

Half-Cent Sales Surtax Citizens Advisory Committee

Meeting Minutes

Monday, December 16, 2019

Opening

The regular meeting of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 4:02p.m. on Monday, December 16, 2019 at St. Johns County School District, 40 Orange Street, St. Augustine, FL 32084 by Mr. Hardman, Chairman.

Attendance

Present: Edward Albanesi, Jack Hardman, Dr. William McCormick, Grant Misterly, Melissa Nelson, John Quattrochi and Norvie Veracruz. Alternates: Jason Lewis. Absent: Joseph Adiutori, Derek Barrs, Thomas Cave, Christine Chapman, Susan Connor, Damian Cook, Fred Danner, and Barbara Little. School District staff present: Nicole Cubbedge, Mike Degutis, Colin Kirkland, Elizabeth Moore, and Judith Harvey.

Approval of Minutes

Minutes from the June 17, 2019 regular meeting were then approved with a motion by Mr. Albanesi and seconded by Mr. Lewis. A vote was taken, and the motion was approved.

Minutes from the September 16, 2019 regular meeting were then approved with a motion by Mr. Albanesi and seconded by Mr. Lewis. A vote was taken, and the motion was approved.

Annual Report

Mr. Hardman stated that the Annual Report of the committee will be given on January 14, 2020 at 6pm at the School Board meeting. He encouraged everyone to attend. Mrs. Cubbedge then presented the annual report. She stated that the report has the same format but was updated and is still adequate for representing the CAC committee. Mr. Hardman stated that the first slides of the presentation are the same every year which is the background of the CAC. He stated that the committee could decide if they want to keep those slides or just go through them quickly. Mrs. Cubbedge then explained that it was time to reappoint or appoint new members for those who were the original 3-year members. The 2-year members have been reappointed or replaced.

The major categories for the committee's budget remain the same. The budget contains the original categories and projections. Mr. Hardman stated that there was a commitment to St. Johns County voters for these projects. Mrs. Cubbedge then explained the budgeted items. Mr. Hardman stated that the District is not legally obligated, but that Mrs. Cubbedge is committed to meeting these numbers. Mr. Hardman noted that under the New Technology that there needs to be more monies spent. Mrs. Cubbedge stated that they will do their best to meet it. Mr. Lewis asked what ideas were being presented for the \$20 million for technology. Mrs. Cubbedge stated that there were upgrades needed for infrastructure, teacher and class computers, and to bring some classrooms up to date. Mr. Hardman asked if the technology needs for the new schools was included in this budget also. Mrs. Cubbedge stated in the negative. She stated that the technology monies for the new schools are included in their budgets. Ms. Nelson asked if older schools are being brought up to the new schools' technology standard. She said that she had heard from many parents that they were seeing the new schools and the technology in those schools and did not think that the older schools were equal in that regard. Dr. McCormick echoed her statement because he has heard similar thoughts expressed from parents as well. Mrs. Cubbedge said that they had equalized the classrooms and the presentation software that teachers have so schools should be up to par but there are different infrastructures at schools so they will see how much is left. Mrs. Cubbedge stated that the top category has taken precedence since we are deficit in schools. She stated that South Woods Elementary will get an expansion and there will be a new elementary school in the southern part of the county. Mr. Hardman stated that all the new schools have been in the northern part of the county so when the sales tax goes to the voters again, the southern part of the county needs to see more. Mrs. Cubbedge stated that the growth is moving towards the south. Mr. Misterly asked if another column of numbers could be added of what is planned and highlight the gap. He also asked if the focus was on building seats but now it is putting funds into technology. Mrs. Cubbedge noted that Liberty Pines Academy (LPA) received an expansion and the money for this project was from the savings under construction. She then asked if the pictures in the Annual Report were acceptable. Mr. Hardman asked about the \$8 million for LPA. Mrs. Cubbedge stated that the whole project was done with monies saved from the previous budget. She stated that the relocatables will be removed and the expansion will bring the seat count to 1500 students. Mrs. Cubbedge stated that Switzerland Point Middle School (SPMS) is complete and the Rawlings Elementary and Gamble Rogers Middle School roofing projects were in process. Mr. Quattrochi asked who the contractor was, and Mrs. Cubbedge stated that she did not know. Mr. Hardman stated that each phase was about \$1 million for PVPV/Rawlings Elementary. Mrs. Cubbedge stated last year was full refresh of computers, so it was a bigger year for technology. She said this year was a bigger year for construction.

Mrs. Cubbedge then discussed safety and security and entry systems. Mr. Hardman asked if this was at every school and Mrs. Cubbedge stated in the affirmative. She said that she could not give them specific information for security purposes but that there were examples of pictures of single point of entry. She next showed the trend slides for the financial report. She said it showed a great trend and that revenues continue to climb. She noted the debt service that must be paid and then discussed the K-8 School MM. She noted that the Nocatee population has continued to explode. She stated that K-8 School MM is underway and will go to bid soon with

construction beginning after the first of the year. She said \$13 million will come from the CAC for this school. Mr. Hardman asked the total cost of the school and Mrs. Cubbedge stated \$49 million. She said it would be the same prototype as Freedom Crossing Academy (FCA) and Palm Valley Academy (PVA). She said the committee's budget can push now more to technology and about \$1 million for safety. Mrs. Cubbedge asked if there were any other changes to the power point. Mr. Misterly asked about replacing roofs and if the roofs were funded by other mechanisms. Mrs. Cubbedge stated that the sales tax funds were paying for most of the roofs. Mr. Misterly stated that his concern is that the District can't maintain what it has without the sales tax funds so the District would have to dig deeper. Mrs. Cubbedge stated that the District does preventive maintenance to try and stay ahead. Mr. Degutis explained that the 1.5 mils comes into play. He stated that from 1988-2008, it was 2 mils for property taxes and then it was reduced by the legislature. He stated the District was living in a constrained revenue scene. He said without the sales tax, the District would not be able to keep up with growth. He also stated that they used the millage for relocatable classrooms because they must react to the growth. Mr. Misterly stated that this is a heavily capital expenditure funding stream to maintain. Dr. McCormick asked if the tax was reduced by the county. Mr. Degutis said no that this action was from the legislature. He stated the property tax did not go down. He said for over two years they took out of capital and put in operating. He also stated that the County Commissioners have no say in the taxing structure for schools. Mr. Hardman stated that they should call the State. Mr. Degutis stated yes. Mr. Hardman stated that the income stream would not be enough for the needs of the District so the District would need to have the sales tax again.

Financial Reporting

Mr. Degutis gave the financial report. He reviewed the Sales Tax Receipt analysis. He stated there was a 4% increase over the prior year. He also stated that we act as our own trustee as far as debt servicing. He stated that the amounts are shown together with monthly and quarterly amounts and then separately for each. He then reviewed the capital projects and debt service spreadsheets. Mrs. Cubbedge asked if the committee would rather have spent numbers than budgeted numbers on the annual report. Mr. Hardman asked if they could add a second column. Mrs. Cubbedge stated that they could add a second column, but it would require a bigger explanation and might create confusion. Dr. McCormick asked for Mrs. Cubbedge's perspective. Mrs. Cubbedge stated that she preferred the budgeted numbers but now that she has seen the spent numbers, she feels that the spent numbers might be better because they are more accurate. The committee discussed the differences. Mr. Hardman suggested that it would help explain it to the public and be more helpful. Mr. Lewis suggested that Mr. Hardman explain it to the public and show how expensive these items are. Mrs. Cubbedge added that the spent numbers show the whole picture, but the budgeted numbers do not. Mr. Lewis stated that either way the real numbers need to be shown because that is what people want to see. Mrs. Nelson suggested the budgeted slide and then a slide showing what really happened. Everyone then agreed to use the spent numbers.

5 Year Facilities Work Plan

Mrs. Cubbedge said she was asked about the 5 Year Facilities Work Plan so she will give an update. Mrs. Cubbedge then presented the 5 Year Plan. She showed that enrollment had increased, and several projects had been funded such as LPA expansion, High School HHH (HS HHH), K-8 School MM, High School III (HS III), K-8 School N and South Woods Elementary expansion.

Project Reporting

Mrs. Cubbedge then gave the project report update. She updated the committee on HS HHH and K-8 School MM. She said two of the District's high schools are very overcrowded. She explained that in 2008, the District opened Creekside High School (CHS) and Ponte Vedra High School (PVHS) but have not opened any high schools since then. She stated that the District needs a new high school and she wished they could build two new high schools. HS HHH will house 2100 students and they are starting the process to build a high school. The site is on International Golf Parkway (IGP) next to Mill Creek Academy. It is scheduled to open in 2021-2022 SY. She stated that they have selected a design because they could not use the last prototype. She stated that they looked at designs that the architect, Schenkel-Schultz, was building in Seminole County, Millennium Middle School. She stated that this architectural firm has built more high schools in Florida than anyone else. Mrs. Cubbedge then showed the renderings for HS HHH. She stated that the site plans were challenging because most high schools are closer to 100 acres and this site was only 68 acres. Mr. Hardman asked about the cost and Mrs. Cubbedge stated it was \$80 million.

K-8 School MM is a sales tax school. It is located on Pine Island Road in Nocatee. It is scheduled to start in February 2020 and open in the 2021-2022 SY. She then showed renderings to the committee. Mr. Hardman asked about the cost of the last high school. Mrs. Cubbedge stated that PVHS was \$63 million. She also stated that HS HHH is smaller than PVHS but \$20 million more. Ms. Veracruz asked if it was going to be on the corner of IGP and SR 2209 (St. Johns Parkway). Mrs. Cubbedge said yes and that SR 2209 (St. Johns Parkway) will be extended. Mr. Hardman said in the 5 Year Plan there is another high school, HS III. He asked if the location had been identified yet. Mrs. Cubbedge stated that she was guessing in the northwest part of the county, but a site had not been identified yet.

Committee Membership

Mrs. Cubbedge discussed the committee membership. She posted the list of terms. Each district has one person for 3 years and 2 people for 2 years. She asked if you wanted to continue to be on the committee to please let her know today or later. She also stated that Mr. Adiutori resigned today effective immediately.

Public Comment

None

Next Meeting Date/Time

The next meeting will be held on Monday, March 16, 2020 at St. Johns County School District, 40 Orange Street, St. Augustine, FL at 4:00pm.

Adjournment

Ms. Nelson made a motion to adjourn and Mr. Lewis seconded the motion. The meeting was adjourned at 5:20pm.

Minutes submitted by Judith Harvey