

Half-Cent Sales Surtax Citizen Advisory Committee

Meeting Minutes

Monday, June 18, 2018

Opening

The regular meeting of the Sales Surtax Citizen Advisory Committee was called to order at 4:00 p.m. on Monday, June 18, 2018 at St. Johns County School District Office, 40 Orange Street, St. Augustine, Florida by Mr. Hardman, Chairman.

Present

Derek Barrs, Susan Connor, Fred Danner, Jack Hardman, Barbara Little, Dr. Bill McCormick, Melissa Nelson, John Quattrochi and Norvie Veracruz. Alternates: Jason Lewis and Amy Lasswell. Absent: Joseph Adiutori, Ed Albanesi, Thomas Cave, Christine Chapman, Damian Cook, Grant Misterly. School District staff present: Nicole Cubbedge, Mike Degutis, Cathy Mittelstadt, Elizabeth Moore, Beth Sweeny, Paul Rose, Dawn Posey, Sherry Gaynor, Intern for Phase I Leadership, from St. Johns Technical High School and Judith Harvey.

Introduction of Members

Mr. Hardman asked each Committee member to introduce themselves.

Approval of Minutes

Mr. Hardman asked if the Minutes from the orientation meeting and the regular meeting had been circulated to everyone. Mrs. Cubbedge indicated that they had been circulated. Minutes from the March 19, 2018 regular meeting were then approved with a motion by Ms. Little and seconded by Dr. McCormick. A vote was taken and the motion was approved. Minutes from the March 19, 2018 orientation meeting were then approved with a motion by Mr. Lewis and seconded by Ms. Little. A vote was taken and the motion was approved.

Financial Reporting

Mr. Degutis introduced Ms. Gaynor, the Intern from Phase I Leadership. Then Mr. Degutis reviewed the Sales Tax Receipts. Mr. Degutis shared that receipts, at the end of the quarter for March, were at \$14.5 million. He then reviewed the projected amounts for April, May and June

which are anticipated to be around \$4.9 million. These amounts reflect an overage of \$891,734.15. Mr. Degutis reminded the Committee that the original goal was \$13-14 million which were based on estimates from the State. These original estimated amounts were exceeded. Mr. Hardman noted that these numbers were good news but along with the good, there was bad news because costs are up. Mr. Degutis said they are tracking these numbers. Mr. Degutis also stated that the \$19 million was money we did not have 2.5 years ago. Next, Mr. Degutis referred to the Debt column. He stated that we act as our own trustee for debt service. He explained that a certain portion was put aside each month for debt service. Next, Mr. Degutis listed the interest earned from the Bond Proceeds and the Sales Tax Revenue which was \$510,982.14. He stated that they track the averages. He also explained that quarterly, they receive collections from purchases made from outside of St Johns County. He explained that when a purchase is made outside of St Johns County, the tax is collected at time of purchase and then a check is sent to St Johns County quarterly for those proceeds. Mr. Hardman asked if this was for capital goods only and Mr. Degutis stated yes. Dr. McCormick asked about rental homes and to what extent do they pay sales tax. Mr. Lewis stated that there is no sales tax to rent a home except for a short term lease. He stated there is a distinction between short and long term rentals as far as sales tax. Mrs. Sweeney noted that there is a loophole but that yes, there is sales tax on short term rentals. She thought it was for rentals under 7 months. Mr. Hardman stated that AirBNB does pay a tax.

Next Mr. Degutis reviewed the project data on the Financial Report. He noted that there were only 2-3 lines when the Committee first started and that the lines have grown over time. He noted that Picolata Crossing Elementary finished its first year in May and is under budget. He also noted that Freedom Crossing Academy is on track. Palm Valley Academy used only a portion of sales tax funds because the bulk of that school's funding was from impact fees, proportionate share mitigation and millage. Mr. Degutis stated that as they close the books for the fiscal year end on June 30th, the radios will fall off the list. The roofing projects are ongoing and the dining expansions are under way. There is also savings for future school construction as well as the PE area and restrooms at RB Hunt Elementary and the bus loop, parking and fencing at the Webster School. He also noted there are site improvements to Murray Middle School and the two categories: Provide New Technology to Prepare Children for 21st Century Learning and Continue to Keep Children Safe. He noted that Rawlings Elementary is in red because of the timing difference for a change order that has not yet been done. Mr. Hardman asked if the roofing replacement was a 2 year project and Mrs. Cubbedge explained that it was done over 2 years but it is a 2 phase project at Rawlings and Mill Creek Elementary. Mr. Rose noted that by having owner direct PO's, it saves approximately 6% of every material we purchase. Dr. McCormick asked about breaking ground on other schools and was that in the 10 year plan. Mr. Degutis answered yes. Mr. Hardman asked about building more schools now. Mrs. Cubbedge said they would build with other sources such as sales tax but could also borrow. Mr. Hardman asked if it is all capital spending on things and not all projects are listed here. Mr. Degutis stated that there is in excess of \$100 million capital funds total in the District. Ms. Little asked for clarification regarding sales tax construction in the area west of CR210 and whether these schools were surtax money. Mrs. Cubbedge explained that the area is Twin Creeks and they will have 2 schools which are not sales tax schools. She stated they are not sure when they can afford the schools but they are saving the proportionate share funds and when there is enough, they will

build or borrow. Ms. Little asked about the new development near the new highway known as 9B, and CR 210 and World Golf Village. She thought she had heard there would be 10,000 homes. Mrs. Cubbedge stated yes that that there will be 10,700 new homes. Ms. Little asked what is projected there. Mrs. Cubbedge explained that they have a proportionate share mitigation (PSM) agreement for that development and there are 4 school sites in the development. As they pay the PSM, they will keep the funds in accounts. Mrs. Cubbedge stated that they will address all the hot areas and then triage the location of schools. Ms. Connor asked about the Keep Our Children Safe and Mrs. Cubbedge stated that the big items in that category are cameras, fences, and single point of entry. She stated that Mr. Rose will give more information in his update and especially as it relates to Senate Bill 7026.

Project Reporting

Mr. Rose showed a power point with pictures of the new schools. He began with Palm Valley Academy which is located in Nocatee. He said it has a 3rd story and it is a significant school with 1500 student stations and a 37 acre site. He said it was built to green standards. He said over \$5 million from sales tax funds was used for the school. Mr. Hardman asked if it will open in August and Mr. Rose said yes. He then showed pictures of the school. Next, Mr. Rose showed pictures of Freedom Crossing Academy. He said it is a carbon copy of Palm Valley Academy but with different colors. He stated there are multipurpose fields adjacent to the school and there is a joint use agreement with St. Johns County Parks and Recreation department. Mr. Hardman noted that the school cost was \$3-4 million less than Palm Valley Academy. Mr. Rose stated that the cost of construction went up. Ms. Connor asked how many students were projected to start each school. Mr. Rose answered that Palm Valley Academy was projected at 1000-1100 and Freedom Crossing Academy was projected at 850-950. He stated they are not at capacity and no relocatables. Ms. Mittelstadt stated that both schools are opening as Kindergarten-6th grade. Dr. McCormick asked if it was 1-2 years before these schools were included in Controlled Open Enrollment (COE). Mrs. Cubbedge answered that new schools were not subject to COE for the first 3 years. Mr. Hardman asked for an explanation of COE. Mrs. Cubbedge explained that COE began 3 years ago. She said that School Districts across the state had to develop a plan for COE. The basic premise is that if the schools have capacity, then students can come into the school from anywhere in the State. St. Johns County School District defined capacity at 80%. Mrs. Cubbedge explained that they defined the threshold conservatively. This year, SJCS D had only 1 school open for COE. Mr. Hardman asked if once students begin at a school through COE, can the student remain at that school? Mrs. Cubbedge explained that they can stay for the duration of the grade levels of the school they enter. Mr. Barrs asked how the joint fields will work. Mr. Rose stated that during school hours, the Parks and Recreation department will not use the fields. He also stated that during school events, the school can use the fields. Mr. Rose explained that the whole SJCS D facility will be secured when the Parks and Recreation department is using the fields. Ms. Little asked for clarification when Mr. Rose referred to the conference center at Palm Valley Academy in the slideshow of

pictures. She asked if it was an independent building. Mr. Rose explained that he meant the auditorium at the high school.

Mr. Rose then pointed out certain buildings on the premises similar to the one at Pacetti Bay Middle School which is a special needs facility. He stated that Freedom Crossing Academy will have the same type facility and another one for joint use. Mr. Rose then reviewed the 17-18 capital projects. There were two dining expansions: Switzerland Point Middle and Patriot Oaks Academy. He stated that Landrum Middle, Fruit Cove Middle, Pacetti Bay Middle had all been done in the past. He stated there were two roofing projects: Mill Creek Academy and PV/Rawlings Elementary and that Otis Mason Elementary had been done previously. He noted that the PE/playground was in progress at RB Hunt Elementary and there were site challenges there. He said there would be site improvements at the Webster School. Murray Middle had received new fencing and a facelift with new paint. He also noted that there were security camera improvements, alarm and fencing improvements at many school sites. Mr. Rose stated that they were revisiting and tweaking 14 locations for single point of entry and reviewing 8 locations for school security. He also stated that they were working on exterior lighting at Sebastian Middle. He also noted that the GPS was in use for the bus system. Dr. McCormick asked if the Committee could get a copy of the power point from Mr. Rose. Mrs. Cubbedge explained that the District is cautious in giving out too much information because they need to be conscious of identifying areas of weakness. Dr. McCormick asked if it would be too much to get the power point and Mrs. Cubbedge said no, but they were just being overly cautious. Mr. Rose said they were sharing a certain level with the Committee. Ms. Veracruz asked about the timeline for completing the single point of entry. Mr. Rose explained that some schools were complete and some would be completed this summer. He also noted that they were revisiting some schools. He stated that the schools used to be very open but now the objective is to have a standard on entrances to the schools. Mr. Hardman asked if Ms. Mittelstadt could share about the standards. Ms. Mittelstadt stated that the District was not ready to list all the school safety items but that there will be expectations at the start of school that will be sent to all schools. Mr. Rose stated that they had pulled back on the standards. Mr. Hardman stated that it was a challenge and the public expects the District to move fast. Mr. Rose said that they have constraints. Mr. Rose explained that for example, at St. Augustine High School, on the back side of the school there are wrought iron gates. He explained that it is a student entrance and then it is locked down when school starts. The locking of these gates pushes everyone to the front of the school. Mr. Hardman also noted that there are costs involved in facing these challenges. Mrs. Cubbedge stated that yes and for example, the cost of lockers went up while they were in the process of ordering them. Mr. Rose also stated that the two hurricanes impacted the construction industry. Mr. Hardman stated that the cost of security cameras is up everywhere now.

Mrs. Cubbedge gave an update of the new legislation, Senate Bill 7026. She stated that St. Johns County School District has been working on safety all along but after Parkland, there was a push for more security. She stated that there will be a need for 15 Youth Resource Officers (YRO) with 11 being assigned to a school and 4 floaters. She said they will contract with St. John's County Sheriff's office to split the cost 50/50. She stated that the new legislation states that there

must be an assigned officer at every school. She stated the cost was approximately \$1.4 million which is not enough to cover 28 YRO's. She stated that there is a shortage of YRO's as the Sheriff's Office has also noted there is a shortage in human capital. She stated there was a joint meeting with the Sheriff, Board of County Commissioners (BCC) and the District on June 6th. The District would like to have as many YRO's as they can which is about 15. The District does not want floaters or supervisors, just the 15 YRO's. The District would pay the full cost for these YRO's for 12 months so that some of these YRO's will be available to the District in the summer. The District asked the BCC to help with the cost which was about \$1 million for the 15 YRO's. The School District will not own the cars, guns, etc to equip the YRO's. The BCC is scheduled to take up the item at their meeting tomorrow, June 19th. The School District did make a formal request. Mrs. Cubbedge also stated that this request will still leave the School District short of having enough YRO's. She further explained that the District will negotiate a contract with a private security company and she will know more in a few weeks and months. She stated that the Sheriff's department will still need to hire and train the YRO's so the District will use the private security company until the YRO's are ready. She stated there is a monetary and human capital deficit so the District is using a phased in approach. Mr. Lewis asked the percentage of private security officers versus YRO's in the schools. Mrs. Sweeny and Ms. Mittelstadt explained that placing officers in schools will be done in conjunction with the Sheriff's office. Mrs. Cubbedge stated that there are currently YRO's in middle and high schools. Dr. McCormick asked about the funding for the 15 YRO's. Mrs. Cubbedge explained that the District will receive \$1.4 million from the State for 15 more officers. She said the \$1 million from the BCC is a one time funding. She said the funds go directly to the Sheriff's department to fund the YRO's and the YRO's will be an asset of the Sheriff's office. Dr. McCormick asked about funding the private security officers. Ms. Mittelstadt stated that the District would engage in a contract for services with the private security company. She stated that the School Board will have to pay but there is no money from the State. Mrs. Cubbedge stated that the District will work methodically through it and that the District has just started negotiations with the private security company. Ms. Connor asked about the \$1.4 million that is given to the District. Mrs. Sweeny said the District will receive it under the Safe Schools Act. Ms. Little asked how many school sites there are in the District. Mrs. Cubbedge stated that there are 40 school sites and that one site can share so the District will have a total of 39. Mr. Barrs stated that using off duty officers is not a good idea. He stated that he is familiar with that scenario and that it can create a void in shifts so they should hire someone that the District knows can be there. Mrs. Cubbedge stated that the District is still working through these scenarios.

Community Feedback

Mrs. Cubbedge then stated that the proposed budget will be at the next meeting. She asked what the Committee members were hearing from the community as far as feedback. Mr. Hardman stated that he had not heard specific things but that the legislation states that the CAC should advise and monitor. He feels that the advising is difficult but that the Committee should be the eyes and ears of the community. He stated that the Committee needs to get the message out

regarding what the District is doing and then listen for feedback. Dr. McCormick stated that the Town Hall hosted by Mr. Mignon and Mr. Allen on public safety was very informative. He stated that everyone was primarily interested in public safety. He asked how they can reach out and possibly have a discussion group like a civic round table. Mr. Hardman said that there needed to be focus groups because the Accreditation Team indicated that School Administrators did not know what goes on with the CAC. He said more groups like SAC needed to be aware of the CAC and what they were doing. He said there were lots of opportunities to carry the message out to these groups such as SAC and PTO groups. Mr. Lewis stated that in reality, most parents support the sales tax but it seemed that the retirees in the community were not as attached to the schools. He said there were lots of groups who address these ideas with the parents and school community but he asked if the SJCS D website could possibly reach a wider group with possibly a contest. He said that people have short attention spans and that groups such as retired groups and condominium associations need to be targeted. Ms. Nelson stated that she agreed with Mr. Lewis. She said that school families are invested in real estate and jobs here because of the schools and they understand the tax payment to keep the economy running but that other sectors of the community do not understand. Mr. Lewis stated that it should be framed with most people outside of the school family community. Ms. Little asked how to get the word out. Mr. Danner stated that most retirees do not follow the websites. Mr. Lewis said to challenge the kids to do a commercial on the websites. Mr. Danner said the message should be consistent. Ms. Connor stated that the security budget for the beginning would be a good start. Ms. Nelson said that a grandmother spoke at a meeting and it resonated across the age groups.

Mr. Hardman stated that the CAC is on the website but it was difficult to locate and had out of date information on the site. Mrs. Cubbedge and Mrs. Sweeny said they were working on it. Mr. Hardman suggested a 1 ½ page handout with talking points of information about the District. Mrs. Sweeny noted that the District does publish Fast Facts. Mr. Hardman asked if it was kept up to date and Mrs. Sweeny stated that yes, it was. Mr. Hardman said he liked that and that it needed to be up to date and to look for opportunities to share the talking points. Ms. Connor suggested a fast facts for the sales tax. Mr. Hardman said that it would be good to tailor it to specific economic groups. Mr. Danner stated that explaining what the District was doing with the economic impact would be beneficial. Dr. McCormick stated that the School District is very transparent. Mrs. Sweeny stated that the District needs to go back out to groups and update what has been happening with the sales tax. She said she would be willing to go. Mr. Barrs stated that people have short memory. Ms. Little stated that more people cared now because the Governor has been discussing it in the news. She said she wanted to compliment the District on dealing with it before things happen.

Public Comment

Ms. Little stated that mental health issues need to be addressed in schools and they needed adequate staffing and some restructuring. Ms. Mittelstadt stated that at a recent Board meeting, they were utilizing dollars for mental health by providing additional staff with a total of 7 positions. Mr. Degutis stated that the District was adding 4 mental health counselors and 3

school psychologists within schools and they were also utilizing a different approach to RTI. He said the District was ahead on recognizing mental health. Ms. Mittelstadt stated that it is not a stigma anymore and that the District was providing appropriate responses to intervention RTI. Ms. Mittelstadt also stated that there were online tools for reporting coming from the DOE. It is an online app.

Mr. Hardman asked about the upcoming budget dates. Mr. Degutis stated that the 18/19 TRIM budget will be on the July 24th Board workshop agenda and will be advertised in the paper on Sunday, July 29th. Mr. Degutis then explained that the full presentation of the budget (public hearing) will be at 5:30pm on July 31st. Then on September 18th, the final public budget hearing will occur. He stated that any interested parties can come. Mrs. Sweeny passed out the Fast Facts. Dr. McCormick asked if they could clarify the dates and Mr. Hardman said he would send an email with the dates.

Next Meeting Date/Time

The next meeting will be held on Monday, September 17, 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 5:35pm.

Minutes submitted by: Judith Harvey