

Half-Cent Sales Surtax Citizen Advisory Committee

Meeting Minutes

Monday, March 19, 2018

Opening

The regular meeting of the Sales Surtax Citizen Advisory Committee was called to order at 4:00 p.m. on Monday, March 19, 2018 at St. Johns County School District Office, 40 Orange Street, St. Augustine, Florida by Dr. Bill McCormick, Chairman.

Present

Joseph Adiutori, Ed Albanesi, Susan Connor, Damian Cook, Fred Danner, Jack Hardman, Barbara Little, Dr. Bill McCormick, Grant Misterly, Melissa Nelson, John Quattrochi and Norvie Veracruz. Alternates: Jason Lewis and Theresa Lennon. Absent: Thomas Cave. School District staff present: Nicole Cubbedge, Mike Degutis, Elizabeth Moore, Beth Sweeny and Judith Harvey.

Introduction of Members

Dr. McCormick, chairman, asked all the members to introduce themselves.

Elections for New Officers:

Dr. McCormick explained that due to problems with achieving quorums at meetings, the Bylaws, for the Citizen Advisory Committee, were changed so that Alternates can vote if members are not at the meeting. Alternates may also vote on behalf of a member not from their District. Dr. McCormick then opened the floor for nominations. Mr. Hardman nominated himself for Chairman and it was seconded by Dr. McCormick. Mr. Albanesi made a motion to close the nomination and elect Mr. Hardman as Chairman. A vote was taken and Dr. McCormick noted that Mr. Hardman was now Chairman. Mr. Hardman then assumed the role as Chairman and opened the floor for nominations for Vice Chairman. Mr. Cook nominated himself for that position. Mr. Hardman closed the nominations. A vote was taken and Mr. Hardman noted that Mr. Cook was now Vice Chairman. Mr. Hardman then opened the floor for the position of Secretary. Mrs. Cubbedge noted that the original intent was for there to be a Secretary from the Committee to take minutes. She also noted that the Committee must have minutes taken at each meeting. There were no nominations for Secretary so Mr. Hardman closed the nomination. Mrs. Cubbedge indicated that District staff will continue to take the minutes.

Approval of Minutes

Mr. Hardman asked if the Minutes had been circulated to everyone. Mrs. Cubbedge indicated that they had been circulated. Minutes from the December 18, 2017 meeting were then approved with a motion by Mr. Cook and seconded by Ms. Little. A vote was taken and the motion was approved.

Financial Reporting

Mr. Degutis presented the Financial report beginning with the sheet labeled 2017-2018 Sales Tax Receipts. He briefly reviewed how the report works. The January sales tax goes to the state and the District should expect the payment around March 25th, so it is typically two months in arrears. The District also receives a quarterly payment as well. He explained that if someone lives in St. Johns County but purchases a car in Duval County then the tax is paid there in Duval County. The tax will then be sent to St. Johns County. Thus, this report has projected amounts for January to June. He also explained that the numbers in bold print represented actual monies received. The non-bolded numbers are projections. He stated that growth was usually around 3%. The original estimate was around \$13 million and it was a very conservative estimate. He said after the first year, the District would base the estimate off of experience. He stated that the heavy seasons are typically during the Night of Lights, and the months of February, March and April because a lot of festivals are held during those months. He said currently the numbers were running 5 ½% above last year which is good. He stated that they will track the interest earned so that it can be spent on projects as well. As a recap, he stated that the monthly sales tax receipts are running about \$1.4 million which is above projections. He said that debt service is set aside each month for the \$50 million bond. Mr. Misterly asked about the length of the bond. Mr. Degutis stated that it was 10 years with an expiration date of December 31, 2025. Mr. Hardman asked if it could be renewed and Mr. Misterly asked if there would be a bond in the future. Mr. Degutis noted that the District can do an additional bond as long as the receipts remain above any additional debt. He said there is only 6-7 years left to pay on the bond and the District would need to set aside funds for additional construction.

Mr. Degutis then presented the Financial Report as of February 28, 2018 to the Committee. Mr. Degutis stated that Picolata Crossing Elementary School was fully funded from sales tax and there is a balance remaining from the funds used to build the school. He then noted that Freedom Crossing Academy, formerly known as K-8 School LL, was a bigger school and so required a larger amount of funding for construction but there is also a balance remaining from the funds used to build that school as well. Mr. Hardman asked if he could go back to Picolata Crossing Elementary School and ask about the balance that is left since the project came in under budget. Mrs. Cubbedge explained that construction of the school is not fully closed out yet so those funds need to remain in that budget line but that there should be money left. She stated that the District fully expects to have money left from that project and then those funds can be moved to other projects. Dr. McCormick asked about the timeframe in which the school would

be finished. Mrs. Cubbedge stated that Picolata Crossing Elementary School should close out by the end of this school year. She said that Freedom Crossing Academy will not close out for another year since it has not opened yet. Ms. Connor asked about fencing needs for Picolata Crossing Elementary School and Mrs. Cubbedge stated that the District is moving forward on those needs. Mr. Degutis then pointed out that Palm Valley Academy, formerly known as K-8 School KK, has the blue line which is the portion of that school's construction that was funded by sales tax receipts. Mr. Degutis explained that the remaining portion of the school's construction came from proportionate share mitigation fees, impact fees and the 1.5 mils which are listed in yellow at the bottom of the page. He further noted that Palm Valley Academy had more expensive costs due to the bid and the site improvements required. Mr. Degutis then explained that the list of radios, roof projects, and other expenses are listed on the report. He then noted that the sales tax receipts were at approximately \$82.6 million and after expenses, there was a balance remaining of about \$14.9 million. Mr. Cook asked the amount of the total bond. Mr. Degutis replied that it was \$50 million. Mr. Hardman noted that sales tax receipts were approximately \$82 million and the bond was \$50 million and 3 major schools were built with 2 of those schools coming in under budget. Mrs. Cubbedge stated that they had been hopeful that they would come in under budget. Mr. Hardman asked if there were any significant overages and Mrs. Cubbedge replied in the negative.

Project Reporting

Ms. Mittelstadt explained that Mr. Rose had a conflict with another meeting so he was not able to be here to present the Project Reporting but Mrs. Cubbedge will present the Project Reporting along with the Presentation of the Annual Report. The first pictures in the powerpoint were of Palm Valley Academy and showed the school at different points of construction. Mrs. Cubbedge explained that this site needed more work so the builder did more site work before starting on the building so this school may not look as complete as Freedom Crossing Academy. Next, she showed pictures of Freedom Crossing Academy.

Presentation – Annual Report

Mrs. Cubbedge presented a powerpoint of the Annual Report of the 2017-2018 Budget. Mrs. Cubbedge began with the heading of "Meet the Needs of an Increasing Student Population" with a total budget of \$106,000,000 which included for this year, FF&E (furniture, fixtures and equipment) for Freedom Crossing Academy and also for the school expansions at Switzerland Point Middle School and Patriot Oaks Academy as well as savings for future school construction/expansion.

Next, Mrs. Cubbedge reviewed the heading "Maintain High Quality Educational Facilities" with a total budget of \$14,000,000. She noted that there were two roofing projects for this year. One project is the roof replacement for Mill Creek Elementary and the roof replacement for Marjorie K. Rawlings Elementary. She noted that these projects were in the planning stages and will be

done in the summer. Mr. Hardman asked if this project was Phase 1 for Rawlings Elementary and Mrs. Cubbedge answered yes. Mr. Hardman then asked if this project was Phase 2 for Mill Creek Elementary and the amount of this roof. Mrs. Cubbedge stated that yes, this project was Phase 2 and you would need to double the amount listed for the complete amount for that roofing project. Ms. Connor asked if there would be new construction since Mill Creek Elementary will now become a K-8. Mrs. Cubbedge explained that Mill Creek will be a phased conversion from elementary to K-8. She stated that the first year, the current 5th grade will stay as 6th graders and there will be no new facilities. She explained that Picolata Crossing Elementary had reduced the population at Mill Creek Elementary so Mill Creek Elementary had room for 6th grade in the existing building. She explained that the gym, classrooms and the dining expansion will be done during the 18-19 school year and that each year a grade will be added to the school. She also explained that the District has opened the other K-8 Academies in a similar fashion. Mrs. Cubbedge noted that the District decided that in whatever format the student began their middle school experience then they should finish in that format. She noted that Pacetti Bay Middle School received students from four fast growing elementary schools and had become very large at over 1,500 students. She stated that they needed to get the numbers down at Pacetti Bay Middle School and that Mill Creek Academy should help. Mrs. Cubbedge noted that Mill Creek Academy will be a K-7 in 19-20 and then a K-8 in 20-21. Ms. Connor asked if the expansion will be paid from sales tax and Mrs. Cubbedge stated that only the roof will come from sales tax receipts. Mr. Hardman asked if it was not conducive to buy land for the school. Mrs. Cubbedge stated affirmatively because of inflated land prices. Mr. Hardman then asked if the footprint was conducive to growth and Mrs. Cubbedge answered that it was indeed. She then noted that RB Hunt Elementary will be getting a covered PE area and restrooms. She noted the Webster School upgrades are in the early design stages as well as Murray Middle School site improvements.

The next category is entitled “Provide New Technology to Prepare Children for 21st Century Learning”. Mrs. Cubbedge stated that classroom technology upgrades are underway. She also said the refreshing of computers is underway. Teachers receive new computers and then the old teacher machines are re-imaged for student use. This refresh program allows the District to get their money’s worth from a computer by getting value for the duration of the computer life. Ms. Connor asked about the program at Sebastian Middle School referred to as the 1 to 1 pilot program. She asked if any of those computers are part of the refresh program. Mrs. Cubbedge stated that all teacher computers are refreshed and then those refreshed computers replace older student computers. Ms. Connor then asked about the Bring Your Own Device (BYOD) program that is in place at the high school level. She asked if there were plans to implement that program at the middle school level. Mrs. Cubbedge explained that the 1-1 program was not affordable and was tested in schools and that it did not make a big difference. The goal of the District was to make computers accessible to each student. She stated that they were investigating the BYOD program but that this program would put a drain on infrastructure and that the system might not be able to support the volume. Mrs. Cubbedge stated that she could have someone from IT come and discuss the program because she is not an expert. Ms. Connor stated that she would prefer more computers and less phones. Mrs. Cubbedge then stated that the wireless upgrades were complete and that the uninterrupted power supply replacement was ordered and would be

installed. Mr. Cook asked if the \$25 million was the total for the critically needed list. Mrs. Cubbedge said the amount was \$150,000,000 but was portioned out between the 4 categories of Meet the Needs of an Increasing Student Population, Maintain High Quality Educational Facilities, Provide New Technology to Prepare Children for 21st Century Learning and Continue to Keep our Children Safe.

Mrs. Cubbedge then moved into the area of “Continue to Keep our Children Safe”. She stated that the District was ahead in this area because it was important to the District. She said they had been putting money aside for this area. She stated that after the tragic recent events at Parkland that the District is taking a second look and discussing what had already been planned and approved before the tragedy. She stated that all the security cameras are done and intercoms and alarm upgrades are underway. She stated that the fencing was three quarters done. She explained that the single point of entry improvements were about one half to two thirds done. She stated that Mr. Rose was working hard on these. She said the Zonar School Bus GPS Technology was purchased and that it is a lease program with a 3 year contract. She stated that this first year, they were actively using the program. Mr. Hardman noted that security was a hot topic at SAC meetings he has attended recently. He asked Mrs. Cubbedge about specifics regarding security and Mrs. Cubbedge explained that the District has to be careful how specific they can be. She said she understands that people want to know specifics but that the District cannot always give out specific information. She stated that the newspaper asked for specific lists but the District did not want to give out that information because it would draw attention to weak areas. She stated they did not want information to be disseminated and give someone any ideas.

Mrs. Cubbedge then listed the priorities for the 2018-2019 budget which are:

- Safety & Security
- Technology
- School Expansions
- Improvement of Facilities
- Savings for New School Construction

Legislative Update

Mrs. Beth Sweeny presented the legislative update. She stated that the legislative session just ended. She said the legislature’s budget priorities changed following the Parkland shooting. She stated that Senate Bill 7026, which is the public safety bill, dealt with gun restrictions and school safety. Mrs. Sweeny stated that the cost associated with this bill would be capital investments. She stated that the bill requires an Office of Safe Schools be established at the DOE. She explained that one option in the bill is the guardian program, which provides for arming school personnel. She said the bill was amended to provide an exemption for teachers who exclusively perform classroom duties from being armed. She said personnel such as Administration,

coaches, etc would be able to be armed because they do not just teach all day. She said the bill also included a mobile suspicious activity reporting tool, which would allow for anonymous reporting. She stated there would also be a commission, which would examine the tragedy and the system failures that led to the shooting in Parkland. The bill also requires active shooter drills be conducted with students. Mrs. Sweeny said the bill also requires the district institute threat assessment teams at each school to identify students and provide services and refer them as needed. She said the bill requires one school safety officer at each school and they would work in conjunction with the Sheriff. She said here in St. Johns County that there is not one at each school currently. She said there would be a School Board workshop at the end of April and they would review all the options at that time. She stated that our Superintendent was not in favor of the guardian program as well as the School Board members. She said there is limited funds. She stated there was a gap of ½ mil or about \$600,000 between what the District would receive and what would be needed to implement these programs. She stated under the safe school assessment tool that when physical deficiencies are noted that they can then apply for a grant from a program created and funded with \$98 million through SB 7026 to rectify deficiencies but it would only go so far. She stated that the plan and the requirements of using the funds from the DOE would have to be submitted to the DOE. She also noted that school hardening efforts, such as installing bullet proof glass and single point of entry, could cause a district to exceed the per student station cost caps the legislature previously put in place. The legislature put language in the public safety bill to exempt certain school hardening expenses from the caps.

Mrs. Sweeny stated that there are some appropriations in the bill. She stated that the Guardian program is allotted \$67 million, which the Sheriff's Association stated during session is likely too much. She stated that they tried to get the legislature to take excess funds from this area to be used in other areas but was told no, so most likely the money will just sit there.

Mr. Hardman asked about impact fees. Mrs. Cubbedge said that the County was still reviewing them. Ms. Little asked about the single point of entry being complete in the future. Mrs. Cubbedge said that those projects are now underway and are in the planning and design phase. She said they have a few prototypes but it is not a one size fits all situation. She said the goal was to have areas closed off but functional and not feel like a prison. She explained that some schools are finished and others are underway but will hopefully be finished within the next year. She explained, that for example with high schools, there are so many points of entry. She said there is work left to do at some facilities. Ms. Little asked about a task force to work with the public, children and the Sheriff's department to look for indicators of school safety concerns. Mrs. Cubbedge explained that the District is at the major evaluation stage on how the best way to handle this issue. She stated that there has always been a coordinated team effort between the Superintendent, the Sheriff and the Police Chiefs. She said there are collaborative teams that meet with school leaders and a Student Advisory Committee and also SAC meetings. She said there is a Town Hall tonight that is centered around what makes you feel safe. She said the District must also work within the framework given by the Legislature. She stated there will be a school safety officer and safety team at each school. She said the Sheriff would be involved in drills and there would be more communication and have a safety officer at each campus. She

said they were also determining what the mental health picture should look like and be able to identify needs before they become critical. She said that all of this has happened rather quickly. She said that the Student Advisory Council had noted that students can make appointments for college admissions but they cannot get an appointment if they just need to talk so the District is re-evaluating how to handle the mental health portion.

Mrs. Cubbedge returned to the discussion of impact fees. She noted that they are still waiting on the County Commissioners to make a decision. She stated that the School Board has given their recommendation but they have no actual authority. She stated that only the County Commissioners can make that decision. She noted that the School Board made recommendations based off the County Commissioners' desire to use a tiered system. Previously, they had used over 1800 SF and under or equal to 1800 SF. The County Commissioners are trying to make more affordable housing so they are converting costs based on statistical information as far as in revenue for the true cost of the new home. Mrs. Cubbedge explained that in middle to larger homes, it is about flat. Based on the number of homes, it should not hurt the District. She stated that we have the sales tax revenues so the District has other revenue and the sales tax revenues go to new seats. She stated that commercial fees are less. Mr. Hardman asked for a rough number. Mrs. Cubbedge stated about \$12 million/year. Dr. McCormick asked legally about impact fees from sales tax revenues. Mrs. Cubbedge said it is not a bait and switch. She stated that 5-6 years ago there was no sales tax revenue so the fee was larger but by law, the sales tax revenue cannot be discounted. Mr. Cook asked if state law prohibits it. Mrs. Cubbedge stated that charging the sales tax has to be considered. Mr. Cook asked if these fees were counted in the amount of sales tax for new seats and Mrs. Cubbedge answered yes. Mr. Cook asked about why the amounts were calculated off square footage and not the number living in the house. Mrs. Cubbedge stated that the statistical analysis of how many living in a home is difficult to ascertain. Mr. Cook asked if it wouldn't be better to base it on number of bedrooms. Mrs. Cubbedge explained that they looked at the past 10 years and there are so many ways to get around the definition of a bedroom so it was better to do square footage than bedrooms. Mr. Misterly asked if the square footage was based on a house, apartment or condominium. Mrs. Cubbedge explained that it is just based on square footage, regardless of type of housing.

Mrs. Sweeny then informed the Committee that election season is coming up and that the CAC is subject to Sunshine Laws. She said they can be involved in campaigns by either donating or working in a campaign. Mr. Hardman asked if they can participate in School Board elections. Mrs. Sweeny stated that they are not restricted so they can donate or volunteer as long as they designate themselves as doing it in a personal role and not as a representative of the CAC.

Mr. Hardman asked if there were any further questions and there were none.

Public Comment

None

Next Meeting Date/Time

The next meeting will be held on Monday, June 18, 2018 at 4pm at 40 Orange Street, St. Augustine, Florida.

Adjournment

Dr. McCormick made a motion to adjourn and Mr. Danner seconded the motion. The meeting was adjourned at 5:26pm.

Minutes submitted by: Judith Harvey