

Half-Cent Sales Surtax Citizens Advisory Committee

Meeting Minutes

Monday, March 15, 2021

Opening

The regular meeting of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 4:00p.m. on Monday, March 15, 2021 via Webex at St. Johns County School District, 40 Orange Street, St. Augustine, FL 32084 by Mr. Hardman, Chairman.

Attendance

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

School District staff--Present: Nicole Cubbedge, Mike Degutis, Paul Rose, Colin Kirkland, Gretchen Saunders, Elizabeth Moore, Greg Annucci, Miriam Testasecca, Vicki Davenport and Judith Harvey.

Public Attendees--Web attendees: Melinda Bogart and Karen Everett.

Approval of Minutes

Minutes from the December 14, 2020 regular meeting were then approved with a motion by Ms. Little and seconded by Mr. Albanesi. A vote was taken, and the motion was approved.

New Members and New Staff

Mr. Hardman introduced Rhonda Lovett, new member and Mary Ford, new alternate. Ms. Lovett gave background on herself. Ms. Ford was not yet on the meeting due to technical difficulties, so Mrs. Cubbedge introduced Ms. Ford.

Mr. Degutis introduced Gretchen Saunders, new Chief Financial Officer for the District.

Presentation of Annual Report

Mrs. Cubbedge stated that the presentation of the Annual Report took place at the January School Board meeting and that the Board was pleased with the CAC and their efforts. She stated the willingness of the CAC to be a voice in the community is beneficial for the sales tax.

Elections of New Officers:

Mr. Hardman stated that new officers needed to be elected. The positions are president, vice president and secretary. Mr. Hardman stated that this would be his last year before he rotates off so he is happy to continue as president, but he would welcome someone who will be on longer if they would like to run. Mrs. Cubbedge stated that Mr. Hardman has one year left in his term and that there are no term limits so Mrs. Barrera could choose to reappoint Mr. Hardman. There were no nominations, so Mr. Hardman nominated himself as president. Mr. Lewis nominated himself as vice-president. All nominations were approved. The District staff will continue to act as secretary.

Financial Reporting

Mr. Degutis gave the financial report. He stated that Mrs. Saunders will start giving the financial report at the June meeting. The financial packet was emailed to the committee members prior to the meeting. Mr. Degutis reviewed the spreadsheets. He also stated that there is a set amount for debt service which is paid in April and October. He reviewed the four major categories of the pay as you go projects, and he reviewed the monthly tax collections. He reiterated that the sales receipts are sent to the State of Florida and then the State sends the money back to St. Johns County School District (SJCSJ). Mrs. Cubbedge and Mr. Degutis reduced projections for 2021 due to the impact of Covid-19 thus the total budgeted revenue was reduced. The actual receipts are exceeding these projections. Mr. Degutis stated that December of 2020 was the largest monthly sales tax receipts since inception of the sales tax. He also stated that December has the Nights of Lights which is typically a good month and that December of 2020 was the first time that receipts had gone over \$2 million which is a good trend. He also reviewed the principal and interest payments. He also stated that they track the interest on the bond proceeds. Mr. Hardman asked if these amounts were from December and if the January to June amount was the original projected amounts. Mr. Degutis stated in the affirmative. Mr. Hardman noted that the amounts were running significantly higher. Mr. Degutis stated yes and that it was a good point with a total of about \$21.8 million in collections, even with down months. Mr. Degutis said that he suspected that with the same levels and the same trends that the receipts would be beyond \$22 million this year. He stated that typically the receipts go down in January and February and then will spike again with festivals in the spring. He further stated that the collections were much better than they had anticipated. Mr. Hardman stated that this illustrated the economy of St. Augustine with the drop and then the spike. He stated that the pent-up demand was continuing which was positive for the economy. Mr. Degutis then reviewed the quarterly sales tax slides. The quarterly tax is collected in other

counties and sent to the State and then the State sends the receipts to St. Johns County on a quarterly basis. He stated that the monthly slides illustrate what happens within the geographic lines of St. Johns County.

Mr. Degutis asked if there were any questions. Mr. Hardman directed some information to Ms. Lovett since she is a new member of the committee. He stated that the receipts were significantly more than that original amount. He further stated that more schools needed to be built but the cost of construction has gone up. He reiterated that it was good news though because there was money to spend on students. Next, Mr. Degutis reviewed the Summaries of Funds spreadsheets as well as the revenue spreadsheets and the four categories of spending. He stated that the debt service was always paid first. The next two spreadsheets showed the capital funds broken out and then the debt service broken out and then the numbers are put together on the summary page. Mr. Lewis asked about an estimate of amounts received after ten years. Mr. Degutis asked, for clarification purposes, if Mr. Lewis meant through the end of the ten years. Mr. Lewis stated yes, an estimate. Mr. Degutis said he thought it should be right around \$200 million. Mr. Lewis asked if the amount allocated and used was around \$150 million. Mr. Degutis stated in the affirmative. Mr. Lewis asked if funds from the next four years would be used for new school construction. Mr. Degutis stated that there were other projects in which borrowed funds were not used and so they are setting aside funds to pay for those future construction projects and not finance them. Mrs. Cubbedge noted that on the Critically Needed Project list, there are two construction projects that have been promised: an elementary school in the southern part of the county and an expansion to South Woods Elementary School. She said they would need to set aside funds in order to be ready for those future construction projects. She further stated that there will still be monies to spend in the first category for creating new seats. Mr. Lewis asked if we are getting close to the point to renew the sales tax, maybe 2024. Mrs. Cubbedge said yes but that this time, the initiative would have to be on the ballot in a general election. She said the original passage was not in a general election, but this renewal would have to be in a general election. Mr. Lewis asked how much will be spent on other categories because the southern end of the county feels that they do not get as much. He further stated that the southern end of the county should have priority over the next few years. Mrs. Cubbedge explained that they had been careful to spend throughout the county but that the last two projects are in the southern part of the county. She further explained that they had planned it this way since the northern part of the county needed seats for the beginning of the ten-year period and the southern part of the county would need seats towards the end of the ten years. Mrs. Cubbedge also stated that they had spread the funds across the county for things such as roofs, technology, and safety. She further stated that there were new schools in the northern part but that there would be two projects coming in the southern part. Mr. Hardman asked if there were any other questions and there were none.

Project Reporting

Mrs. Cubbedge gave the technology update on project reporting in Mr. Patrou's absence. Mrs. Cubbedge stated that a total of \$16.1 million will have been spent on technology by the end of June. She said there had been a push for spending on technology since the committee expressed

for there to be an emphasis in technology for the district. She said there will be flat panel screens in all classrooms. She said they started with Title 1 schools and that 800 panels were installed and there are 700 to be installed by the end of the summer. She said it has been an exciting project for teachers and students. Mr. Hardman asked if the total amount of funds being spent on these projects is not the total amount that SJCS D spends in these areas. Mrs. Cubbedge stated in the affirmative. Mrs. McManus asked if the expansion of South Woods Elementary School (SWES) was to expand it to a K-8 school or to expand it as a K-5 school. Mrs. Cubbedge explained that the point of the expansion is to expand capacity as a K-5 school. She stated that the original prototype of an elementary school was about 758 student stations before the Class Size Amendment. She further stated that after the Class Size Amendment, it was reduced to 616 student stations. She then explained that SWES was the last elementary school to expand back to the 758 student stations. She stated that there is no plan to expand SWES to a K-8 school.

Mr. Rose gave the construction project reporting. Mr. Rose showed pictures of Pine Island Academy (PIA) which was formerly referred to as K-8 School MM. Mr. Hardman asked if there were still portables at Palm Valley Academy (PVA). Mr. Rose said yes but there are fewer. Mrs. Cubbedge stated that there were still be some relocatables at PVA but definitely less. Mr. Rose then stated that the Liberty Pines Academy (LPA) addition was complete. He also stated that the roofs at Sebastian Middle School and Gamble Rogers Middle School as well as Osceola Elementary School and Landrum Middle School were ongoing with different phases. Mr. Hardman then asked how many more roofs outside of sales tax were done and he also asked if the cost of the roofs was approximately \$2 million each. Mr. Rose stated that Osceola Elementary School phase 1 roof was approximately \$1 million and Landrum Middle School was approximately \$950,000. He also stated that the roof at Switzerland Point Middle School was approximately \$1 million but was not CAC money. He stated that some of these projects were handled through the annual program for capital maintenance. He also stated there were three others such as the maintenance warehouse which was smaller and two buildings at First Coast Technical College (FCTC).

Mrs. Connor asked a question about the HVAC systems and air purifying. She stated that the newer HVAC units were quite effective at eliminating the virus and circulating air. She asked if they would be updating older schools under the Keeping Children Safe list and if there were plans to update sooner rather than later in light of Covid-19. Mr. Rose responded by saying that they run the air conditioning systems two or more hours per day and use high quality filters. He further stated that there are many thoughts on what works best and that all schools do duct cleaning. Mr. Rose also stated that they check the mechanical, the roof and windows and doors as well as turning on the HVAC earlier in the morning in order to keep moisture out. He stated that nothing is one hundred percent effective, but they are always looking into new things while being prudent with money. Mrs. Connor thanked him. She also asked if there was a way to budget and update for older schools, such as Sebastian Middle School and St. Augustine High School, where the differential in air temperature is quite drastic since it is an older system. She stated that she did not need an answer today but would like for it to be checked. Mr. Rose stated that the Sebastian

Middle School system is effective and has better balance and air quality but they would continue to look into it.

Mr. Hardman welcomed Mrs. Ford after the technical difficulties were resolved. He stated he would have her introduce herself at the next meeting since her microphone was not working. A discussion followed regarding the format of the next meeting. The format of the next meeting will be determined later. Mr. Hardman also asked if the new members had been briefed on Sunshine Laws and Mrs. Cubbedge stated that they had not as of yet, but she will brief them. Mrs. Lovett stated that she was familiar with the Sunshine Laws.

Public Comment

None.

Next Meeting Date/Time

The next meeting will be held on Monday, June 21, 2021 at 4:00pm. The format and/or location to be determined.

NOTE: The meeting was later moved to Monday, June 28, 2021 at 4:00 pm to be held virtually on Webex.

Adjournment

The meeting was adjourned at 5:02pm by Mr. Hardman.

Minutes submitted by Judith Harvey