

Finance Committee Meeting
Tuesday, June 18, 2019
7:00 p.m.

Present: Louis Schwartz, Trustee
Rita Kennedy, Trustee
Lisa Brady, Superintendent
Ron Clamser, Jr., Assistant Superintendent

1. Tax Certiorari Analysis (update)

Discuss the “definition of terms” used on the spreadsheet: abandoned, DNI, intervened, and disposed.

Definition of Terms:

- Abandoned - a petitioner has 4 years from the filing of petition to file what is called a Note of Issue, which means that the case is ready to be placed on the trial calendar to move forward. Failure to file within the time frame results in the automatic dismissal of the petition as being abandoned.
- DNI - short for “Did Not Intervene”. Sometime ago the board set a limit by which the attorneys would intervene in the tax certiorari cases. These cases still proceed but without legal representation.
- Intervened - the attorney intervenes on behalf of the district
- Disposed - this is a term used by the court on its electronic filing system. A matter may be disposed by being abandoned, settled, discontinued or decided by a judge after trial.

Projected AV (assessed value) - most of the values in this column are projected at 60% assessed value (40% reduction in assessment) per direction from the district. Once the attorneys engage in active negotiations, they make and receive settlement offers, which are updated in the spreadsheet to reflect to most current and accurate information.

We discussed looking at some historical tax cert information from the past few years, which will be presented at a future committee meeting. Additionally, we will ask the district’s attorney to come to a future board meeting to update the board on tax certiorari claims.

2. Tax Cap Calculation, Explanation of “Available Carryover”

Discuss the circumstances when “available carryover” is available with the tax cap calculation.

If a local government levies a tax which is less than their calculated *allowable levy limit* (before factoring in exclusions), they can include this “available carryover” in the calculation of their tax levy for the coming year. The available carryover is limited to the lesser of:

- The difference between the prior year tax levy limit (before exclusions) and the actual tax levy for the prior year, or
- 1.5% percent of the prior year tax levy (before exclusions)

For Dobbs Ferry UFSD, our current year tax levy is \$37,276,560 which is more than the calculated tax levy limit (before exclusions) of \$37,130,094 making us ineligible for any carryover.

For next year, our proposed tax levy is \$38,320,304 and the calculated tax levy limit (before exclusions) is \$37,529,038. We will not be eligible for any carryover.

While Dobbs Ferry UFSD has consistently set the tax levy below the *Maximum Allowable* levy, we have not been eligible for the carryover since the tax caps implementation.

3. 2018-19 Revenue & Fund Balance Forecast

Update on year end revenues and expenses.

Expenses - there is no surplus being forecasted for expenses. A summary of reasons include:

- Increased fuel oil & electric charges
- New special education tuition & settlements
- Maintenance projects & architect fees
- Additional costs for substitutes for unanticipated staff coverages

Revenues - the following revenue surpluses are being forecasted:

- Sales taxes = \$55,000
- Tuitions = \$190,000
- Interest = \$200,000 Total = \$445,000

Options:

- Increase Unassigned Fund Balance by \$87,399 to be retained at \$1,859,315 or 4%
- Fund new TRS Sub-Reserve Fund, recommending \$50,000 to start

Additional year-end BOE actions:

- Establish FY 2018 Tax Cert liability amount at \$1,755,766