



Facilities and Finance FAQs

May 15, 2024

1. Question: What is the Capital Bond Process?

Answer: The Bond process typically requires greater deliberations involving many stakeholders, partially due to the large scope of work and the input required, but also because the funding has a direct impact on the budget and the allowable tax levy, as voter approved capital bond costs are allowable under the state's tax cap calculation. As a result, a capital construction bond has the potential to increase taxes, however as we have discussed in detail, our \$120 million bond proposition was specifically structured to coincide with expiring debt, thereby creating a stable tax levy, with no year to year increase to the taxpayer. Nevertheless, a Bond proposition requires voter approval once the spending proposition language has been approved by the Board of Education. Additional information regarding the 2021 Bond Vote can be found [HERE](#). Updates regarding the work associated with the Capital Bond can be found [HERE](#). The district has also provided updates at Board of Education meetings on the following dates:

- **November 9, 2021**
- **October 25, 2022**
- **October 24, 2023**
- **January 23, 2024**

2. Question: What is the Capital Reserve Proposition process?

Answer: A Capital Reserve Proposition essentially requires two separate approvals from the voters:

1. The first approval is required to establish the reserve, which must include the total allowable funding amount, the potential capital construction projects and the maximum term.
2. The second approval is required to expend funds from the reserve, which must include the specific project or projects and their associated costs.

Additionally, a Capital Reserve has no direct impact on the budget or the tax cap, as the funding comes from surplus budgetary funds. A Capital Reserve proposition typically coincides with a budget vote with the information presented during that year's budget deliberations. So for example, a budget ballot may have the Budget Vote as Proposition #1, with the Capital Reserve proposal as Proposition #2.



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3. **Question:** The Capital Reserve Proposition is asking for the voters to consider approving an expenditure of \$2,513,000 from the Capital Reserve Fund established on May 17, 2022, for the purpose of installing athletic field lighting and replacing two boilers at Smithtown High School East. What are the costs for each item?

Answer: The cost for the two boiler replacements is \$1,475,000. The cost for the field lights is \$1,038,000.

4. **Question:** Should the proposition pass, how much would be left in the Capital Reserve fund?

Answer: Approximately \$585,000. However, along with any surplus from this year, an anticipated amount of \$150,000 from year end interest will be allocated to the reserve.

5. **Question:** What does it mean that the work associated with the Proposition is state aidable?

Answer: If the capital construction project has been approved by the voters and the State Education Department, then the District is entitled to receive building aid at the district's Building Aid rate (58%). This means that the School District will be reimbursed 58% of the capital costs over a term of 15 years.

6. **Question:** What other projects were included when the capital reserve fund was created that are not being completed at this time?

Answer: On March 22, 2022, the Board of Education approved the resolution for a proposition to establish a Capital Reserve Fund which was approved by the voters on May 17, 2022. The approved language below provided the potential capital projects that would be eligible for consideration under the proposition:

BE IT RESOLVED, that the Board of Education of the Smithtown Central School District hereby authorizes the following proposition to be placed on the ballot of the May 17, 2022 annual vote:



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SHALL the Board of Education, pursuant to Education Law section 3651, be authorized to establish a Capital Reserve Fund known as the “Capital Reserve 2022 ” for the purpose of performing the following capital improvements: instructional and non-instructional space improvements/renovations/upgrades, (including but not limited to classroom improvements/renovations/upgrades and/or additions to existing facilities), auditorium and amphitheater renovations, air conditioning, gymnasium renovations, cafeteria renovations, library/multimedia center renovations, exterior building/door renovations/reconstruction, masonry/exterior wall renovations, computer/technology upgrades, security system upgrades, plumbing improvements/renovations/ upgrades, electrical improvements/renovations/upgrades, HVAC improvements/renovations/upgrades, energy efficiency improvements/renovation/upgrades, including the installation of solar power, improvements/renovations/upgrades, renovations required for compliance with ADA, vocational and career preparation renovations, portable classroom replacement and/or purchase, band and chorus music suite renovations, roof/skylight/gutter/leader replacement, window replacement, masonry/concrete replacement, flooring renovation/reconstruction, interior and exterior door/entryways replacement, toilet room renovations, lighting upgrades, floor replacement, wall replacement, boiler replacements, elevators, carpentry renovations, purchase of buildings/land, exterior site renovations/reconstruction, parking lot construction, press box/dugout/ field house improvements/renovations/ upgrades, bleacher improvements/renovations/upgrades, upgrades of signs, athletic field renovations/reconstruction, athletic field lighting upgrades, playground renovations, lockers/locker room renovations, public address/clock system replacement, sound system upgrades, telephone system upgrades, generator purchase/installation, hazardous material remediation, storage space renovations, furnishings and equipment, including the purchase of vehicles, all of the foregoing to include all labor, materials, equipment, apparatus and incidental cost related thereto.

The maximum amount of the aforesaid Capital Reserve Fund shall be \$25,000,000, plus investment income. The probable term is to be 10 years; the funds are to be transferred from surplus monies (including fund balance, excess monies in reserve and other sources of surplus monies received by the School District), if any, remaining in the general fund including a sum not to exceed \$2,500,000 from the 2021-2022 budget and thereafter in an annual amount of not more than \$2,500,000 for each remaining year of the probable term. Upon the establishment and funding of said reserve, the Superintendent of Schools or his/her designee shall be directed to deposit monies of



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this reserve fund in a separate bank account to be known as the “Capital Reserve 2022.”

As stated previously, a second approval from the voters is required to expend funds from the Capital Reserve, which must identify the specific projects and their associated costs. No funds from the Capital Reserve 2022 have been expended to date. However, the Board of Education approved the following resolution for the proposition to expend funds from the reserve on March 12, 2024, which will be presented to the voters on May 21, 2024 for approval:

BE IT RESOLVED, that the Board of Education of the Smithtown Central School District hereby authorizes that a proposition be placed on the ballot for the annual budget vote and school board election, to be held on May 21, 2024, which shall read as follows

PROPOSITION

Shall the Board of Education of the Smithtown Central School District be authorized to expend \$2,513,000 from the Capital Reserve Fund established on May 17, 2022, for the purpose of installing athletic field lighting and replacing two (2) boilers at Smithtown High School East, including all labor, materials, equipment, apparatus and incidental costs related thereto.

7. **Question:** What happens if we have a critical infrastructure repair need and the capital reserve fund is depleted? Would this impact the general fund? If so, how?

Answer: The cost of the repair would come from the General Fund, if sufficient funds were available. If not, the district could appropriate funds from the Unappropriated Fund Balance as these funds can be used for any purpose, including emergency repairs.

8. **Question:** Is there a downside to withdrawing funds for major repairs from the general fund or the unappropriated fund balance?

Answer: It depends. The School District would have to determine whether the repair costs could be absorbed within the general fund budget with existing surplus funds. If not, then the School District would potentially need to use the unappropriated fund balance for the cost of the repair which may result in the unappropriated fund balance not being replenished for the cost of the repair.



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9. Question: Could the spending of those funds from the unappropriated fund balance result in a downgraded credit rating?

Answer: This would likely depend on many other variables, including but not limited to, the magnitude of the unappropriated fund balance reduction, other reserve balances, and other financial factors and considerations.

10. Question: Could withdrawing funds from the General Fund for a major repair eventually result in an increase in my taxes or a cut to student programming?

Answer: This would depend on many other financial factors and considerations.

11. Question: If the refund is 58% given over 15 years and only begins after project completion, could the amount be reduced or eliminated at any time if laws/budgets/lawmakers change?

Answer: Building aid is provided at 58% over 15 years after the project is completed. Although it is possible that the current building aid rate could change, it is not likely. Building Aid has been around for decades and Smithtown aid ratio has also been constant for decades. The State also understands that districts plan for such capital construction expenditures with this aid rate in mind.

12. Question: Was the previous work done on the tennis courts at High School East and High School West financed through an expenditure made possible by a Capital Reserve Fund?

Answer: Yes, the voters approved this expenditure via the Capital Reserve Fund in 2018. The tennis courts both at East and West were in significant disrepair and deemed to be unsafe. A committee including the Athletic Director, Building Principal, Facilities personnel and district office leadership reviewed the issue and recommended the allocation of funds to address this issue. The recommendation was then shared with the Board of Education and put out to the public for a vote.



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13. Question: What groups currently use the field at HSW to play or practice “under the lights” and how often are they used by these groups?

Answer: According to district records for the current school year (as of May 1, 2024), our teams have utilized the turf field under the lights for 221.44 hours and outside organizations (American Cancer Society, Smithtown Kickers, PAL Football and Youth Lacrosse) have utilized the turf field under the lights for 858.96 hours thus far.

14. Question: What is the cost to rent the portable lights that are used at the HSE Field?

Answer: The portable lights are only used during the fall season. This year, we rented 8 portable towers from September 26-October 24, 2023 for a total cost of \$5,660. Last year, the rental costs were \$7,900 from September 15-October 21, 2022. This year, there was less access to the field in September due to construction work that was being finalized.

15. Question: What is the fuel cost of the portable lights that are used at the HSE Field?

Answer: The portable lights are only used during the fall season. This year, we rented portable towers from September 26-October 24 and our fuel cost was \$315.84. Last year, the fuel costs were \$473 from September 15-October 21, 2022. This year, there was less access to the field in September due to construction work that was being finalized.

16. Question: How many games had to be modified, end early or moved due to a lack of lighting at the HSE Field?

Answer: Section XI and the district do not keep formal records of games ending early due to darkness, but a poll of our coaches provided us with the following information for the last two school years:

- 2022-2023: 5 Varsity & 8 Junior Varsity games were impacted by the lack of lights
- 2023-2024: 2 Varsity & 7 Junior Varsity games were impacted by the lack of lights

It is important to note that during the last few years, the start time of many games has been later due to shortages of available bus drivers and officials.



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17. Question: How much money has been spent via the Capital Bond or Capital Reserve in the last five years at Smithtown High School East and Smithtown High School West for athletics?

Answer: Over the last five years, the district has spent \$6,378,739 at High School East and \$6,099,784 at High School West for a total of \$12,478,523. A breakdown of the projects can be found [HERE](#). These projects were made possible via voter approved Capital Bond and Capital Reserve Propositions.

18. Question: The district identified 35 million dollars of critical infrastructure repairs, what critical repairs are not being completed at this time?

Answer: The link to the Facilities Committee presentation can be found [HERE](#). During the April break, the district performed approximately \$1,000,000 of district-wide asphalt repairs. Therefore, the asphalt replacement cost in the presentation may be reduced accordingly.

19. Question: Has an environmental impact study been completed to determine the impact the lights will have on the surrounding neighborhood? Is the installation of lights contingent upon an environmental study?

Answer: The State Environmental Quality Review Act (SEQRA) requires all local, regional and state government agencies to examine the environmental impact along with the social and economic considerations of a proposed capital project. The lighting project was reviewed and it has been determined not to have a significant impact on the environment and is precluded from environmental review due to its classification pursuant to the implementing regulations of the State Environmental Quality Review Act (SEQRA) set forth in 6 NYCRR Part 617 as well as established case law. All lighting would include shielded LED fixtures to direct light downward and minimize direct glare beyond the stadium footprint and the proposed lighting design would comply with the International Dark-Sky Association's Criteria for Community-Friendly Outdoor Sports Lighting published in March 2018, as well as comply with the relevant lighting standards set forth in §322-26.A of the Town of Smithtown Code (according to Musco Lighting and



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the photometric plans prepared). Pursuant to 6 NYCRR §§617.5(c)(9) and (10) and established case law for such projects (i.e., *Groarke v. Board of Education*, Rockville Centre Union Free School District, 63 A.D.3d 935 [2009] and *Ketner, et al v. Board of Education*, Westhampton Beach Union Free School District [2005]) the proposed action would be appropriately classified as a Type II action as it consists of the following:

(9) construction or expansion of a primary or accessory/appurtenant, nonresidential structure or facility involving less than 4,000 square feet of gross floor area and not involving a change in zoning or a use variance and consistent with local land use controls, but not radio communication or microwave transmission facilities; and/or
(10) routine activities of educational institutions, including expansion of existing facilities by less than 10,000 square feet of gross floor area and school closings, but not changes in use related to such closings.

Pursuant to 6 NYCRR §§617.5(a) "Actions or classes of actions identified in subdivision (c) of this section [Type II actions] are not subject to review under this Part, except as otherwise provided in this section. These actions have been determined not to have a significant impact on the environment or are otherwise precluded from environmental review under Environmental Conservation Law, article 8..." Accordingly, the lighting project would not require further environmental review.