

North Shore Schools
Board of Education
Special Meeting
Minutes
August 3 2022

The meeting was called to order by President David Ludmar at 6:45 p.m. in the Glenwood Landing Elementary School Auditorium. Present were Trustees Cashman, Colacioppo, Galati, Macari, Mosca and Russo. Also present were Superintendent Dr. Christopher Zublionis and Assistant Superintendents Dr. Carol Smyth and Mr. James Pappas

At 6:45 p.m., on motion of Trustee Colacioppo and seconded by Trustee Mosca and all in favor, the Board convened an executive session in the room 101 to consider matters regarding proposed, pending or current litigation and collective negotiations pursuant to Article 14 of the Civil Service Law (the Taylor Law)

At 7:50 p.m. on motion of Trustee Russo and seconded by Trustee Cashman and all in favor, the Board came out of executive session and resumed the special meeting in the auditorium. There were approximately 20 people in the audience.

Pledge of Allegiance

President Ludmar led the public in the pledge of allegiance.

Approval of Minutes

On motion of Trustee Galati and seconded by Trustee Colacioppo and all in favor, the minutes of July 1, 2022 and July 21, 2022 were approved.

Regular Business

Discussion on the Establishment of the 2022-2023 Tax Levy

President Ludmar explained that the goal for this evening will be for everyone to understand the path forward. He thanked the firm of DHC and Nicole Weingartner for getting them access to the representatives at the county, giving them good dialog, which resulted in options and a path forward. He thanked Dr. Zublionis, Mr. Pappas and Dr. Smyth for assuming their roles so seamlessly and assisting the Board so they could continue this process. He noted that tonight the Board is using upgraded microphones as they have heard the concerns from the community about that.

Dr. Zublionis and Mr. Pappas presented a Powerpoint which gave an overview of the revenue challenges and the road ahead. This gave a history of the LIPA power plant and the way taxes have been paid by them. He explained that for several years LILCO/LIPA paid a considerable portion of school taxes however as the power plant began to be used less, some properties were taken off the tax rolls and became PILOTS (payments in lieu of taxes). Until now, North Shore has received a combination of taxes and PILOT payments but the overall payment from LIPA has been slowly decreasing. North Shore began discussion in 2010 and the Board has worked hard with counsel to delay hardships caused by further reductions. In 2015, the District secured a \$5.5 million grant from Senator Carl Marcellino and Assemblyman Chuck Lavine, In June 2022, the District received confirmation of a settlement between LIPA and Nassau County in which all existing tax payments will be taken off the tax rolls and converted into a "direct assessment." Dr. Zublionis explained that a direct assessment is a non-tax payment that is fixed or reduces over time; that a "direct assessment" is subject to the Nassau Guarantee and collected on the same calendar as tax payments but is not included in the tax levy. For this reason, the tax levy

needs to be reduced by the net effect of the direct assessments. He further explained that according to the Assessor's Office, the tax levy should only include those taxes that will be used to calculate the tax rate and not the amount of the direct assessments. Dr. Zublionis further explained that the total shift in revenue from both taxes and Payments in Lieu of Taxes (PILOT) is \$3,127,717.45. This is the difference between what would have been collected from LIPA in the form of Taxes/PILOT in the 2022-23 budget and the amount that will now be collected as a direct assessment. Dr. Zublionis went on to explain that shift in revenue resulting from the Nassau County/LIPA Settlement agreement will be shared among the taxpayers in each of the four classes determined by adjusted base proportions, calculated by the County and provided to the District in mid-September. Dr. Zublionis clarified that since the revenue shift serves to lower the tax levy, the base tax levy that will be used in the calculation of future tax caps will also be lower. The application of the allowable tax levy increase on a lower levy will result in a permanent reduction in revenue from real property taxes. He shared a chart indicating that the compounded effect of the reduction in the tax levy would result in a loss of over \$850,000 over five years due to the LIPA settlement. Finally, Dr. Zublionis explained that the total amount needed to fully fund the budget is \$86,425,546.11, although this can be lowered to mitigate a shift in taxes. However, he cautioned that the more the levy is lowered this year, the more cost cutting will need to take place in a shorter amount of time. Dr. Zublionis also noted that additional reductions will become automatic "need to cut" expenses in the 2023-24 budget. In addition, the 2022-23 budget is funded by fund balance and the remaining Marcellino-Lavine Grant Funds which will not be available for 2023-24.

President Ludmar said he appreciates the presentation which was very informative. He said it is important to adhere to process and the seven Trustees are tasked with how to proceed and to represent all residents to the best of their abilities. He further stated that Board members understand their responsibilities. He would like to give all Trustees time to ask questions and then go forward with the voting on the tax levy.

The Board had a lengthy discussion about the implications of the information provided by the administration.

Trustees asked questions regarding the removal of the initial properties which made up the 23 PILOTs, 4 of which are now being moved to a direct assessment, and whether the 19 remaining PILOTs are subject to change in 2027. Why is the county allowing a shift greater than 1%? What the net effect of reducing the tax levy will be over 5 years? The tax impact on homeowners and other remaining taxpayers now that LIPA properties have been removed from the tax rolls; while the tax levy will technically be far less than the 2.499% originally anticipated at the time of the budget vote, the increase to remaining taxpayers may be close to 6%, and the impact of using various increments of the LIPA settlement to offset the levy amount based on the administration recommendation of using \$500,000. Whether this year's budget can be reduced at this point? Concerns were expressed that residents will be surprised and upset by their tax bills when they are received. It was suggested that cuts to this year's budget be considered as well. Some Trustees suggested using more of the LIPA settlement money towards reducing the tax levy even more, others expressed caution on reducing the tax levy more as that would be compounded every year. It was noted that every \$250,000 in tax levy reduction would save the average taxpayer approximately \$60 per year. It was also noted that the compounded effect of lowering the tax levy this year would have effects to the education of students not just this year but on the education of future students. Trustees remarked that the LIPA issue has been discussed for many years although they were unaware when the settlement would be approved by the courts, or what the terms would be and could not take any action until this settlement was finalized. Now they are tasked with making sure taxpayers are protected, as well as ensuring students continue to receive the same education parents have come to expect from North Shore. It was noted that all residents are beneficiaries of the schools through programs offered and available.

Dr. Zublionis and Mr. Pappas explained that the 19 PILOTS will remain as PILOTS unless there is another settlement, however 2027 will be another important year and further advocacy will be needed at that time. They explained that because the properties were completely removed from the tax rolls, the law prohibiting more than a 1% shift to any one class does not apply to this case. They further explained it is Nassau County who is responsible for collecting taxes and they apportion the tax levy to each of the 4 classes in our District; Class 1-single/double occupancy homes; Class 2 coops/condos; Class 3 utilities; Class 4 commercial. They remarked that they are working with our legislators in hopes of getting more funding next year. Dr. Zublionis explained that they have explored the possibility of reducing the budget at this point. Both our attorney and auditor have advised against this. The plan is to create savings in the budget by not replacing retirements (attrition). For example, the Elementary STEM Director position (Dr. Smyth's former position) will not be replaced. In general, they will be thinking more frugally, and every decision will be made by how it impacts our students and to maintain the current program. These steps will create a larger fund balance to be used to offset the tax levy for 2023-2024 but unfortunately will not change the situation for this year. Mr. Pappas explained that the compounded effect of reducing the tax levy would result in the loss of approximately \$855,000. Finally, Dr. Zublionis said he would recommend using \$500,000 of the LIPA settlement number to reduce the tax levy to mitigate the effect of the tax shift on the community this year and making manageable cuts to reduce the impact of LIPA in subsequent years.

President Ludmar said this is a balancing act. He appreciates the work of the administration but ultimately it is the responsibility of the Board to have the discussion and come up with the number. He realizes people will be paying more than they originally anticipated when they put the budget together, however when that was done it was based upon the information they had at the time. He further stated that before the pandemic the previous county administration was on the verge of a settlement as reported in *Newsday* and the District had a 7 year "glide" path as they knew this was inevitable. The lawsuit banded about in the courts and there was growing pressure on the county to make a settlement. Last year, President Ludmar spoke to all of the PTOs, SEPTA, and Boosters about the LIPA issue so they would be aware of what might be coming. He explained it as 5 "Pillars" to a path to a solution. The first was getting assistance from LIPA by negotiating a settlement, this has come about. Next assistance from our legislators to bring about that settlement and continued assistance from Albany. The biggest solution, beginning cost cutting and underspending of the budget to find efficiencies, but not to fundamentally change what North Shore is. He explained to them that if we are going to face a \$7M reduction in revenue from LIPA, it will impact our schools, will mean cutting positions, but would also result in a tax shift. He further explained that residents would now be paying closer to what neighboring communities pay in taxes. He explained that the 5th pillar is the use of our reserves, and he would like them to be robust for if they become too low our rating for borrowing drops and this may also cause programmatic cuts. He feels this is what will get us through these difficult times but is confident we will get through it. He further commented that the decision from the courts came well after the budget vote and reimagining the budget 4 weeks before school opens would be an irresponsible approach. The plan is to underspend the budget this year to create a fund balance for next year. He understands the argument from some of the Trustees to use as little of the settlement money as possible, and the argument to use a little more, but he would like to find an amount in the middle. The total amount available is \$2M, plus \$1.2M in subsequent years. President Ludmar noted that this is the first time a direct assessment will be imposed on a school district. He also explained that both our attorney and auditor has explained that no school district has tried to lower their budget after voter approval and have further advised against trying to do so.

Comments from the Public

Paul Puskuldjian, Glen Head, commended Dr. Zublionis on the information he has provided and commended Mr. Pappas as well on his approach. Mr. Puskuldjian asked why there is no mechanism to decrease the budget when there is a mechanism to increase the budget. He noted there were articles in *Newsday* regarding a tentative agreement with LIPA. He further stated that Dr. Dolan showed the community a presentation of what the impact of a settlement could mean. He asked that the Board think of a way to solve the issue in a way to make everyone happy. He suggested the Board use a larger portion of the LIPA settlement this year. President Ludmar explained that the reports in the papers were about a potential settlement. He further explained that there is a legal process that makes it definitive. That would be the courts approving the settlement which did not happen until well after the budget vote. The Board cannot act on something that has been reported in the papers, the Board needs to act on something that has been codified.

Roger Friedman, Sea Cliff, thanked the administration for the enlightening discussion and presentation regarding the tax levy. He said he is very upset with comments made that the Board was not prepared for this when voices in the community caused the District to spend down reserves which should have been available to mitigate this problem. Those same voices caused the defeat of the athletic capital reserve which have deprived student athletes of much needed infrastructure. He also expressed his view that it is disingenuous to use inaccurate statements about exceeding the tax cap. Mr. Friedman asked what the implications are, without fundamentally changing the nature of education, of tax paying/tax cutting with the increases due to the shift. Dr. Zublionis explained that it is difficult to say without exact certainty as there are so many factors. He explained that personnel is the biggest budget driver and so they will look at retirements, whether the position will need to be replaced, as well as expenses. They also plan to find efficiencies and will be holding off on new personnel and programming. They will review to what extent they can mitigate this with balancing the impact on the community without affecting children. That will be the starting point.

Amy Solomon, Glen Head, asked how the Board and administration will engage parents in the decisions about cutting the budget. She said it is good to see the discussion between the Board members however parental voice needs to be more engaged in these decisions and there needs to be more communication to the community. Dr. Zublionis reminded the public that they will be holding meetings with the administration, the first on August 24th and there will be more of these during the year. President Ludmar also noted that there will be an effort to bring in all members of the community.

Jim Svendsen, Glenwood Landing, asked what the direct impact is on homeowners if no money from the settlement is used. He asked how much the settlement was and how it will be used. Dr. Zublionis explained that the direct assessment will be paid by LIPA, that the District received \$2 million this year, \$750,000 in 2023 and \$500,000 in 2024. The current strategy is to use the funds in a way to help mitigate the loss of revenue from LIPA with the biggest impact being in the school year 2024-25. President Ludmar added that previously the main source of revenue from LIPA was from taxes and PILOTS, now they will pay direct assessments with less PILOT payments.

Natasha Gordon, Sea Cliff, said she has faith in the recommendations of the administration and in the trustees who were elected. She said there has been a great effort to divide the community on issues that do not exist. This is a real issue, and she would like to see the community come together on this issue which can only be solved if we come together on it.

Dominik Fortugno, Sea Cliff, said it is a very difficult and contentious time for the community and he is glad to hear a variety of voices and to hear a balance between cost cutting and making sacrifices. He thanked the Board and administration for their efforts. He noted this has been imposed on the community. He asked what the community can do to advocate to help get long term continued relief from local leaders. President Ludmar suggested this be one of the priorities for LAC and they in turn can be a liaison to the community.

Melissa August, Glen Head, said everyone is making sacrifices. Everyone will pay more taxes, those with kids in schools will experience cuts to programs. No one will win and everyone is in it together so everyone should work together and compromise. She does not agree with those who say the Board misled the community before the budget vote. She thanked the Board for all they are doing and recognizes them as the elected members of the community.

Lisa Vizza, Glen Head, suggested the administration and Board look into alternate avenues of revenue. She had introduced information to the Board when she was a Trustee about the electric generation facility cessation mitigation program and suggests they research to see if the District qualifies for the program as a source of revenue. She asked that they please give it serious consideration. President Ludmar noted that our lobbyist and legislators are already on this.

With no further comments, Public Comments was closed.

Prior to moving on the approval of the tax levy, the Board had a second discussion.

Trustee Galati said he appreciates all of the work that Dr. Zublionis and Mr. Pappas have done in preparing the tax levy information and recommendation. He further stated that generally he would go along with their recommendation, however he feels that based upon the circumstances, and the fact that they had to set the budget before knowing what the LIPA settlement was, he is inclined to recommend using additional monies received from the LIPA settlement and increase that amount to \$750,000 to offset the tax levy.

Trustee Colacioppo expressed concern for the taxpayer and for passing of the budget next year but is really concerned about the cumulative effect of using \$500,000 of the settlement from LIPA this year, and another \$500,000 next year. While she realizes sacrifices must be made, using the funds along with budget cuts in the future with possible retirement attrition, she is concerned about the effects of that on students, class sizes and maintaining a North Shore education. Finally, she said she trusts the administration, and if their recommendation to use \$500,000 to offset the tax levy is something they can do without decimating our schools, she will support that recommendation.

Trustee Russo said she agrees with Trustee Galati. She feels this year will be the biggest hit for taxpayers and she would like to use more of the settlement funds this year and less next year, so people can get used to the increase to their tax bill and readjust their priorities, re-budget and figure out how to manage their expenses just like the district needs to figure out what cuts to make in the future. She feels it makes sense to use more now and less later.

Trustee Mosca expressed concern in using more this year as it would create a bigger hit the following year or year after. She noted that in 2024-25 it is an even bigger increase. She is reluctant to go higher than the use of \$500,000 of the funds. It will result in a small savings of about \$60 annual in taxes.

Trustee Cashman said she agrees with what has previously been stated. She said there is no magic bullet to make the taxes go away and if the settlement money is used in the early years they will not have the funds in later years. She noted that there will be a big hit in year three. She also agrees to go with the recommendation of the administration to use \$500,000 this year.

Trustee Macari said after listening to everyone, she is in agreement to go with the recommendation of the administration to use \$500,000 of the settlement money this year.

President Ludmar noted, after listening to all Trustees, there are 2 who are in favor of equal to or less than lowering the tax levy by \$500,000; 2 who want a straight lowering of \$500,000; and 2 who would like it lowered by \$750,000 to \$1M. He feels \$500,000 seems like the right amount. President Ludmar went on to say he was hoping to incorporate a budget cut now and is disappointed that is not possible. He is concerned about the longer-term impact of this, of not passing budgets, and realizes it is important to keep that in mind. However, he feels no matter what the number is there will be those who may be outraged. The Board needs to make decisions on what they think is right, and he feels using \$500,000 now is the correct amount. He said he appreciates all those who came to the meeting and made comments, those who are watching, and his fellow Trustees for all of their efforts in his regard.

President Ludmar explained that the tax levy in the resolution includes a \$500,000 offset to the levy.

On motion of Trustee Mosca and seconded by Trustee Macari, with Trustees Colacioppo, Cashman, Ludmar, Macari and Mosca for and Trustees Galati and Russo against, it was:

Resolution Authorizing the Establishment of the 2022-2023 Tax Levy

BE IT RESOLVED: That the following budget of the necessary claims and expenditures in the North Shore Central School District for the school year 2022-2023 amounting to \$115,964,181.54 is hereby accepted, and

BE IT FURTHER RESOLVED, That the sum of \$85,925,546.11 being the remainder of the budget adopted as above and, the amount which must be raised by taxation (net amount) for the North Shore Central School District for the 2022-2023 school year, be levied upon the taxable property of the school district as said property has been certified to by the Board of Assessors, for the school year 2022-2023. This tax levy does not include direct assessments collected by Nassau County.

Board Committee Representatives

The Board decided on committee representation for the 2022-2023 year as follows:

Athletic Advisory and Review Committee: Trustees Colacioppo, Galati and Russo

Board Policy Sub-committee: Trustees Cashman, Macari and Mosca

Community Budget Forum: Trustees Cashman and Mosca

Construction Steer Committee: Trustees Cashman, Ludmar and Russo

District-wide Safety Committee: Trustees Galati, Macari and Mosca

LAC Liaison: Trustees Mosca and Ludmar

Review of IEPs: Trustees Colacioppo and Macari

Review of Attorney Bills: Trustees Galati and Russo

Wellness Committee: Trustees Colacioppo and Macari

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

Personnel

Resignation for Retirement Purposes - Certified

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby accepts the resignation for retirement purposes for Cathleen Jeffreys, Teaching Assistant, effective August 1, 2022

Appointment - Certified

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby approves a probationary appointment for Samantha Drexler, ENL, effective September 1, 2022 through September 1, 2026

Regular Substitute (Leave Replacement) Appointments - Certified

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby approves a regular substitute (leave replacement) appointment for Kyla Zitti, Art, on Step 1 of the BA+15 salary schedule, effective September 1, 2022 through June 30, 2023

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby approves a regular substitute (leave replacement) appointment for Ashley Seiter, Special Education, on Step 2 of the MA salary schedule, effective September 1, 2022 through June 30, 2023

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby approves a regular substitute (leave replacement) appointment for Li Hong Cai, Mandarin, on Step 2 of the MA salary schedule, effective September 1, 2022 through June 30, 2023

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby approves a regular substitute (leave replacement) appointment for Alaina Famigletti, Italian, on Step 2 of the MA+45 salary schedule, effective September 1, 2022 through January 31, 2023

Resignations - Non-Certified

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby accepts the resignation of Frank Santiago from the positions of School Bus Driver and Food Service Worker, effective July 22, 2022

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby accepts the resignation of Stacy Crawford, Part-time Cleaner (Sea Cliff), effective July 21, 2022

Extra-Curricular Activity Coaches

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby approves the following extra-curricular activity coaches for the fall 2022 season:

| Sport | Coach | Step |
|--------------------------|----------------|------|
| Field Hockey | | |
| Varsity Coach* | Ariel O'Shea | 1 |
| Varsity Assistant Coach* | Kelley Huggins | 2 |

*Ariel was previously appointed as Asst. Coach and Kelley was previously appointed as Coach

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

Approval of Budget Transfers

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby approves budget transfers in the amount of \$28,000 to cover legal fees for service provider contract, FOIL requests, Bond projects and legal hearings; \$74,940.03 to cover the cost of home teaching and regular teacher coverage due to lack of substitutes; \$76,149.56 to cover the BOCES bill for network support, outsourced network advanced engineering support and test scoring; \$122,957.27 to cover teacher aides at GH, GWL and HS; \$65,279.16 to cover retro salary payments for part-time bus drivers; and \$13,256.56 to cover retro salary payments for bus monitors; for a total of \$436,737.56, effective August 3, 2022

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

Approval of the Disposal of Inventory Items

BE IT RESOLVED, That the Board of Education of the North Shore Central School District hereby approves of the disposal of the following inventory items:

| Quantity | Item Description | School |
|----------|------------------|------------------|
| 3,255 | Textbooks | High School |
| 40 | Computers | High School |
| 7 | Monitors | High School |
| 1 | MacBook | High School |
| 3 | Projectors | High School |
| 1 | Printer | High School |
| 2 | Smartboards | High School |
| 1 | Electric Oven | High School |
| 2 | Gas Ovens | High School |
| 2 | Refrigerators | High School |
| 1 | Freezer | High School |
| 1 | File Cabinet | Glen Head School |
| 65 | Chairs | Sea Cliff School |
| 12 | Shelving Units | Sea Cliff School |

On motion of Trustee Galati and seconded by Trustee Macari and all in favor, it was:

Approval of an Agreement between the North Shore CSD and Capital Markets Advisors

BE IT RESOLVED that the Board of Education of the North Shore Central School District hereby approves the Agreement between the School District and Capital Markets Advisors, to provide Financial Advisory Services to the district regarding the refinancing of serial bonds, as per the terms and conditions set forth in the attached agreement, commencing July 1, 2022 through June 30, 2023; and

BE IT FURTHER RESOLVED, that the Board of Education hereby authorizes the President of the Board of Education to execute the necessary documents to effectuate said Agreement on behalf of the Board of Education.

Adjournment

At 10:50 p.m. on motion of Trustee Mosca and seconded by Trustee Galati and all in favor, the meeting was adjourned.

Elizabeth Ciampi
District Clerk