

Half-Cent Sales Surtax Citizen Advisory Committee

Orientation Meeting Minutes

Monday, March 19, 2018

Opening

The orientation meeting for new members and alternates of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 3:05 p.m. on Monday, March 19, 2018 at the St. Johns County School District Office, 40 Orange Street, St. Augustine, Florida by Nicole Cubbedge, Executive Director for Planning & Government Relations for the School District.

Present

Joseph Adiutori, Christine Chapman, Jack Hardman, Dr. William McCormick, and Grant Misterly. Alternates: Theresa Lennon and Jason Lewis. School District staff present: Mike Degutis, Nicole Cubbedge, Cathy Mittelstadt, Elizabeth Moore, Beth Sweeny and Judith Harvey.

Welcome and Introductions

Mrs. Cubbedge introduced the School District staff and informed the Committee that their point of contact would be herself and the Planning & Government Relations department for the School District. Mrs. Cubbedge then asked each member and alternate present to introduce themselves.

Purpose of Orientation Meeting

Mrs. Cubbedge explained that the purpose of the Orientation Meeting was to give new members and alternates an overview of the duties of the Committee before the regular meeting.

Annual Report

Mrs. Cubbedge began with a review of the Annual Report that is presented to the School Board every year. Mrs. Cubbedge reviewed the Annual Report power point which was presented to the School Board at the January School Board meeting. She explained the history of the half-cent sales surtax's passing with community support. The funds from this half-cent sales surtax is to be used for capital expenditures only. The resolution also contained language to establish and form the committee. Collections of the sales tax began on January 1, 2016. Initially, the School District asked for citizens to complete applications to be a part of the Committee. There are

three (3) members and an alternate from each School Board Member's District. The goal was to have a cross representation of the county as well as a cross representation of areas of expertise of the individuals serving on the Committee. The Committee has a Chairman, Vice Chairman and a Secretary, which are voted on annually. The meetings are held quarterly. The School Board was charged with considering reappointments and filling vacancies. The Half-Cent Sales Surtax allows for capital expenditures in three areas: 1) New Construction, Reconstruction and Improvement of School Facilities, 2) Improvement of School Facilities including Safety & Security Improvements and 3) Technology Upgrades. From these three areas, the staff came up with a critically needed project list made up of four areas: 1) Meet the Needs of an Increasing Student Population, 2) Maintain High Quality Educational Facilities, 3) Provide New Technology to Prepare Children for 21st Century Learning and 4) Continue to Keep our Children Safe. The estimate for these projects was \$150,000,000.00 over ten years or \$13,000,000.00 per year, which was a conservative estimate.

In February of 2016, the School District bonded \$50 million for the construction of Picolata Crossing Elementary, formerly known as Elementary M, located on Pacetti Road as well as Freedom Crossing Academy, formerly known as K-8 School LL, located in Aberdeen. Revenue from the half-cent sales surtax was also used to partially fund Palm Valley Academy, formerly known as K-8 School KK, in Nocatee. Mrs. Cubbedge explained that there was a major increase in capital costs due to a rise in construction costs so the timeframe for construction of Freedom Crossing Academy and Palm Valley Academy was expanded as additional funds were needed. The power point included pictures of the three schools.

Mrs. Cubbedge then discussed the two roof replacements that were budgeted for Hartley Elementary and Ketterlinus Elementary. The power point included pictures of the before and after of these roof replacements as well as showing the sales surtax signage at each project to inform the community of the sales tax dollars being used for the projects. Next, Mrs. Cubbedge noted the purchase of the 800 MHz radios for school buses under the Continue to Keep our Children Safe portion of the budget. These radios are now in every bus and proved to be invaluable during the two hurricanes. Mrs. Cubbedge then explained the Financial Report that is presented to the Committee at each meeting. She listed each expenditure on the report.

Mrs. Cubbedge then presented the current year budget. She noted that the projected 2017-2018 Surtax Revenue was \$18,624,805.00. She also noted there is a debt service in the amount of \$5,639,350.00. Under the area entitled Meet the Needs of an Increasing Student Population, there were three (3) areas listed: Furniture, Fixtures & Equipment for Freedom Crossing Academy, formerly K-8 School LL, two dining expansions at Switzerland Point Middle School and Patriot Oaks Academy and savings for future school construction and expansion. Under the area entitled Maintain High Quality Educational Facilities, there are also three (3) areas: Roofs for two schools (Mill Creek Elementary and Marjorie K. Rawlings Elementary) and PE, Playground & Athletic Facility Improvements at RB Hunt Elementary School. The last area is Site Improvements for two schools: The Webster School and Murray Middle School. The next area listed is Provide New Technology to Prepare Children for 21st Century Learning. This area includes Classroom Technology Upgrades at 34 schools and Student & Teacher Instructional

Devices at 36 schools and then Infrastructure Improvements which includes Wireless Access Points Upgrades at 8 schools and Uninterrupted Power Supply Replacements at 9 schools. The last area is Continue to Keep our Children Safe. This area included Security Cameras at 24 schools, upgrades to the alarm system at Fruit Cove Middle School and upgrades to the intercom systems at 6 schools. This area also included fencing at 9 schools and Single Point of Entry Improvements at 14 schools, school security improvements at 7 schools (approximately) and exterior lighting at Sebastian Middle School. This area also includes the Zonar School Bus GPS Technology. Mrs. Cubbedge also went over the Funding Summary. She listed the priorities for the 2018-2019 budget which are: Safety & Security, Technology, School Expansions, Improvement of Facilities and Savings for New School Construction.

Sunshine Law

Mrs. Beth Sweeny presented information on the Sunshine Law. She explained to the Committee that since they were appointed by the School Board, they are subject to the Sunshine Law. She also explained that meetings are open to the public and the public is to be given notice of the meetings. She also explained that minutes will need to be taken at all meetings. She advised the Committee that they cannot use email or phone or have an outside meeting for official Committee business. Any meetings or discussions must be in a public forum. Mr. Hardman asked if members of the Committee can talk to staff or a School Board member and Mrs. Sweeny replied yes, they can. She said the communication must be open and they cannot ask about votes or poll staff on where other members may stand on an issue. Mrs. Chapman asked, if they have an idea to share, are they allowed to share with fellow Committee members. Mrs. Sweeny said yes, they can share but it must be a one-way communication. Mr. Hardman stated that emails were subject to public record so they needed to keep that in mind. Mr. Hardman asked if the Committee meeting minutes can be added to the website. Mrs. Cubbedge said that the minutes can be requested thru the public records request process. She stated that they had gotten behind and will post future minutes on the website. Mr. Adiutori asked that the Committee be provided with a list of staff and committee members.

Mr. Lewis asked how new schools are funded if not from sales tax. Mrs. Cubbedge explained that Palm Valley Academy, formerly K-8 School KK, was funded from proportionate share mitigation, 1.5 mils, impact fees and sales tax. She said that typically they are funded through impact fees. Now proportionate share mitigation contributes funds as in the case of Palm Valley Academy and the renovation of Nease High School. She stated that impact fees and COPS (Certificates of Participation) which is borrowing against future revenues will also contribute funds. Mr. Misterly asked about projects over the next 10 years and if there was a predetermined list with broad and specific categories. Mrs. Cubbedge replied more projects would not be considered until the current list has been fully funded. She also stated that the School Board can add more projects but they would have to ensure the affordability of the projects. Mr. Hardman noted that the sales tax revenue was not the only funds used for construction. Mrs. Sweeny pointed out that the sales tax revenue supplements other funds. Mr. Hardman also stated that the \$50 million bond was the kick-start to construction. Mr. Misterly then noted that new staff

would be required for new schools. He asked from where these operations costs would come. Mr. Degutis explained that the District has an operating budget and those items fall under the operating budget. Mr. Misterly asked if the sales tax revenue could be used in the event of a shortfall for operating expenses. Mrs. Sweeny stated that sales tax revenue statutorily can only be used for capital expenses. Mr. Hardman stated the CAC should respond to questions from the community explaining that the sales tax revenue is for capital expenses only. He also reiterated that the committee members need to be spokespersons in the community and should attend SAC meetings. Mr. Hardman asked if the committee could discuss strategies and tactics about discussing sales tax revenues out in the community. Mrs. Sweeny stated that the staff would add that as an agenda item for a future meeting.

Mr. Lewis asked about the \$100 million capital outlay that comes from the 1.5 mils. Mr. Degutis explained that some of the funds go to debt service and some funds go to buses, maintenance and repair. Mrs. Cubbedge noted that as schools grow, their needs grow for more technology, more buses, more teachers, maintenance, transportation, etc. Mr. Lewis asked if the District can exceed the 1.5 mils and Mrs. Cubbedge explained that originally there were 2 mils but .5 was taken away. Mrs. Sweeny noted that there was an effort to reinstate it but it was unsuccessful. Mr. Degutis stated that the District was not asking for money but to have the ability as the local School Board to restore the .5 mils and locally raise taxes. Mrs. Sweeny noted that this year there was only a 47 cent (\$.47) increase per student. She also explained that the increase is per student but not a lot of flexibility for the funds. Mr. Lewis noted that so many students attend public schools but the District is not able to raise the funding. Ms. Lennon asked about the impact fees. Mrs. Cubbedge explained that the size of the impact fee is based upon the size of the house and the number of students the house is expected to generate. Dr. McCormick noted that the study was done in 2016. Mrs. Cubbedge explained that the County Commissioners were still working on the impact fees and that a final decision is expected in April.

Public Comment

None

Adjournment

The meeting was adjourned at 3:53pm.

Minutes submitted by: Judith Harvey