

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

### **Meeting Minutes**

Monday, June 20, 2022

#### **Opening**

The regular meeting of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 4:00p.m. on Monday, June 20, 2022, St. Johns County School District, via Microsoft Teams by Mr. Hardman, Chairman.

#### **Attendance**

CAC Members--Present: Ed Albanesi, Jack Hardman, Richa Jeetah, Elena Laguardia, Amy Lasswell, Jason Lewis, Barbara Little, Terence Mahoney, Kim McManus, Virginia Morgan, Norvie Veracruz and Linda Villadoniga. Alternates: Javelyn Arvay. Absent: Susan Connor, Damian Cook, John Lasswell, Derek Barrs, Michelle Dillon, Mary Ford and Dr. William McCormick.

School District staff--Present: Nicole Cubbedge, Gretchen Saunders, Paul Rose, Bruce Patrou, Colin Kirkland, Elizabeth Moore, and Judith Harvey.

Public Attendees--None.

#### **Approval of Minutes**

Minutes from the March 21, 2022, regular meeting were then approved with a motion by Mr. Lewis and seconded by Mr. Mahoney. A vote was taken, and the motion was approved.

#### **Introduction of New Members**

Mr. Hardman introduced the new members and asked them to introduce themselves to the Committee.

Mr. Hardman then gave a brief summary of the Committee and the need for the Committee to discuss the benefits of the Half-Cent Sales Surtax with the public.

## **Project Reporting**

Mr. Patrou presented a power point from the IT department regarding the 4 categories for technology of the sales tax. Mr. Patrou explained that the classroom interactive panels category is now closed out. He stated it was started in 2017 and was at a cost of \$2.9 million. He said 1,886 panels were installed across the District. He stated that schools not on the list were either new schools that had received them when the schools were constructed or schools that had already received these panels from PTO or other funds. He explained that the old projectors were removed. Next, he discussed 1,530 new student computers which would go to 39 schools at a cost of \$1.1 million. Mr. Hardman asked about the delivery of computers. Mr. Patrou stated that there is still a problem with getting computers and they often have to look at what is available and see if those computers meet the District's specifications. He further explained that they can only purchase available computers. Mr. Hardman asked if the computers were still coming from China. Mr. Patrou noted that Lenovo is a China based company but that the District also purchases Dells but that even some of the Dells now come from China. Mr. Hardman asked if it was still a supply chain issue and not an issue just for the District. Mr. Patrou noted that it was still a supply chain issue. Next, Mr. Patrou explained the purchase of Screenbeams for classrooms. He stated that the Action Tec's had started failing and this Screenbeam would replace the Action Tec. He said there would be 2,800 devices for 42 schools at a cost of \$1.2 million. He explained that teachers had placed a high priority on this item because it enables them to walk around the classroom and has lots of options. He stated that they would like to get them in the schools before the start of school. Mr. Hardman asked for an explanation of how they work. Mr. Patrou explained that with the old system, an HDMI cord was involved which limited the teacher's ability to move about the classroom but that this system would enable them to move freely. Mr. Patrou then explained that they were continuing to add cameras and replace failed ones but due to security restraints, he cannot give a lot of information. The cost was approximately \$698,030. He further stated that St. Johns Sheriff Office (SJSO) has direct access, 24 hours a day, 7 days a week and has cut down their response time to seconds. Mr. Hardman stated that given the situation with Texas, he wanted to know what we were doing to address similar issues. Mr. Patrou stated that he could not go into details, but Mr. Strausbaugh has been instrumental in working with SJSO on this and that the Single Point of Entry (SPOE), that Mr. Paul Rose's group handled, had also been a big part. Mr. Mahoney stated that an armed officer was needed at every school but that it is a nice benefit that the District works with law enforcement to have a positive presence. Mr. Patrou stated that Mr. Paul Abbatinuzzi and Mr. Strausbaugh would be presenting the new Sheriff's office plan at a future School Board meeting. Mr. Mahoney stated that the Screenbeams were needed. He asked if they would be mounted since they are expensive so he wouldn't want them to get damaged. He also asked if they had warranties. Mr. Patrou said they would be mounted on a shelf on the panel so they would be high above anyone's reach. Mr. Patrou stated that they did come with a warranty, but he did not recall the specifics of the warranty. Mr. Patrou stated that these items summarized the period January 1, 2022 to June 20, 2022 with a total cost of over \$3 million.

Next, Mr. Patrou listed projects that are planned for July 1, 2022 through June 30, 2023, the next fiscal year for the District. The first project is the new classroom wifi for 40 schools at a cost of \$2.7 million. He stated this project would be funded up front and when it was complete, they

would file and if approved, they would receive an e-rate discount for the District. Mr. Hardman asked if this e-rate was federal or state. Mr. Patrou answered that it was state and was based upon free and reduced lunch counts. He stated that our District has a 15-18% rate of free and reduced lunch so the District is lower than most other districts. The next project is network switching for 15 schools at a cost of \$1.3 million which again would be an e-rate project. The third project is the classroom sound upgrade with a cost of \$1.4 million. He stated that the K-8 schools need this the most due to the number in the K-8 schools who will be testing under the new assessments which are online. The fourth project is the new student computers at a cost of \$1.1 million. The last project is the security cameras/access control at a cost of \$1 million. The total of these five projects is about \$7.7 million but hopefully about \$2 million will come back through the e-rate program. Mrs. Cubbedge added that these projects are planned for the sales tax funds, but they have not been taken to the School Board yet. She stated that they will be presenting the Capital Budget to the School Board. Mr. Hardman asked the status of what will be spent in the next fiscal year, July 1, 2022 to June 30, 2023. Mrs. Cubbedge stated that the District is in the process now of building the budget and in September, they will present a tentative budget and then in October, the budget will be officially approved. Mr. Hardman asked about other items that are not funded by sales tax. Mr. Patrou explained that there are lots of other items that are not funded by sales tax, and they also use hardening grants. Mrs. Cubbedge further explained that some of the 1.5 mills would be spent on technology needs. Mr. Hardman stated that he assumed that this amount was not the total amount spent by the School Board for technology and there were probably multiple sources of funding. Ms. Laguardia asked if all the schools were linked to the security camera access. Mr. Patrou answered in the affirmative that every school was linked in. Mr. Hardman stated that it would be good at the next meeting to have a presentation of what has been done on school security. Mrs. Cubbedge answered in the affirmative.

Mr. Rose stated that there were no significant updates on facilities since the last meeting. Mrs. Cubbedge stated that the most recent school built with sales tax was Pine Island Academy (PIA) and that the school just finished its first year. She also stated that there are ongoing roofing projects, and they would report on those projects at the next meeting. She also stated that there will be a lull between the building of PIA and the next new school with sales tax receipts. Mr. Hardman asked about the rebid that was just done. Mrs. Cubbedge stated that the bid for K-8 School NN is in process, but it will not be funded by sales tax.

## **Financial Reporting**

Mrs. Saunders presented the financial reports that were emailed to the Committee. She stated that they continue to watch the numbers grow and to keep in mind that the District's fiscal year is July 1 to June 30. She then reviewed the monthly and quarterly receipts. Mr. Hardman explained that the best example for the quarterly receipts was the purchase of a car outside of St. Johns County and then the tax receipts are sent quarterly to St. Johns County. Mrs. Saunders stated that yes, there is a lag in the quarterly receipts. She also stated that the numbers in bold were actual dollars received. Mr. Hardman stated that the receipts are running ahead of the budget and Mrs. Saunders agreed. Mr. Hardman asked when they would have the budget for the new year. Mrs. Saunders

stated they are working on it and pulling it together. She also stated that they have not closed the books yet. Mr. Hardman asked if they would use a 3% increase. Mrs. Saunders stated that yes, but they have not had a discussion yet, but she is very concerned with gas prices, inflation and people opting for more staycations. She said they would be very conservative. She stated she read that a Wells Fargo executive had stated the other day that food and fuel prices would rise until December. Mr. Mahoney asked if it was even in the purview to support extra fuel costs. Mrs. Saunders stated no and then further explained that her concern was over people traveling less so less sales tax receipts. Mr. Mahoney noted that the budgeted/projected amount was \$1.2 million but the receipts from last month were about \$2.5 million so that would net about \$1.3 additional each month with conservative numbers. Mrs. Saunders answered in the affirmative but that prices are going up. Mr. Mahoney then noted that St. Johns County (SJC) is also developing commercial retail spaces so it would seem there would be a natural increase as long as people keep shopping. He also noted that inflation benefits us because with higher prices, there will come higher taxes so we could anticipate that it would go up. He suggested that Staff take a serious look at the potential of having a reserve fund so they would not need to borrow seed funds. Mr. Hardman noted that we have a category for future school expansion but there are uncertainties with the economy. Mrs. Cubbedge stated that before setting aside future reserves, all financial requirements need to be fulfilled since obligations were made to the voters. She further stated that Mr. Mahoney's idea has merit, but all the obligations need to be made before reserves are put aside. Mr. Mahoney suggested looking at the projections since the housing market may drop which may erase some of the pressure and then decide how to handle it. He said that the Staff could still look at a reserve for the future.

Mrs. Saunders then reviewed the monthly sales tax revenue. She noted that in August there is a sales tax holiday so there is a dip but then receipts go up during Nights of Lights. She also stated that there is a hurricane sales tax holiday in June as well. Mr. Hardman stated that it is interesting how the sales tax is an indicator of the economy. Next, Mrs. Saunders reviewed the quarterly sales tax revenue and then she reviewed the overlay of the monthly and quarterly combination of the sales tax revenue. Mrs. Saunders also noted that she is a part of St. Johns Leadership and that at their last meeting, SJSO noted that 150,000 cars passed through St. Johns County last month.

Mr. Hardman asked about the Summary of Funds. Mrs. Saunders explained that she did not send them to Mrs. Cubbedge to be shared online. Mrs. Cubbedge further explained that the Summary was included in the packet sent to the Committee via email. Mr. Hardman asked that these spreadsheets be included in the power point next time. He noted that this spreadsheet shows the budget and expenditures in certain categories and that it is usually presented at each meeting, and he'd like to have it for the next meeting. Mrs. Saunders answered in the affirmative. Mrs. Saunders also thanked Mrs. Moore for her help in compiling all the data on the spreadsheets.

## **Questions**

Mrs. Cubbedge asked if there were any questions. Ms. Morgan asked the location of K-8 School NN. Mrs. Cubbedge explained that it would be in the Shearwater subdivision on CR 210. Ms.

Little asked if there would just be one school for Shearwater. Mrs. Cubbedge stated in the affirmative that there would only be one school in Shearwater which would be a K-8 school. Mrs. Cubbedge then explained that the District had announced 3 K-8 schools: K-8 School NN which is in the bid process and K-8 School OO which will be located in the Beacon Lakes area of the Twin Creeks DRI and K-8 School PP which will be located in RiverTown. Mrs. Cubbedge noted that K-8 PP will be built as a K-8 but will be transitioned to a middle school as the elementary schools are built in RiverTown. She stated that RiverTown will have 2 elementary schools and a middle school. She also stated that Beachside High School (BHS) is under construction. Mr. Hardman asked if there would be 21 schools in 10 years. Mrs. Cubbedge clarified that the plan is for 21 schools in 21 years.

Mrs. Cubbedge then stated that the next meeting will be on September 19, 2022 at 4pm at the Fullerwood Training Center on Hildreth Drive.

### **Public Comment**

None.

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

The next meeting will be held on Monday, September 19, 2022, at 4:00pm at the Fullerwood Training Center, 10 Hildreth Drive, St. Augustine, FL 32084.

### **Adjournment**

The meeting was adjourned at 5:01pm with a motion by Ms. Little and seconded by Mr. Mahoney.

Minutes submitted by Judith Harvey