

Whereas, the School District and the City of Mount Vernon have maintained a longstanding relationship and agreement, sharing services for the benefit of taxpayers; and

Whereas, the City, acting through its Comptroller, has historically collected taxes on behalf of the School District and remitted said taxes and any accrued interest on late payments to the School District; and

Whereas, during the 2018-2019 and 2019-2020 school years, the former Comptroller, Deborah Reynolds, failed in her duty to collect all taxes owed on behalf of the School District and neglected to remit said taxes to the School District; and

Whereas, consequent to these lapses, the School Board initiated legal action against the City in the State Supreme Court of Westchester County, seeking the remittance of School Taxes and Interest collected and/or due; and

Whereas, the City reached a settlement regarding the total tax amount due, totaling \$11,734,627, with an initial payment of \$3,500,000, followed by monthly payments of \$350,000 from September 2023 to July 2025; and

Whereas, after the initial settlement, the School Board pursued further legal recourse for the loss of interest in the amount of \$3,168,349 which was negotiated, and a settlement amount of \$2,112,233 was agreed upon; and

Whereas, the School Board's lawsuit, filed against the City on July 17, 2023, sought the full 9% statutory interest rate available to them via State Law; and

Whereas, a settlement was reached for the sum of \$2,112,233, to be paid in equal monthly installments of \$100,000 for fifteen (15) consecutive months, with an interest rate of 6% instead of the State-imposed 9%; and

Whereas, by letter dated April 30, 2024, the Corporation Counsel hereby recommends that the Board of Estimate and Contract approve the settlement of the aforesaid claim in the amount of \$2,112,233.00; and

Whereas, the monthly interest payment of \$100,000 shall be combined with the \$350,000 monthly payment representing the repayment of the settled \$11,734,627, resulting in a total monthly payment of \$450,000 commencing in May 2024 and continuing until 2025; **Now, therefore, be it**

Resolved, that the City of Mount Vernon hereby acknowledges the aforementioned settlements and commits to fulfilling its financial obligations as outlined above, ensuring the timely and complete repayment of all outstanding amounts owed to the School District.

Resolved, that said sum be paid out of Budget Code A661.

APPROVED AS TO FORM



Assistant Corporation Counsel
Deputy

**ADOPTED BY
BOARD OF ESTIMATE
AND CONTRACT**

APPROVED

Dept. _____

Clerk