

# Half-Cent Sales Surtax Citizens Advisory Committee

## Meeting Minutes

Monday, June 15, 2020

### **Opening**

The regular meeting of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 4:02p.m. on Monday, June 15, 2020 via Webex at St. Johns County School District, 40 Orange Street, St. Augustine, FL 32084 by Mr. Hardman, Chairman.

### **Attendance**

CAC Members--Present: Susan Connor, Fred Danner, Jack Hardman, Richa Jeetah, Amy Lasswell, John Lasswell, Jason Lewis, Barbara Little, Dr. William McCormick (via phone), Grant Misterly, John Quattrochi and Norvie Veracruz. Alternates: Javelyn Arvay, Derek Barrs, Michelle Dillon and Kim McManus. Absent: Edward Albanesi, Damian Cook and Theresa Lennon.

School District staff--Present: Nicole Cubbedge, Mike Degutis, Paul Rose, Colin Kirkland, Elizabeth Moore, Dawn Posey, Greg Annucci, Kyle Cooper, Vicki Davenport and Judith Harvey.

Public Attendees--Web attendees: Ashley Reynolds, Isis Clemente, Melanie Alomia and Kelly Collins. Phone calls – 2 , no name specified.

### **Approval of Minutes**

Minutes from the December 16, 2019 regular meeting were then approved with a motion by Mr. Danner and seconded by Mr. Barrs. A vote was taken, and the motion was approved.

### **Meeting Platform Information**

Mrs. Cubbedge explained the logistics of how the meeting would work with muting and unmuting microphones and raising hands. This meeting will follow the same platform as the School Board meetings. Mrs. Cubbedge explained that they will stop at the end of each item for questions. She asked new members to introduce themselves as she called their name. She then asked each committee member to introduce themselves. Mrs. Cubbedge also noted that packets were emailed to members and alternates of all the power points and financial information prior to the meeting. She then asked if there were any questions and there were none.

## **Background of the CAC**

Mr. Hardman then gave a brief background on the Half-Cent Sales Surtax Citizens Advisory Committee (CAC). Legislation was passed in 2015 enacting the half-cent sales surtax. The CAC is to advise and monitor the use of the funds. Three members and an alternate in each district are appointed by the School Board with varying terms. The committee presents an annual report to the School Board. The committee holds quarterly meetings. He reviewed the use of funds in four categories and noted that expenditures are shown in each category. The original projection was \$150 million, and bonds were sold for \$50 million which started projects prior to the receipt of the half-cent sales surtax. Mr. Hardman also noted that it was a balancing act with construction costs rising. He also stated that it was the responsibility of the CAC to inform the public of the benefits of the half-cent sales surtax. He stated the renewal of the half-cent sales surtax is not far off because it passed for ten (10) years. He reiterated that they would need to go back to the public again for approval. He also stated that the CAC was subject to the Sunshine Laws of Florida and that all meetings are open to the public along with appropriate notice and that no discussion by the committee can occur outside of the meetings. He then asked if there were any questions and there were none.

## **Financial Reporting**

Mr. Degutis gave the financial report. He stated that the graphs were included in the email sent to the committee members. Mrs. Cubbedge shared the power points onscreen. The first power point was the Monthly Sales Tax Revenue which shows revenue from January 2016 to the present. Mr. Degutis stated that the revenue had risen pretty much every year. He stated that March 2020 was the lowest of 2019-2020 due to the shutdown in Florida because of Covid-19. Mr. Degutis then reviewed the quarterly sales tax revenue. He stated these were monthly receipts from the State of Florida that are received by the School District two (2) months in arrears. He said these are sales tax receipts that are generated outside of St. Johns County and is paid quarterly such as car sales. The next slide that Mr. Degutis shared was the combination of the quarterly and monthly receipts after almost 4 ½ years of the existence of the half-cent sales surtax. He also stated that the trends are lower in the April, May, June 2020 projections. Mr. Degutis also stated the fiscal year runs July 1 to June 30. Mr. Degutis stated that the future is unknown due to the Governor's phased re-opening plan. He also noted that the District acts as their own trustee as far as the debt service and the debt service is always paid first. He also stated that in their packets there was a Summary of Sources & Uses which will not be shown as a power point because it is too difficult to read onscreen. Mr. Degutis did review each of the items and whether the half-cent sales surtax pays for all or a portion of the project. Mr. Hardman asked the staff to give examples of the actual costs of the new schools to see how much of the half-cent sales surtax would be needed. Mrs. Cubbedge stated that the K-8 schools were originally about \$28.6 million and now they are closer to \$45 million. Mr. Hardman then asked about estimates for the new high school and Mrs. Cubbedge stated approximately \$80 million. Mr. Hardman stated that his reason for these questions was to make a point that more funds may be needed because the costs have risen. Mr. Hardman asked staff if they could send out more information on expenditures. Mrs. Cubbedge replied that the

annual reports from the committee are posted on the District website and they have more detail. Mrs. Cubbedge also said there is a separate sales tax website that can be accessed also through the District website with committee information. He then asked if there were any questions and there were none.

## **Project Reporting**

Mr. Rose gave the report on projects. Mr. Rose thanked the committee for their participation. He reviewed the photos of K-8 School MM. He stated that \$13 million from the half-cent sales surtax is designated for K-8 School MM with a total cost of the school at \$38 million. He then reviewed the Liberty Pines Academy (LPA) classroom expansion which was funded by the half-cent sales surtax at a cost of \$5.5 million. He also showed photos of the dining expansion. He noted that the numbers include everything and is not just for construction. He stated that they have worked around Covid-19 to stay on the timeline since the Governor stated that school construction was essential. Next, Mr. Rose reviewed the single point of entry projects (SPOE). He stated that the SPOE designates a specific route to and from the office for visitors to school sites. The SPOE includes several items such as: front door locks, front door Aiphone (push to talk device), front door camera, front door release button, lobby secured, front desk behind glass and a duress button. He stated that the goal is to keep the SPOE consistent throughout all the schools. He stated there are several funding sources for these items. He further stated that the camera upgrades, panic buttons and buses with LED lighting were all good uses of sales tax funds. He then asked for any questions. Mrs. Connor stated that she was on the focus group calls with Mr. Forson and parents regarding the reopening in the fall and safety measures. She asked about air purification systems and that some PTOs wanted to raise funds to install these systems. She stated that not all PTOs can raise funds to cover the cost of those systems. She asked if sales tax funds could be used for those systems under the project of Keeping Children Safe. Mr. Rose stated that he was not on that call, but they have received information from numerous people selling items such as these systems. He stated that they were carefully vetting these systems. He said some of these UV systems may be cost prohibitive or not easily integrated into existing systems. He stated that they were reviewing the items and protocols. Ms. Connor thanked him. Mr. Rose asked if there were other questions and there were none.

## **Legislative Update**

Mr. Kirkland gave the legislative update. He stated that the legislature wrapped up in mid-March. He stated the wait was now for the budget to be delivered and signed. He stated that there was one bill related to sales tax. He stated that if a future referendum was proposed any sales tax funds collected would be shared with charter schools. He stated that it did not affect the referendum currently in place, but future referendums would be affected. He asked if there were any questions. Mr. Hardman asked about the Governor's decision to open schools. Mr. Kirkland said that the Governor and the Department of Education (DOE) would like to see school districts move ahead

with the “in class” option and that the DOE will allocate CARES funding in support of Covid-19 related impacts. There were no further questions.

Mr. Barrs thanked the staff for their presentation. Mrs. Cubbedge announced that the next meeting will be on September 21, 2020 at 4pm at a location or virtual platform to be determined. Mrs. Cubbedge stated that Mr. Forson is committed to having a plan prepared by the first of July. She stated that Mr. Forson is aware that answers are needed.

### **Public Comment**

Mrs. Harvey read the statement regarding public comment. There was no public comment.

### **Next Meeting Date/Time**

The next meeting will be held on Monday, September 21, 2020 at 4:00pm with the location or virtual platform to be determined.

### **Adjournment**

Mr. Barrs made a motion to adjourn and Ms. Little seconded the motion. The meeting was adjourned at 5:36pm.

Minutes submitted by Judith Harvey