

MINUTES
RYE CITY SCHOOL DISTRICT
BOARD OF EDUCATION SPECIAL MEETING
Public Hearing on Utility Tax
Rye Middle School Multipurpose Room
May 28, 2014

Present:

Ms. Laura Slack, President
 Ms. Katy Keohane Glassberg, Vice President
 Ms. Karen Belanger
 Mr. Edward Fox
 Ms. Nancy Pasquale
 Mr. Christopher Repetto
 Ms. Nicole Weber

And

Dr. Frank Alvarez, Superintendent of Schools
 Ms. Gabriella O'Connor, Assistant Superintendent for Business
 Ms. Elaine Cuglietto, Assistant Superintendent for Human Resources

The meeting was called to order by Laura Slack at 8:05 p.m. on Wednesday May 28, 2014 at Rye Middle School. The Pledge of Allegiance was recited.

Superintendent of School Dr. Frank Alvarez welcomed the public to this Public Hearing on utility tax and introduced Assistant Superintendent for Business Gabriela O'Connor. Ms. O'Connor presented the following information to the Board of Education and the community.

- ***What qualifies as a utility subject to the tax?***

The Utility tax is applicable to the receipts from every sale, other than sales for resale, of the following: (A) gas, electricity, refrigeration and steam, and gas, electric, refrigeration and steam service of whatever nature; (B) telephony and telegraphy and telephone and telegraph service of whatever nature except interstate and international telephony and telegraphy and telephone and telegraph service and except any telecommunications service that is prepaid; and (C) a telephone answering service. *For example, the utility tax will be collected for the use of cell phones, except for cell phones with pre-paid plans.*

- ***How is the tax collected?***

Every person required to collect state sales and use taxes must at the same time collect any applicable local sales or use tax imposed by a county, city, or school district. Accordingly, sales and use taxes imposed by the school district is collected by the State Tax Commission in the same manner as the state sales tax is collected. Thus, pursuant to New York law, the tax appears on the utilities bill (ie the Verizon wireless bill), is collected by the utility (ie Verizon Wireless), and the monies are remitted to the District by the utility.

- ***How much can be collected?***

- The Board, by resolution, can impose the utility tax at a rate of .5, 1, 1.5, 2, 2.5 or 3%.

Rough estimates as follows:

- Currently the City of Rye collects a 1% utility tax yielding: **\$400,000 annually**
- School District Proposal: 3% utility tax yielding: **\$1,200,000 annually**

Estimated Utility Tax Revenue in 2014/15 (10 months): \$900,000

Ms. Slack invited community members to address the Board of Education at this point in time.

Ms. Slack advised the community that the Board will be voting on an agenda item resolution later in the meeting this evening.

The following community members addressed the Board of Education regarding the utility tax:

Mr. Lesley Danish addressed the Board. He asked if there was an assumption of the utility tax included in the budget. Ms. Slack advised him that the budget was a tax cap compliant budget. If utility tax is not approved, it would be necessary to make approximately \$900,000 in cuts or use more of fund balance. Mr. Danish indicated that he was not positive if he was in favor of the tax or not, but he wished for greater transparency during the budget process. Ms. Slack advised him that this was mentioned during the budget process.

The following three previous Board of Education Members and current community members engaged in an in depth conversation regarding the benefits, advantages, and disadvantages of implementing a utility tax. Ms. Slack announced that the Board also received three written communications relative to the utility tax from community members that could not attend the hearing.

On a motion by Ms. Belanger, seconded by Ms. Pasquale and carried unanimously (7-0) at 9:00 p.m. to adjourn the Public Hearing on Utility Tax.

On a motion by Mr. Repetto, seconded by Ms. Pasquale and carried unanimously (7-0) to open the Special Meeting of the Board of Education. Ms. Slack called the special meeting to order at 9:01 p.m.

A motion was made by Mr. Repetto, seconded by Ms. Belanger relative to agenda item 2.01.

A motion was made by Mr. Fox, prior to the Board vote, to amend the resolution to include a sunset clause date of 12/31/2015. Motion was seconded by Mr. Repetto to discuss the possibility of a sunset clause.

After discussion among the Board Members together with input from Mr. Steve Feeny relative to a sunset clause of the utility tax, the Board voted (1 – 6) (not passing) with Mr. Fox voting Yes to amend the resolution.

A previous motion was made by Mr. Repetto, seconded by Ms. Belanger and carried (6-1) with Mr. Fox voting No to approve the following agenda item:

Consent Agenda – 2 .01

Recommended Action:

That the Board of Education approves the Resolution on Utility Tax. (Attachment # I)

After discussion on the need for re-certification of election results of May 20, 2014, Change in certification is **Mr. James (Jim) Culyer - 3 Write in Votes**

On a motion by Mr. Repetto, seconded by Ms. Pasquale and carried unanimously (7-0) to approve the following agenda item:

Consent Agenda – 3 .01

Recommended Action:

That the Board of Education accepts the Recertification of the May 20, 2014 Budget and Board Member results.

(Attachment #II)

Adjournment:

On a motion by Mr. Repetto seconded by Ms. Pasquale and carried unanimously (7-0) it was voted at 10:03 p.m. to adjourn into Executive Session to continue to review the employment history of current and prospective employees.

On a motion by Mr. Repetto seconded by Ms. Glassberg and carried unanimously (7-0) it was voted at 11:05 p.m. to adjourn the meeting.

Elaine Cuglietto
District Clerk

Video of this meeting can be found on the District's website (www.ryeschools.org). Click on District and on Board of Education.