Christopher Zublionis and Ms. Olivia Buatsi, and Incoming Assistant Superintendent Carol Smyth.

At 6:00 p.m. on motion of Trustee Macari and seconded by Trustee Mosca and all in favor, the Board convened an executive session in the High School Library to consider matters regarding the employment or appointment of a particular person and proposed, pending or current litigation.

Incoming Assistant Superintendent James Pappas arrived at 7:30 p.m. and Trustee-elect Lisa Cashman arrived at 8:00 p.m.

At 8:55 p.m. on motion of Trustee Jones and seconded by Trustee Colacioppo and all in favor, the Board came out of executive session and the special meeting was resumed in the library. There was 1 person in the audience.

Pledge of Allegiance

President Ludmar led the audience in the pledge of allegiance.

On motion of Trustee Russo and seconded by Trustee Mosca and all in favor, it was:

BE IT RESOLVED That upon the recommendation of the Superintendent of Schools, the Board of Education of the North Shore Central School District, hereby approves the probationary appointment of Ryan O'Hara, Middle School Principal, effective August 1, 2022 through August 1, 2026

President Ludmar welcomed Mr. O'Hara back to the North Shore School District. He thanked Interim Principal Jen Imperiale for her efforts this past year as well as Assistant Principal Brendan Nelson. Trustee Macari added her thanks to all who participated in the process to select the next middle school principal.

Discussion on Establishing Tax Levy

Dr. Dolan gave an overview on what a tax levy is. The public votes on the budget, the tax levy is what the district raises in taxes after applying other revenue. This year a tax levy of \$94,644,364.44 was authorized prior to the May 27, 2022 deal that was agreed upon in the courts between LIPA and Nassau County. He explained that this agreement has changed things considerably for the District, and that it needed to be finalized before acting upon its details. Dr. Dolan went on to explain that the purpose of the discussion this evening is not to arrive at every answer but to get information to determine what is needed to set the tax levy. He does not recommend setting the tax levy at the reorganizational meeting, when it is historically set, but to wait until the deadline of August 15 to give the administration time to speak to the Assessors' Office, and others, to decide the best course. Tonight, the administration would like to ascertain what information the Board needs to confidently set the tax levy. Dr. Dolan explained that what they do know is that LIPA and the County have agreed that approximately \$9 million of properties are coming off of the tax rolls and that they have agreed to make direct payments to the

District (PILOTs). Dr. Dolan stressed that the community needs to understand that the facts have changed substantially since they voted on the budget/tax levy.

To clarify further, the tax levy is the amount the District is permitted to raise from 4 classes of tax payers. Dr. Dolan also expressed concern about the adjustment of the based proportion in each class. Ms. Buatsi explained that the current tax levy that was proposed is \$94,644,364.44, the properties that LIPA will be removing from the tax rolls (9 parcels) equals \$9,121,898. This will be remunerated to the District in the form of a "Direct Payment" which we believe will be calculated as if it were a PILOT (payment in lieu of taxes). She further explained that 4 existing PILOTs will also be moved into the new PILOT/direct payment. Ms. Buatsi explained that the District received \$15,663,034 in the form of a PILOT and taxes from LIPA in 2021-2022. The proposed amount the District is expected to receive in 2022-2023 in the form of a PILOT/direct payment is \$12,906,767, a difference of \$2,756,267; this reduction will be a shift to all 4 classes. Ms. Buatsi further explained the breakdown of the new PILOT/direct payment. Nine (9) parcels to be removed from the tax rolls (\$9,121,898) four (4) parcels moved from the 2015 PILOT to the new PILOT/direct payment (\$3,784,869) Total of new PILOT/direct payment \$12,906,767 (difference of \$2,756,267). Ms. Buatsi also noted that with this shift to all classes, it will include LIPA (utilities class). Ms. Buatsi also explained that when the base proportions are adjusted, the tax levy for class 1 homeowners may go up after the shift occurs. She explained that according to Section 1803 of the Real Property Tax Law, the tax burden typically cannot shift more than 1%, however it does not apply here because of the complete demolition of the properties, therefore the shift will be greater than we are used to, it will be significantly greater and not an even distribution. This is determined by the Nassau County Legislature. She said the shift may result in homeowners (class 1) going from a 74% base proportion to an 82%. She further explained that in the original budget presentation, the projection was a 6.22% increase for homeowners. She said the increase will depend on the assessment of the entire class, it could be higher or lower. There are many variables such as if people challenge their taxes, whether the county raises assessments, new construction, home improvements, everyone will experience the increase differently. She also noted that if you have not challenged your taxes in the past, you will likely see less of an increase.

Dr. Dolan added it is critical for the Board to let the administration know what they want to levy. Should they stick with \$94 million or take the \$9 million off and levy the lower rate (\$85M). Trustee Russo asked about using some of the money promised from LIPA to avoid the shift. Ms. Buatsi cautioned about using some of the funds to reduce the tax levy this year, it reduces the base every year which could affect the budget. Dr. Dolan added that they have not gotten any money from LIPA yet. They believe there will be an agreement soon, but it has not come through. He further explained that the 2% tax cap calculation is a complex formula and takes into account a number of variables; those variables are not known until February or March. Ms. Buatsi added that we should plan out how to use the potential \$3.2 million from LIPA when we get it, whatever is used this year, the Board must be able to replenish next year as well. They must have a plan and not go too high or too low but look at it over the long haul. Trustee Russo added it is the same scenario as fund balance or reserves, they need to be careful how they use it. President Ludmar clarified that we will still need to collect \$94.6 million, we know revenue will be reduced by \$2.7M. We are hoping the deal from LIPA can help offset the tax levy, but currently we do not know how much less than the \$2.7 million there might be and what will shift. Dr. Dolan stressed that the budget this year cannot change. It is possible to spend less and apply the surplus to next year's tax levy, but it will not affect what is going to happen to our taxpayers this year. He went on to explain that we must collect \$94.6 million this year, only \$85 million will be coming from taxes this year, and some will come from direct payments. The Board needs to decide if they want to lower the tax levy by more and absorb, or blunt the shift by the county, but they do not know what impact that would have on the tax cap calculations next year. Dr. Dolan and Ms. Buatsi offered the

Board some potential projections on the tax cap of reducing the levy and explained that the administration has had a conversation with external auditor, Alan Yu regarding an incremental approach. They will provide numbers to the Board of what the impact would be to homeowners if the tax levy is decreased. He stressed the importance of discussing the possibility of a third source of funding with our new local legislators. Ms. Buatsi added that thanks to Senator Gaughran we will be using \$1 million to offset the 2022-2023 levy and we have been promised another \$1 million but that will fall off. President Ludmar expressed concern that if the Board reduces the tax levy by \$9.1 million and then there is a change in that amount, it would be a very serious situation for the District. Ms. Buatsi agreed that after August 16 the levy cannot be changed. Dr. Dolan suggested that given that the county is party to the deal with LIPA there should be some sensitivity to the deadline date if there is a challenge. Dr. Dolan went on to say the District was wise to hire a lobbyist and we hope to have some information from them by the reorganization meeting on July 1. President Ludmar asked that when there is more information, and some direction, we need to help the community understand and hold a well-publicized public meeting so they can be a part of the conversation.

Dr. Zublionis will provide a summary of what was discussed tonight and an update at the July 1 meeting.

Adjournment

At 9:45 p.m. on motion of Trustee Jones and seconded by Trustee Macari and all in favor, the meeting was adjourned.

Elizabeth Ciampi
District Clerk