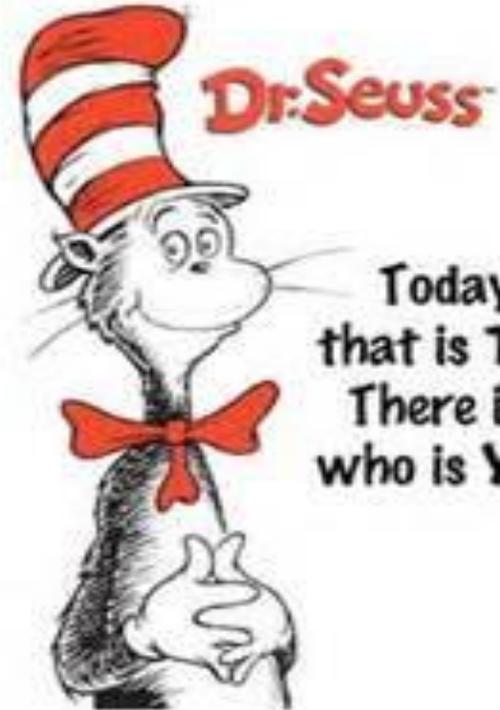


# Congratulations Students of the Month!

- Cooperation
- Leadership
- Community Involvement
- Academic Performance
  
- Good Attendance
- Good Behavior
- Positive Attitude



Today you are **YOU**,  
that is **TRUER** than true.  
There is **NO ONE** alive  
who is **YOUER** than **YOU!**



# BARRETT POWER PLANT:

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WHERE  
ARE  
WE?

BOARD OF EDUCATION MEETING

DECEMBER 16, 2019

SUPERINTENDENT'S REPORT

DR. ROSMARIE T BOVINO

# HISTORICAL CONTEXT

## LIPA'S TAX CHALLENGES

- ▶ In 2011, LIPA files tax certiorari proceedings seeking at least 90% reduction in the assessed value of each of their four power plants, costing a total of \$175-\$181 million a year in property taxes on Glenwood Landing, Port Jefferson, Northport and Barrett. Since 2011, LIPA has filed tax certiorari petitions every year.
- ▶ In response, the local municipalities and school districts argue that LIPA should not be grieving their taxes because former LIPA Chairman Richard Kessel made a binding promise to them in in the late 1990s stating that, absent abusive increases in the assessment rate, “neither LIPA nor LILCO will initiate any further tax [challenge] cases” on the plants. Gov Pataki and other officials reiterated this promise
- ▶ Between 2011 – 2015, local municipalities and school districts file lawsuits against LIPA. Island Park UFSD is among them. They argue LIPA's cases should be dismissed due to the promise made and the deleterious effect a shift of the tax burden will have on homeowners.

# WHO ARE THE TAX ENTITIES WITH LAWSUITS vs LIPA?

## ▶ MUNICIPALITIES:

- ▶ Brookhaven Town (assesses Port Jefferson Plant at \$32.6M)
- ▶ Village of Port Jefferson (part of above)
- ▶ Huntington Town (assesses Northport Plant at \$84M)
- ▶ Nassau County (assesses Barrett Plant at \$42M, Glenwood Landing Plant at \$23M)

## ▶ SCHOOL DISTRICTS:

- ▶ Port Jefferson UFSD (\$14M)
- ▶ Northport – Eastport Northport UFSD (\$55M)
- ▶ North Shore UFSD (\$17.3M)
- ▶ Island Park UFSD (\$16.1M)

# What is the status of each case?

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- ▶ Town of Brookhaven Settlement in 2019

Port Jefferson Plant tax revenue from \$32.6 M to \$17M by 2026

- ▶ Nassau County Proposed Settlement in Nov 2019

Barrett Plant tax revenue from \$42M to \$21M by 2026-2027; IPUFSD from \$16.1M to \$8M

Glenwood Landing Plant tax revenue \$23M to \$11.5M by 2026-2027; NSUFSD from \$17.3M to \$8.6M

- ▶ Huntington Town Summary Judgment for LIPA in 2018;

appealed by Huntington Town and Northport-E Northport UFSD;

anticipated decision in 2020 (Northport Plant tax revenue from \$84M to \$42M by 2026

- ▶ North Shore UFSD and Island Park UFSD

No decision; under judicial review in Suffolk Co Supreme Court

The “Court has indicated that it would likely issue summary judgement in LIPA’s favor as well”

# Why do we care about the proposed settlements by Nassau County as well as other settlements or judicial decisions?

- ▶ Nassau Co collects taxes and disperses them as revenues to the District.
- ▶ If Nassau Co, the Nassau Co Legislature and NYS Supreme Court approve a Settlement, there is nothing to say the Nassau Co Assessor would maintain our tax revenue at the current level.
- ▶ Were the County to remove LIPA from the tax rolls and enforce the proposed LIPA PILOT, the District's revenue would be reduced significantly. Moreover, Nassau Co would be establishing the tax rates for all property classes, shifting the financial burden from the utility (class 3) to mostly homeowners (class 1).
- ▶ This could occur even though our lawsuits with LIPA are not decided.

- ▶ The District has been fighting this issue with LIPA for the past 10 years. We will persist in this effort on behalf of the community.
- ▶ We have had two meetings with Nassau County and we are meeting reps from Nassau County, Town of Hempstead, and LIPA representatives tomorrow to give them “real” numbers and to explain the impact of Na County’s proposed PILOT Settlement on:
  - ▶ The Annual School Budget and
  - ▶ The taxes under the PILOT that would shift from Class 3 (Utilities) to Class 1 (Homeowners).
- ▶ The District is negotiating to keep the Barrett Plant on the tax Nassau Co Property tax rolls. (§ 1803 of NY Real Property Law does not allow for change of >5% between classes.) And, the District will work with other districts to develop legislation that would ensure the power plants stay on the tax rolls.
- ▶ The District will work with State Legislators to change the Combined Wealth Ratio that determines State Aid.
- ▶ If the PILOT is implemented, the District will consider filing a lawsuit against the County to obtain a “stay of proceedings” at least until a decision is rendered on the District’s lawsuit, currently at the NYS Supreme Court of Suffolk County.
- ▶ The District will consider filing an appeal if an unfavorable judicial decision is rendered at the NYS Supreme Court of Suffolk County.
- ▶ The District will consider how it can use unrestricted reserve funds to help mitigate impact of PILOTs or new Property Tax Assessments, i.e., Adjusted Base Proportions on homeowners.



# QUESTIONS?