

## MEMORANDUM

**TO:** Robert Parry  
Interim Superintendent of Schools

**FROM:** Bruce H. Singer  
Associate Superintendent

**DATE:** October 15, 2009

**RE:** **AGENDA ITEM - 10/21/09 REGULAR MEETING  
ESTABLISHMENT OF TAX LEVY FOR 2009-2010**

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The District received the 2009-10 assessments for the Towns of Brookhaven, Islip, and Smithtown. As it turns out, the assessments for each town were less than favorable and each town assessment was lower than the 2008-09 assessment. The result of the assessment decrease had a negative impact on the weighted tax rate change for 2009-10. The effect is a weighted tax rate increase of .32%.

The assessed valuation for each town is established by the individual assessor's office, which then prepares and certifies the town's tax roll. The assessed valuation is the denominator in the formula used to calculate the assessed value tax rate for each town. The numerator is the tax levy applicable to the particular town. Therefore, if the assessed value decreases, the tax rate increases and conversely, if the assessed valuation increases, the tax rate decreases.

In the preparation of the budget the District anticipated a \$1,760,000 decrease in assessments among the three towns. The actual decrease was \$6,468,016. This is the reason for the .32% increase in the weighted tax rate. The assessed values for 2009-10 compared to 2008-09 are as follows:

### TAXABLE ASSESSED VALUE

<u>Town</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>Difference</u>	<u>Percent</u>
Brookhaven	\$55,864,987	\$56,522,543	(\$657,556)	-1.16%
Islip	375,267,991	381,001,605	(\$5,733,614)	-1.50%
Smithtown	4,831,041	4,907,887	(\$76,846)	-1.57%
	<u>\$435,964,019</u>	<u>\$442,432,035</u>	<u>(\$6,468,016)</u>	<u>-1.46%</u>

### EQUALIZATION RATE

This rate is established annually by the New York State Department of Equalization and Assessment. The equalization rate purports to indicate the percentage of market or full value that a town's assessed value represents. As an example, the Brookhaven equalization rate has been set by the state at .77% which means that the state has determined that Brookhaven is assessing property at .77 % of market value. That determination is based upon representative property sales in the town. The sales data being used by the state, however, is approximately three years old and does not reflect current values.

The equalization rate is used to determine the full value for each town. The full value is then used in state aid formulas to determine a district's relative property wealth, and is also used to apportion the tax levy among the towns in the district. A lower equalization rate will result in a higher full value and a greater allocation of the tax levy.

The equalization rates for 2009-10 compared to 2008-09 are as follows:

#### **EQUALIZATION RATE**

<b><u>Town</u></b>	<b><u>2009-2010 Tentative</u></b>	<b><u>2008-2009</u></b>	<b><u>Difference</u></b>
Brookhaven	0.77%	0.73%	0.04%
Islip	10.30%	9.64%	0.66%
Smithtown	1.25%	1.17%	0.08%

#### **TAX LEVY AND ESTIMATED TAX RATES**

The data updated above results in the tax levy and estimated tax rates indicated below:

#### **Budget:**

Board of Education Adopted Budget for 2009-10	\$274,194,940
Board of Education adopts Increase to Budget for East Roof Repair	<u>3,500,000</u>
Total 2009-2010 Budget	\$277,694,940

#### **Revenue:**

*Total revenues other than real property taxes	120,514,898
Total appropriated to reduce tax levy	<u>12,000,000</u>
Total real property tax levy to be raised for school use (2009-2010)	<u>\$145,180,042</u>

Total Assessed Value*	Equalization	Full Valuation
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<u>Town</u>	<u>Used for Apportionment</u>	<u>Rate Used for Apportionment</u>	<u>Used for Apportionment</u>	<u>Apportionment Ratio</u>
Brookhaven	\$56,745,375	0.77%	7,369,529,221	0.6436466861
Islip	379,636,688	10.30%	3,685,793,087	0.3219131691
Smithtown	<u>4,929,095</u>	1.25%	<u>394,327,600</u>	<u>0.0344401447</u>
	<u>\$441,311,158</u>		<u>11,449,649,908</u>	<u>1.0000000000</u>

\*According to section 1314 of the RPTL, partial exemptions granted for clergy (Sec.460 RPTL, SDEA exempt code 41400) and volunteer firefighters' association (Sec. 464 RPTL, SDEA exempt code 46450) must be added to the taxable assessed value for the purposes of apportioning between municipalities.

**Tax Levy for:**

<u>Town</u>	<u>School Purposes</u>	<u>Library</u>	<u>Total</u>
Brookhaven	93,444,654	5,857,222	99,301,876
Islip	46,735,367	2,929,429	49,664,796
Smithtown	<u>5,000,021</u>	<u>313,407</u>	<u>5,313,428</u>
	<u>145,180,042</u>	<u>9,100,058</u>	<u>154,280,100</u>

**Estimated school tax rates: (W/O Library Tax Rate)**

<u>Town</u>	<u>2009-10</u>	<u>2008-09</u>	<u>Difference</u>	<u>Percentage</u>
Brookhaven	\$167.27	\$165.88	\$1.39	0.84%
Islip	\$12.45	\$12.53	(\$0.08)	-0.64%
Smithtown	\$103.50	\$103.89	(\$0.39)	-0.38%

The weighted tax rate change (school segment only) is an increase of 0.32%

RECOMMENDED ACTION: "that upon the recommendation of the Interim Superintendent of Schools, the Board of Education approves the following resolution:

BE IT HEREBY RESOLVED that the Board of Education of the Sachem Central School District at Holbrook acknowledge receipt of the assessed valuation of the taxable property within the school district as certified to by the Assessors of the Towns of Brookhaven, Islip and Smithtown and;

BE IT FURTHER RESOLVED, that the Board of Education hereby adopts the following amounts to be raised by tax levy in each town as indicated:

<u>Town</u>	<u>School</u>	<u>Total</u>
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	<u>Purposes</u>	<u>Library</u>	
Brookhaven	93,444,654	5,857,222	99,301,876
Islip	46,735,367	2,929,429	49,664,796
Smithtown	5,000,021	313,407	5,313,428
	<u>145,180,042</u>	<u>9,100,058</u>	<u>154,280,100</u>

AND, BE IT FURTHER RESOLVED that the Board of Education certify the amounts to be raised as per the above to the Supervisors of the Towns of Brookhaven, Islip and Smithtown.

RGS

Cc: Ron Sacks

Joan Bencze

October2009Agenda-2009-10TaxLevy