

# **Half-Cent Sales Surtax Citizen Advisory Committee**

## **Meeting Minutes**

Monday, December 20, 2016

### **Opening**

The regular meeting of the Sales Surtax Citizen Advisory Committee was called to order at 4:05 p.m. on Monday, December 19, 2016 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, Jon Wiles, Fred Danner, Thomas Cave, Steven Olson, John Quattrochi, Mark Simpson and Barbara Little. Absent: Susan Connor, Bill Kopf, Mary Geer, Shannon McCormick, Melissa Nelson and Hugh Rappa. School District staff present: Mike Degutis, Nicole Cubbedge, Paul Rose, Dawn Posey, Elizabeth Moore, Cathy Mittelstadt, Brennan Asplen and Judith Rigsbee. Others in attendance: Tim Forson.

### **Approval of Minutes**

Minutes from the June 27, 2016 meeting were approved with a motion by Mr. Hardman and seconded by Mr. Quattrochi. Minutes from the September 19, 2016 meeting were approved with a motion by Mr. Danner and seconded by Ms. Little. Minutes from the November 10, 2016 meeting were approved with a motion by Mr. Quattrochi and seconded by Ms. Little.

### **Discussion**

Mr. Hardman spoke to the group about attending four SAC (School Advisory Council) meetings after speaking with Mrs. Kelly Barrera. He said it was a very interesting experience. He attended two elementary SAC meetings, one middle school and one high school meeting. He said it was interesting to learn what was going on in the schools as well as explaining the purpose of the Sales Surtax Citizen Advisory Committee to the SAC members. He said he explained to the SAC committees how the Sales Surtax Citizen Advisory Committee was organized, who was on the committee, the role of the committee as well as the three major projects being funded. Mr. Degutis explained that each school has a District buddy also who attends SAC meetings.

## **Financial Reporting**

Mr. Degutis provided the quarterly Sales Tax Receipts report. Receipts are in as of September with projections listed for October, November and December. He noted the actual and projected receipts were \$4.2 million over original projections. He also explained that \$288,000 in interest had been received due to investment in Florida Prime (formerly SBA). Mr. Hardman questioned the impact of Hurricane Matthew on sales tax receipts. Mr. Degutis explained that it depended upon who you contacted because there were those who believed that activity was down. On the other hand, relief workers were here staying in hotels as well as money being spent for home renovations. He also explained that October sales receipts will be in around December 26-28 thus accurate receipts will be reflected at that time.

Mr. Degutis then reviewed the Financial Report as of December 19, 2016. He reviewed each New School project by listing the budget, actual, encumbered and remaining balance and reminded the Committee that these projects are in the early stages from a fiscal standpoint. He also reviewed the transportation radio enhancement system, which has been paid in full with some funds remaining after that project's completion. Mr. Hardman questioned why the allocated funds for the construction projects had been bumped up from the original estimates. Mr. Degutis explained that the contract was rebid. The second bid was higher than the first allocation due to the construction environment at the present time.

## **Project Reporting**

Mr. Paul Rose updated the Committee on the current projects:

- Motorola Radio Enhancement for School Buses – The radio enhancement project proved to be a very valuable asset. Buses were used in transporting the public during this time and the radios allowed the buses to be in communication with the Sheriff's Department, District Leadership and the Principals of the schools being used as shelters.
- Elementary School M – This project is at 40% completion. The tilt walls and decking are complete. The interior walls are in and the finishes have been scheduled. The project will begin to accelerate now and is on schedule.
- K-8 School KK (Nocatee) – This project is on schedule. Site and utility work are continuing. They had to relocate Old Palm Valley Road and the corresponding utilities. The building footprint and foundation pad have been prepped and they will be pouring the foundation soon. The signs are also up for this project.
- K-8 School LL (Aberdeen) – This project is progressing well. This project is about a month behind the K-8 School KK (Nocatee).

- Hurricane Matthew had very little impact on the three sites.

## **Presentation**

Mrs. Nicole Cubbedge presented a draft power point of the Half-Cent Sales Surtax Citizen Advisory Committee (CAC) Annual Report. The first presentation of this Annual Report will be at the St. Johns County School Board Workshop on January 10, 2017 at 4pm. The Annual Report would be presented again that same day at the School Board Meeting at 6pm and be officially accepted at that time. The Workshop and School Board Meeting will be held at First Coast Technical College. Mrs. Cubbedge acknowledged that this report is in draft form at this time.

The title page exhibits the School District logo and the Sales Tax logo. The next page explains Resolution 2015-30 and the formation of the Citizen Advisory Committee (CAC). The voters approved the Half-Cent Sales Surtax on November 3, 2015 and collections began on January 1, 2016. The following page provides information regarding the selection of the CAC members and the positions on the Committee. Meetings are held quarterly. The following page lists the Committee members and the Districts they represent and their terms.

Next, the power point lists the allowances of the Capital Expenditures from the Half-Cent Sales Surtax which include New Construction, Reconstruction and Improvement of School Facilities (Safety & Security Improvements and Technology Upgrades). The following page provided the Critically Needed Project List. The Critically Needed Project List was estimated at \$150,000,000. Mr. Olson asked about the process by which the critically needed items were identified. Mrs. Cubbedge responded that District Staff and the School Board will identify items for the list. The list will not be all inclusive and may be more general in nature. Mr. Hardman questioned the project costs numbers that were used for the original presentations to the public versus the cost numbers now. Mrs. Cubbedge reiterated the issues of the construction economy and the enrollment increase. Mr. Hardman also asked to have the projects listed on this page be clarified with the names of the projects currently being used. The next page listed projects to Maintain High Quality Educational Facilities in the amount of \$14,000,000. The following page listed projects to Provide New Technology to Prepare Children for 21<sup>st</sup> Century Learning in the amount of \$25,000,000. The next page listed items to Continue to Keep our Children Safe in the amount of \$5,000,000.

The next page was the Funding Summary illustrating the \$4.2 million increase in receipts over the original projection. The following page was the Financial Report. These two pages were presented earlier in the meeting by Mr. Degutis.

The following page illustrated the changes that have occurred since November 3<sup>rd</sup> which include a student growth percentage increase from 3.7% to 5.4%, increased construction costs and the enlargement of the K-8 Prototype to better respond to growth. The next four pages illustrate each project's budget, actual, encumbrance, balance and the most recent aerial footage. The last of these four pages identifies these same numbers for the Radio Enhancement System. A picture of the radios was not available at this time but will be added to the power point presentation. The last page in the presentation lists the Next Priorities which include Safety & Security, Technology, School Expansions and Improvement of Facilities. These projects are not necessarily in any specific order and will be considered when funds are available.

Mr. Wiles asked how the priorities of these next projects are established. He discussed the role of the CAC in how these priorities are established as well as the funds being spent correctly and in the correct categories. He felt the CAC should see how the priorities are ranked. He referenced the old radios and how they were handled. Mr. Degutis explained that all equipment with a net value of 0 can be handled in a variety of ways: surplus out, handled through a gov connection site or donated. Private and parochial schools are often interested in those items. Mrs. Cubbedge spoke regarding how the priorities are established. The need for student seats was overwhelmingly the biggest priority especially in the three areas of World Golf Village, Longleaf Pines and Nocatee. The costs for those projects was also much higher than anticipated as well as the unprecedented growth. The construction demand was also high which further raised costs. Thus a portion of the sales tax money was added to the second wing for K-8 School "KK" as well as it being deemed critical to have an enhanced radio system. Hurricane Matthew would have had a larger impact if not for the enhanced radio system. The School Board will determine the next list of priorities and then those priorities will be brought to the CAC for oversight. Mr. Rose explained that the radios were a completed project and that they received trade-in value for the old radios.

As far as technology, Mrs. Cubbedge explained that the School Board has decided that the technology program, 1 to 1 at Palencia Elementary, was just a pilot program and that the expenditure of funds for that program was not as beneficial as was first thought. The School Board feels that more technology infrastructure is needed. She also stated that when the next list of priorities is brought to the CAC, they will also bring more information about the priorities at that time.

Mr. Hardman expressed that the \$50 million bonded out needed to be mentioned in the presentation. He felt being conscious of keeping the public involved as far as the sales tax collection being more than anticipated and making hard decisions on how to spend the funds as well as the changes in the amounts being spent as well was a priority. Dr. McCormick also

stated that more inflation is probably coming and that would need to be taken into account with future projections.

Dr. McCormick stated that he hoped the CAC would be present at the School Board Meeting although he will not be able to attend.

**Next Meeting Date/Time**

The next meeting is scheduled for Monday, March 20, 2017 at 4pm at First Coast Technical College.

**Public Comment**

None

**Adjournment**

Meeting was adjourned at 5:10pm by motion from Mr. Simpson and seconded by Mr. Hardman.

Minutes submitted by: Judith Rigsbee