

Sales Surtax Citizen Advisory Committee

Meeting Minutes

Monday, March 20, 2017

Opening

The regular meeting of the Sales Surtax Citizen Advisory Committee was called to order at 4:03 p.m. on Monday, March 20, 2017 in Building C at First Coast Technical College located at 2980 Collins Avenue, St. Augustine, Florida by Dr. Bill McCormick, Committee Chairman.

Present

Jack Hardman, Dr. Bill McCormick, Fred Danner, John Quattrochi, Barbara Little and Melissa Nelson. Absent: Jon Wiles, Thomas Cave, Steven Olson, Mark Simpson, Susan Connor, Bill Kopf, Mary Geer, Shannon McCormick and Hugh Rappa. School District staff present: Mike Degutis, Nicole Cubbedge, Dawn Posey, Elizabeth Moore, Cathy Mittelstadt, and Judith Rigsbee.

Approval of Minutes

Due to the fact that there was not a quorum (only six committee members present), no action can be taken on the minutes from the December 19th meeting. They will be scheduled for approval at the next meeting.

Discussion

Mr. Hardman debriefed the Committee on the Annual Report to the School Board. Dr. McCormick and Mr. Kopf were unable to attend the School Board Workshop so Mr. Hardman represented the Committee at the School Board Workshop and School Board Meeting. Barbara Little, Melissa Nelson and Fred Danner also attended the Workshop. Mr. Hardman noted that there were more questions as well as back and forth discussions at the Workshop than at the Board meeting. Mr. Hardman presented the history of the half-cent sales tax resolution, the makeup of the committee, and the original plan to the community including how the sales tax revenue dollars would be spent. He also explained that more growth translated into more schools as well as higher costs associated with building the schools. He explained that sales tax collections were higher than originally anticipated each month. Mr. Hardman also included an update on the status for each project as well as that the fourth project, the K-8 school in Nocatee, School KK, was not in the original proposal but some funds from the sales tax would be used for

that school as well. He also explained to the Board that other priorities would be established after the new schools were built. He then opened up the discussion with the Board and answered their questions. He felt it went well. Dr. McCormick also said he felt the presentation went well. Ms. Little noted also that she thought Mr. Hardman presented it professionally by summarizing but also giving a full picture of the Committee's work. Dr. McCormick thanked Mr. Hardman for his time and presentation. Mrs. Cubbedge noted that normally the Workshop is usually held prior to the Board meeting rather than all in the same day.

Financial Reporting

Mr. Degutis provided the quarterly Sales Tax Receipts report. Receipts are in for all 12 months and includes quarterly receipts. This spreadsheet also notes the Actual and Projected Receipts for 2016, which show an increase over the projected amount. He stated that looking forward, they would probably not see this delta again. The actual and projected receipts were \$4.7 million over original projections. Mr. Degutis also noted the Recap at the bottom. Mr. Hardman asked if these numbers included internet sales. Mr. Degutis explained that monies collected in another county, like internet sales, are then sent to St. Johns County. Mr. Degutis also reminded the Committee that we do not have monthly experience yet for comparative amounts. Over time, a bank of monthly receipts will be gathered and can then be used for comparative purposes. Mr. Danner asked about projections for this year, 2017. Mr. Degutis explained that they can use this calendar year for a projection but at some point, the calendar year would be converted into the fiscal year for the District which runs July to June. His projection is \$18-\$18.5 million for 2017-2018. Mr. Hardman asked about budgeting on an annual basis but Mr. Degutis said it would really be better to look at monthly trends and then budget on an annual basis. The first half million will be pulled off each month to meet the debt service requirement since the District is its own trustee. Mr. Hardman asked the amount of the debt service on an annual basis and Mr. Degutis said it was \$5.6 million.

Mr. Degutis then reviewed the Financial Report as of February 28, 2017. He reviewed each New School project by listing the budget, actual, encumbered and remaining balance. Mr. Degutis noted the following:

- The balance for the new Elementary School "M" is for any contingencies on the contract.
- He noted that the balance for the Motorola Radio Enhancement System for School Buses has not changed since the last time.
- He noted that a portion of the construction funds, for the new K-8 School KK, have been budgeted. The remaining funds for the new K-8 School KK are noted at the bottom of the Financial Report. The two amounts would need to be added together to see the full construction costs for this project.

Mr. Hardman asked if change orders issued during the project would increase the budget numbers. Mrs. Cubbedge explained it would depend upon the nature of the change order. She stated that the School District does owner direct purchases and thus the District purchases

materials independently which saves tax dollars. This practice also negates the number of change orders because there are good, solid plans.

Project Reporting

Mr. Paul Rose was unable to attend the meeting so Mrs. Cubbedge updated the Committee on each project. Mrs. Cubbedge provided pictures of each site so the Committee could see the progress being made.

-Elementary M – Mrs. Cubbedge explained the different areas of the school that could be seen in the pictures. She noted that the community was very excited about the school. Jud Strickland was named the Principal. He was the Principal at Cunningham Creek Elementary and was from Duval County where he opened Bartram Springs Elementary so he has experience in opening a school. The school will be ready to receive students for the 17-18 SY. Ms. Little asked if the school is a K-6 and Mrs. Cubbedge explained that it was a K-5 for elementary grades only. Ms. Little also asked how many extra stations would be available for COE (Controlled Open Enrollment). Mrs. Cubbedge explained that Elementary M will not qualify for COE since there is no attendance zone and is still under construction. Next year, the enrollment at Elementary M would be evaluated before opening the school to COE. Mrs. Cubbedge said with the housing growth in that area that she thinks the school will be 80% full and the COE for 18-19SY is dependent upon enrollment for 17-18SY. Dr. McCormick asked if both of the other schools will be open in 18-19SY and Mrs. Cubbedge said that was correct.

-School KK, Nocatee – Mrs. Cubbedge reiterated that this school is being funded by impact fees, proportionate share mitigation agreements and a small amount of funding from the sales tax. The site is being developed. This site required more infrastructure and site work than other sites. Mr. Hardman asked about the second story and if both wings will be built. Mrs. Cubbedge explained that there would be two wings. One wing will have 2 stories and the other wing will have 3 stories. This project was delayed a year so the whole school could be constructed. Dr. McCormick asked about the capacity for the second story. Mrs. Cubbedge explained that the capacity for the school will be 1400 but if the 2nd story wing had not been included, the capacity would be reduced to 1100. Mr. Hardman asked if the upper stories were for upper grades only. Mrs. Cubbedge explained that by law, Kindergarten and 1st grade must be on the first floor. She said in general that Kindergarten through 2nd grade is typically on the first floor. Grades 3rd through 5th are typically on the 2nd floor and grades 6 through 8 are typically located on the upper floors. Mr. Hardman asked how many K-8's there in the District right now. Mrs. Cubbedge said there were three: Patriot Oaks Academy (POA), Valley Ridge Academy (VRA) and Liberty Pines Academy (LPA) which was the first K-8 in the District. Mrs. Cubbedge also explained that these two new K-8's are larger than those three original K-8's. In the 2nd year at POA and VRA, they had to place relocatables at these schools. Mrs. Cubbedge noted that these are fast growing DRI's so there will be a need for additional stations. She also noted that there will be a large number of students in one school but they will be spread over 9 grade levels.

-School LL, Aberdeen – This project is approximately 1 month behind according to Mrs. Cubbedge. This project had two bidders originally and it was very expensive due to the construction environment at the time. The bids were denied and some modifications were made and the bid was sent out again. Mrs. Cubbedge indicated that the project can catch up since the site needed less infrastructure and site work. Ms. Little asked if it will still open for the 18-19SY. Mrs. Cubbedge said yes. Mr. Hardman asked about capacity for this project and Mrs. Cubbedge said it was the same plan as the Nocatee K-8. Ms. Little asked about the number of students and Mrs. Cubbedge said it would be 1400 as well. Dr. McCormick asked if the bid was locked in before the hurricane and Mrs. Cubbedge said yes.

Before the discussion on the Capital Outlay Budget for 2017, Dr. McCormick introduced the new Deputy Superintendent, Cathy Mittelstadt.

Presentation - Capital Outlay Budget – 2017

Mrs. Cubbedge explained that there were three categories listed in the presentation that Mr. Hardman delivered to the School Board regarding capital outlay. These categories are: safety and security, technology and maintain existing facilities. Surveys were done in different parts of the county to obtain ideas of different items that were of importance. The student station deficit was the biggest need so the first push was to build new schools. The student station deficit item is now being addressed so other items can now be considered for the Capital Outlay Budget for 2017. IT is in the process of doing discovery with schools regarding suggestions for their technology needs such as band width, student computers and projectors. They will then send that information to the Committee for consideration. The Maintenance department is also developing a high priority list. During their life cycle visits at the schools, they discuss items with the Administrative team including the Maintenance Manager to gather these items. There are also items being considered under Security such as single point of entry for schools. Thus, there is a data gathering process ongoing now and these items, when gathered, will be presented to the Committee for consideration. The data is expected to be available at the next meeting and then the Committee can triage the list. Dr. McCormick asked about the security component and where the information for security is obtained. Mrs. Cubbedge said that it is done in coordination with the Sheriff's department. The Sheriff's Department looks at each school on a rotating basis as well as obtaining information from the Youth Resource Officers (YRO's) at each school. At that time, the safety committee for the District meets and reviews any recommendations. Mr. Hardman said there was a school teacher at Landrum Middle School who has had 34 years with the FBI. Ms. Little asked if there was a director of safety and security for the District. Ms. Mittelstadt said that Mr. Paul Abbatinuzzi is essentially head of safety and security for the School District. The schools are responsible for submitting their safety and security plans each year. Ms. Nelson noted that the single point of entry has been discussed for many years. Mrs. Cubbedge added that most of the schools have corrected that issue. Ms.

Nelson acknowledged that Nease High School was one exception but hopefully the expansion would help with that. Ms. Nelson also added that it might be valuable to watch the trend of concerns from elementary versus high school parents since elementary as a whole tend to be more engaged with school needs. Dr. McCormick asked when sales tax numbers for January/February 2017 would be received. Mr. Degutis said it would be around March 25.

Selection of Committee Secretary

Dr. McCormick stated that Mary Greer has asked to be removed from the Committee due to health reasons. Mrs. Cubbedge said she will contact the alternate (Victor Ramos). There was also discussion as to whether alternates should attend meetings. Mrs. Cubbedge will invite them to the next meeting. Mr. Hardman expressed that it would allow continuity and they would be more aware if they attended. Mr. Quattrochi and Mr. Danner were in favor of having them attend. Ms. Nelson said the meetings were open to the public so they could attend any time.

Next Meeting Date/Time

Dr. McCormick then discussed the date of the next meeting. The next meeting is scheduled for Monday, June 19, 2017 at 4pm at First Coast Technical College. He also mentioned possibly changing the time of the meeting to increase attendance of Committee members. Mr. Danner said that maybe they should survey members who were not here about meeting times. Ms. Little brought up the point that those who are still employed may have difficulty with the 4pm time. Ms. Nelson acknowledged that there may not be a good time but may be good idea to poll members as well as express importance of attendance so the Committee can take action. Ms. Nelson then asked when did the terms of members begin. Mrs. Cubbedge said that the first meeting was in March so approximately one year and the terms were either 2 or 3 year terms. Ms. Nelson suggested that if a member misses 2-3 meetings that the seat might need to be filled. Dr. McCormick said it was a voluntary position. Mrs. Cubbedge said that reminders were sent but did not include an RSVP, but an RSVP might be beneficial so the Committee would know if they will have a quorum.

Public Comment

None

Adjournment

Meeting was adjourned at 5:05pm by Dr. McCormick.

Minutes submitted by: Judith Rigsbee

