



Town Hall • 100 Main Street
Huntington, NY 11743-6991

Phone: (631) 351-3030
Fax: (631) 424-7856
CLupinacci@huntingtonny.gov

CHAD A. LUPINACCI
Supervisor

April 12, 2019

Dear Fellow Huntington Residents:

I write regarding an issue that is on the minds of many Huntington residents – the tax certiorari cases brought against the Town of Huntington by National Grid and the Long Island Power Authority (LIPA).

These cases, which have been pending since 2011, are understandably causing great stress and consternation for our residents, particularly those residing in the Northport-East Northport School District. While the pending nature of the litigation limits what I can say publicly regarding this matter, I want to reassure all of you that my administration is devoting substantial resources and pursuing all avenues to obtain an outcome that is fair and in the best interest of the entirety of the Town of Huntington.

To this end, my administration has been simultaneously working diligently on many fronts – litigation; lobbying; and mediation. On the litigation front, the Town of Huntington has to date spent over \$3,400,000 in defending the tax certiorari cases and pursuing a third-party beneficiary case brought by the Town of Huntington against National Grid and LIPA. Indeed, since my term as Town Supervisor began on January 1, 2018, the Town has spent over \$1,100,000 on these cases, a total that represents nearly one-third of the Town's total litigation costs on this matter. The bulk of this money has been spent on attorneys' fees to ensure that the Town has top-notch legal representation. As such, I voted last year to hire E. Stewart Jones Hacker Murphy, LLP, as additional trial counsel. This firm has brought tremendous additional relevant legal acumen, which has proven invaluable during the first week of the tax certiorari trial, and perfectly complements the vast experience of Lewis & Greer, P.C. These two law firms provide the Town of Huntington with dozens of years of legal experience in the highly specialized area of public utility tax certioraris, and I have great confidence that the Town is in more than capable hands. Additionally, Roger Bezdek, Ph.D., an internationally recognized energy analyst with more than thirty years of experience in the energy, utility, environmental, and regulatory fields, has been providing invaluable assistance to our attorneys. At the same time as we are vigorously defending the tax certiorari cases, the Town continues to tenaciously pursue its third-party action against National Grid and LIPA to enforce the repeated promises made by former LIPA Chairman Richard Kessel to refrain from grieving the property taxes assessed to the Northport Power Plant. While New York State Supreme Court Justice Elizabeth Emerson ruled in favor of National Grid and LIPA on the third-party case, I directed the Town Attorney to file a Notice of Appeal and we look forward to overturning Justice Emerson's decision.

The Town has also aggressively pressed its case with elected officials representing the area in Albany. I personally have had numerous lengthy conversations with New York State Senate Minority Leader John Flanagan, former Senator Carl Marcellino, Senator James Gaughran, and Assemblyman Andrew Raia. During those discussions, I stressed the devastating impact that losses in these tax certiorari cases would have on Huntington residents and the need for State intervention. On several occasions, I have attempted to gain an audience with Governor Andrew Cuomo, who, of course, has the power to resolve this matter. Unfortunately, Governor Cuomo has not yet been willing to meet with me. I also voted for (and the Town Board adopted) resolutions urging the New York State Legislature to enact the Long Island





Town Hall • 100 Main Street
Huntington, NY 11743-6991

Phone: (631) 351-3030
Fax: (631) 424-7856
CLupinacci@huntingtonny.gov

CHAD A. LUPINACCI
Supervisor

Power Authority Ratepayers Protection Act (Town Board Resolution No. 2018-507), which would amend the LIPA Act so that eight of the nine LIPA trustees are elected rather than appointed, and urging the New York State Legislature to enact legislation and appropriate funding to the Town of Huntington and Northport-East Northport School District in the event of a settlement or adverse court judgment (Town Board Resolution No. 2019-42).

While I remain supremely confident in the legal team that we have assembled, every case poses substantial risk, and this litigation is no different. If the Town were to lose these cases, it would owe hundreds of millions of dollars in tax refunds to LIPA/National Grid, which would be proportionately shared by every homeowner in the Town of Huntington. For a home with an average assessment, this could mean a one-time payment of well in excess of \$5,000. In addition, taxes for residents of the Northport-East Northport School District would immediately go up by several thousand dollars. For this reason, the Town Board voted to pursue non-binding mediation in 2018 to determine whether a fair settlement could be achieved that would eliminate the potential of such devastating consequences while at the same time providing the Northport-East Northport School District with a phase-in period to adjust its operations. While mediation has not resulted in an offer from LIPA/National Grid that I am comfortable with, I remain committed to the process.

On each of these fronts, and at every step of the way, the Town of Huntington has collaborated and strategized with the attorneys for the Northport-East Northport School District to ensure that we are both on the same page and present a united front.

In closing, I want the residents of Huntington to know that no issue has occupied more of my administration's attention than achieving a fair resolution to these longstanding cases. The Town Attorney himself devotes hours to this case each day, and speaks on a daily basis with outside counsel and attorneys for the Northport-East Northport School District. Our Audit and Control Department is continuously running reports about the potential impact of various court judgments or settlements on taxpayers in the Town of Huntington. I have attended countless meetings with elected officials, spoke with hundreds of other individuals interested in helping our cause, and conferred with my colleagues on the Town Board before every single Town Board meeting on this issue. As I hope you can see, my administration and the Town Board are leaving no stone unturned in our effort to make the best of a bad situation, which we inherited in the eighth of nine years of litigation, which requires the weighing of many different variables – most of which are out of our control. I will be sure to keep the lines of communication open with you, the public we serve, as we go forward.

Very truly yours,

Supervisor Chad A. Lupinacci, Esq.

