

Mineola Board of Education

Business Meeting
November 20, 2014

Behind the Camera

Student Run

- Videographers were compensated students until the end of the 2013-14 school year.
- District to switch over to fixed system and online stream over Summer of 2014
- Vendor/cost issues delayed rollout
- Unforeseen delays unintentional
- All meetings open, public and covered by press
- Minutes expedited
- Continuing delays, students brought back 11/6/2014

Streamed and Archived

- New system expected this month
- New system will stream live
- Past meetings will be archived
- Internet access to present and past meetings
- On Screen presentations
- Sound addressed
- Remain on Government Access Channel

Tax Cap and PILOTs

PILOTs in the LAW

- PILOT, Payment in Lieu of Taxes
- 2% Tax Cap Law, what is the allowable increase
- Law allows levy growth for new construction
- Levy x *Growth* x 2% = New Levy
- PILOTs not counted as *Growth*
- Growth is the physical quantity increase
- 10 Buildings + 1 new Building = 11 Buildings
- 10 Buildings + 1 PILOT Building = 10 Buildings

Smallville School District

- Smallville School District has \$1B worth of taxable property
- Tax Levy is \$20M
- New Taxable Building worth \$10M is added
- School tax would be \$200,000
- If they received a PILOT they would instead pay \$100,000
- How does that effect the new tax levy?

Without the PILOT- growth is included:

- Levy X Growth x 2%
- $(20M \times 1.01 = \underline{20.2 M}) \times 2\% =$
20,604,000

WITH the PILOT- growth excluded:

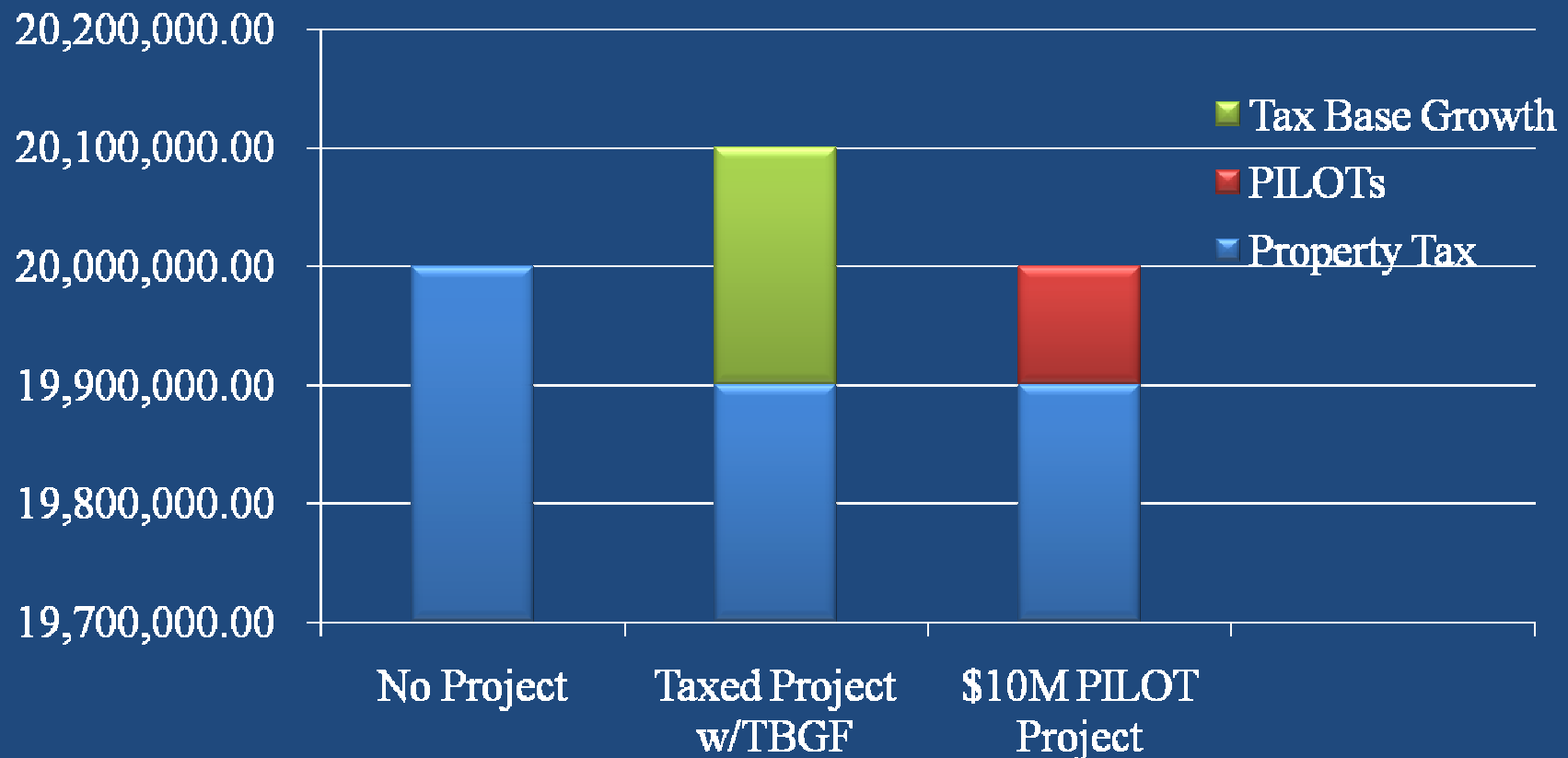
- Levy X growth X 2%
- $(20M \times 1.00 = \underline{20M}) \times 2\% =$
20,400,000

The District will lose \$204,000 on the allowable levy for this year AND more in every levy going forward. Therefore over time the base levy doesn't increase with growth in the community.

NOT the intention of the “Tax Base Growth Factor”

*Camoin Associates Scenario

The Lost Gain



New Student Impact

- 2700 students*
- \$25k per student*
- 52 new students
- New spending \$1,300,000**
- New revenue \$0.00
- Taxed project would have allowed levy growth
- More students than expected, no protection
- Not a bigger budget, bigger allowable levy

*Approx.

** as per NYS Economic Development Council formula

20 Years. A Tale of Two Cities

- School PILOT revenue \$25,000,000
- School Tax would have been over \$30,000,000**
- School Tax Loss of \$5,000,000 \$250,000 /year
- VOM 20 year Tax Loss \$800,000 \$40,000/year
- VOM 20 year incentive payments \$16,900,000
- School tax avg. annual loss **-\$250,000**
- VOM avg. annual gain **+\$800,000**

**before annual assessed appreciation

ReCap

- PILOTs do not allow levy growth
- 52 New Students, what if it's more?
- \$1,300,000 in new spending/cuts
- 2014-15 contingency cuts -\$1,100,000
- Tax Base Loss is Permanent
- Law is flawed, District unprotected
- District needs ability to grow with community
- Fixing the law, fixes the problem
- Until then, we are obligated to oppose PILOTs

Time Line

How we got here

Reconfiguration & New Apartments

- 2008 New Winston Condos proposed
- Mayor Martins projects \$3M in new school tax revenue
- 2009- Reconfiguration Talks
- March 2010, CCC formed
- October 26, 2010, First Option Vote
- December 2010, Winston changes to rentals
- May 17, 2011 Reconfiguration affirmed
- January 2012, New Tax Cap Law
- August 2012, Winston & Churchill get PILOTs
- December 2012, 250 OCR gets PILOTs

Apartments + PILOTs + Tax Cap

Adverse Impact

- Buildings would be on tax rolls
- School buildings can expand to meet new enrollment with additional tax revenue
- Not a district concern without adverse impact
- Late in 2012 PILOT/CAP impact was beginning to be realized (STATEWIDE)
- Study determined:
 - *“school districts are materially adversely affected”**
- Damage was done PILOTs already approved
- Now it is known, new PILOTs opposed.

*Camoin Associates study for NYS-EDC

Mineola and Mineola

Mineola and Mineola

- Palpable chasm between Boards
- Oct. 2012, Jackson curb cut approved
- November 2012, VOM approached on savings
- Shared cost/use turf field proposed by VOM trustee
- BOE proposed shared fuel depot
- BOE proposed shared voting cost
- None accepted or considered by VOM
- All would have created 2x savings for VOM taxpayers

Mineola and Mineola

- May 7, 2014 Mayor's office contacted
- May 12, 2014 Mayor returns call, will set a meeting
- No return call
- Attempts to engage VOM had failed
- BOE expresses PILOT concerns via media
- Proposed new PILOT project at 199 Second St.
- Remains no attempt by VOM to engage at hearings
- VOM Board has no issues, so a meeting not needed

Mineola Board of Education

Business Meeting
In Conclusion
November 20, 2014