

Sales Surtax Citizen Advisory Committee

Meeting Minutes

Monday, September 18, 2017

Opening

The regular meeting of the Sales Surtax Citizen Advisory Committee was called to order at 4:09 p.m. on Monday, September 18, 2017 in Building C at First Coast Technical College located at 2980 Collins Avenue, St. Augustine, Florida by Nicole Cubbedge, Executive Director for Planning & Government Relations.

Present

Jack Hardman, Dr. Bill McCormick, Fred Danner, John Quattrochi, Victor Raymos, Susan Connor, and Ed Albanesi. Alternates: Damian Cook and Norvie Veracruz. Absent: Melissa Nelson, Thomas Cave, Steven Olson, Mark Simpson, Shannon McCormick, Barbara Little and Hugh Rappa. School District staff present: Nicole Cubbedge, Cathy Mittelstadt, Paul Rose, Elizabeth Moore, Mike Degutis, Beth Sweeny, Tim Forson and Judith Harvey.

Approval of Minutes

Due to the fact that there was not a quorum (only seven committee members present), no action can be taken on the minutes from the December 19, 2016 meeting, the March 20, 2017 meeting and the June 19, 2017 meeting. They will be scheduled for approval at the next meeting.

Discussion

Mrs. Cubbedge discussed the amended rules of procedure that will be presented to the School Board tomorrow night at their meeting. These amended rules of procedure include the following changes:

- The Alternate will now be able to step in on behalf of the Member.
- If a Member is absent, the Alternate will be able to vote.

Mrs. Cubbedge noted that Class A Members serve a 2 year term and Class B members serve a 3 year term and Alternates have an indefinite term. Ms. Connor asked who were the alternates. She also asked if the Member should contact the Alternate and let the Alternate know that they will not be able to attend a meeting. Mrs. Cubbedge said that a Member can let her know, then

she will inform the Alternate that the Member will not be able to attend. Mr. Hardman iterated that Alternates are always welcome to attend. Mrs. Cubbedge stated that she had started inviting the Alternates to the meeting after the last meeting so Members and Alternates will get the same email. Mrs. Cubbedge also noted that Mr. Raymos and Mr. Albanesi are now Members so there are only 3 alternates left: Mr. Cook, Mr. Misterly and Ms. Veracruz. She also noted that it has to be the Member's alternate representing the Member. Mr. Hardman noted that Ms. Veracruz is from District 1 and Mr. Cook is from District 4 and Mr. Misterly is from District 5. He stated that District 2 and 3 do not have an Alternate. Mrs. Cubbedge noted that the Board wanted to wait to fill the vacancies until the February Board Meeting when they will fill the 2 year vacancies. Dr. McCormick asked if they could review the changes since he was late to the meeting so Mrs. Cubbedge reviewed them. She did note that the Board wants the Alternates to fill specific District seats. Mr. Cook asked if having a quorum is at issue, then maybe the District specific rule could be relaxed. Mrs. Cubbedge noted that there were two Alternates present but it will still not constitute a quorum. Dr. McCormick asked about having a meeting prior to the December meeting to try to get a quorum to pass the Minutes. Mrs. Cubbedge said that they would need to keep the meetings as they were originally set up.

Financial Reporting

Mr. Mike Degutis, Chief Financial Officer, presented the financial report to the Committee. He stated that the sales receipts were through the fiscal year. July will be sent to the State by vendors and the District will receive same by end of September. June of 2017 was approximately \$18.6 million and was projected to be \$17.8 million. The increase over the projected amount was approximately \$755,951.40 which is good. Mr. Degutis stated that the first monies that come in each month will go to payment of the debt service noted in the second column of the 2016-17 Sales Tax Receipts sheet. The balance then drops into the Capital column which is approximately \$12.9 million. Mr. Degutis noted that there are 4 empty spaces under the Debt column with no numbers. These reflect quarterly receipts that go directly to the State and are given to the District on a quarterly basis so they do not come off of the debt.

The section regarding Interest Earned is from Bond Proceeds and Sales Tax Revenue. The Bond Proceeds built Picolata Crossing Elementary (PCE) and K-8 School LL as well as a portion of K-8 School KK. Mr. Cook asked if the revenues looked better than expected. Mr. Degutis answered that they did look better and that they normally project 3% but it was better. He stated as the District goes forward it may increase or stay the same but he feels the 3% is a conservative number. Mr. Cook asked if there were seasonal fluctuations in the sales tax receipts. Mr. Degutis said September and October were lower months but not significantly lower. Ms. Connor asked if the hurricane had an impact. Mr. Degutis said no because people were out buying supplies for the hurricane. Mr. Degutis then explained the Financial Report as of August 31, 2017. The names of the projects are on the left side of the report. Mr. Degutis noted that Picolata Crossing Elementary, formerly School M, is almost complete as well as K-8 School LL.

K-8 School KK is not as far along. He also stated that the roof projects and the radio enhancement system are now complete. Mr. Quattrochi asked if the names of the two K-8 Schools could be listed parenthetically on the report so they are easily identified. Mr. Degutis said he would add them. Ms. Connor asked if there was any damage to the projects from the hurricane. Mr. Rose explained that the roofs were fine. He also stated that there was no damage to the new schools. Mr. Cook asked if there was a bond outstanding now. Mr. Degutis stated that there is \$40 million+ in bonds and he would get that information for the Committee.

Project Reporting

Mr. Rose gave the project report. He stated that Picolata Crossing Elementary (PCE) was complete and that it opened on time and within budget. He said they are in the close out phase now and punch list.

K-8 School LL in Aberdeen just had the topping off ceremony which is the last piece of structure. It is an opportunity to celebrate the safety of building the structure. He stated they were well on schedule and was fully funded by sales tax and had low change order rates.

Mr. Rose stated that K-8 School KK in Nocatee is about a month ahead of K-8 School LL. He noted that this project was awarded after K-8 School LL.

Mr. Rose stated that the \$63,000 for the radios was complete and he also noted that the roof projects were also complete.

Ms. Connor asked what was the opening number for PCE and how many more can they absorb. Mrs. Cubbedge stated that they opened with 575-585 students which was a little less than expected but the school has a capacity of 871 so the school should be okay for a few years. Dr. McCormick asked if PCE will be included in the Controlled Open Enrollment for 2018-2019SY. Mrs. Cubbedge explained that new schools will need to be operational for 3 years before they become a part of the Controlled Open Enrollment equation. She stated that the School Board designed the Controlled Open Enrollment process with that situation in mind so that there was a logical zoning plan for a new school. Mrs. Cubbedge noted that this process was designed with foresight for new schools.

Mr. Hardman asked what the capacity at the Nocatee K-8 School KK will be. Mrs. Cubbedge stated that it will be 1490. Mr. Cook asked, if in three years, will the area be built out and complete and how that will affect school capacity. Mrs. Cubbedge stated that she wished it were that simple. She said normally there are 1-2 years before a school will be over capacity. She stated that Patriot Oaks Academy and Valley Ridge Academy had to add relocatables in year 2. She stated that this is why the Controlled Open Enrollment was written with that provision to protect the new schools. The new schools would have time to normalize. She stated that the District hoped that the new school will have three (3) years before becoming overcrowded. Mrs.

Cubbedge stated that usually new schools are overcrowded due to the growth. She stated that the money trails the students typically.

Mr. Hardman asked if the total District enrollment was close to projections. Mrs. Cubbedge stated that in general the overall enrollment was close to projections but may not be at individual schools. Mr. Quattrochi asked if any of the County Commissioners sit in on School Board meetings. Mrs. Cubbedge stated that usually one Commissioner will attend a meeting. She also noted that the School Board and the County Commissioners had just had a joint meeting but that they usually do not sit in on the meetings on a regular basis. Ms. Connor suggested contacting County Commissioners about attending meetings.

Dr. McCormick asked about impact fees. Mrs. Cubbedge noted that with Hurricane Irma having come through, there will need to be an additional meeting regarding impact fees. Mr. Hardman asked what is at issue with the impact fees. Mrs. Cubbedge explained that it has to do with developer fees. She explained that Dr. Nicholas presented both sides in a joint session with the County Commissioners. Then the School Board did an additional workshop with Dr. Nicholas and provided the information to the County Commissioners. Mrs. Cubbedge noted that the County Commissioners have the final say and the School Board can only make a recommendation. She stated that part of the impact fee issue is the half cent sales surtax and whether it should be removed. She stated that by case law it has to be included as revenue. She stated that there is concern in the community over this credit. She stated that the County is looking at different structure changes. It is proposed to be based on a 6-tiered structure so it would decrease at some square footages and increase at others. She explained that there was a lot of misunderstanding about the tiered system. Mrs. Cubbedge stated that they had the original presentation at the joint meeting and then had a more informal discussion. Dr. McCormick stated that a civic association sent a letter analyzing the tiered system and that the letter was also sent to the School Board. He stated that he sent Mrs. Cubbedge and Mr. Degutis a copy also. Mrs. Cubbedge stated that it is a vital funding source. She noted that they could not have built K-8 School KK without it. She said that the School District cannot live without either of these revenue sources: 1.5 mils, impact fees, sales tax and proportionate share mitigation.

Mr. Hardman asked about the current ballpark timeframe for the next type of school and where. Mrs. Cubbedge stated that in the 5 year work plan there is a middle school and a high school. Mr. Hardman asked if it was a grade 6-8 school or another K-8. Mrs. Cubbedge said they would be a 6-8 grade middle school and a 9-12 grade high school. She said they would also have sales tax projects such as the expansion at Liberty Pines Academy and another elementary school. Mr. Hardman asked where these schools would be located. Mrs. Cubbedge said in the central portion of the county, in the World Golf Village area for the middle school and in the north central portion of the county for the high school. Mrs. Cubbedge also stated that the School District would need to pay off debts prior to undertaking the building of these two schools. She said that one bond would be paid this year and then another bond would be paid off in 2021. At that time, the School District could leverage money but not until those bonds are paid.

Presentation - Capital Outlay Budget – 2017

Next, Mrs. Cubbedge explained that there are revisions to the budget that was presented at the last meeting. She stated there was one tweak to the budget, which adds a GPS system to our buses. She explained that the School District is excited about this advancement for the buses. This system will help in tracking buses, which in turn will help with student accountability. This system will also aid new and sub drivers with their routes. The system is beneficial in helping drivers if roads have changed or been built. She stated that this system will help in being more efficient with tracking and routing. Mrs. Cubbedge stated that the Board wants to move forward with this budget item which is the highlighted item in the budget in the amount of \$111,220.00. She stated that the money will come from savings for future school construction. She said the Board wanted to begin using this system before the school year was out and have it fully implemented for the next school year. Ms. Connor asked if the GPS system has any capability to communicate with parents via an app. Mrs. Cubbedge stated that the system does not have that capability at this point. Mr. Hardman stated that he sat in on a presentation of the system and that it seems very sophisticated. Mrs. Cubbedge stated that it will afford much better efficiency for the Transportation department. She said it is not being used to scan students but to track buses. Mr. Rose stated that the Transportation department was excited and that the system would leave bread crumb trails so as stops are made, the department will know where a bus is located. Thus if a student needed to be located, the system would allow the Transportation department to track the child at each bus stop. He also stated that the system will help drivers who are not familiar with an area. He gave an example of a bus in the Bishop Estates area that could not get out and the St. Johns County Sheriff's department had to assist. The system will also track capacity and track idle times so the system will in effect pay for itself. Mr. Cook asked if the system could assign routes based on need. Mr. Rose said that they now use a sheet but with the new system, a sub driver would have a tablet and can plug the tablet in and the system will guide them through their route. Mr. Cook asked how long it takes for drivers to acclimate to their routes. Mr. Rose stated that they work on their routes before school opens and subs also run routes during training. Then they report back any potential hazards during traffic time. Mr. Cook asked if this system will help in plotting routes. Mr. Rose stated that they use a Bus Planner which is new software and this software will integrate with the GPS system. Mr. Cook asked about software to predict preventative items. Mr. Rose stated that to some extent the new diesel system can predict certain things.

Ms. Connor stated the Principal at her child's school asked her to ask a question. The question was regarding Sebastian Middle School and was related to a post-hurricane issue of a lot of standing water at the school. She stated that the County does spray for mosquitoes and that spraying is not always best for students because of chemicals. She asked if the District has looked at this under a safety/security issue. Mr. Rose stated that they have made improvements to the drainage and they have noted some improvement in the drainage at the school. He also noted that the District has been through two hurricanes recently. He noted that they have made improvements at St. Augustine High School also. Ms. Connor asked about the mosquito spraying policy. Mr. Rose explained that if there are complaints, then the County would come

and spray. He said the County also looks at the counts. He stated that the District also spent money to clean the pond and it will be maintained monthly.

Next Meeting Date/Time

The next meeting will be held on Monday, December 18, 2017 at 40 Orange Street, St. Augustine, Florida. Mrs. Cubbedge stated that the lobby reconstruction will be complete. Dr. McCormick stated that there will be four (4) sets of minutes to be approved and will need to have everyone attend and inform the Alternates to attend also. Mr. Hardman noted that the annual report is due to the School Board in January. At the December meeting, the Committee will need to work on the report for the School Board.

Public Comment

None

Adjournment

Mr. Hardman made a motion to adjourn and Dr. McCormick seconded the motion and the meeting was adjourned at 5:14pm.

Minutes submitted by: Judith Harvey