

Half-Cent Sales Surtax Citizens Advisory Committee

Meeting Minutes

Monday, March 20, 2023

Opening

The regular meeting of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 4:03p.m. on Monday, March 20, 2023, St. Johns County School District, The Fullerwood Training Center, 10 Hildreth Drive, St. Augustine, FL by Mr. Hardman, Chairman.

Attendance

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

School District staff--Present: Nicole Cubbedge, Gretchen Saunders, Paul Rose, Brennan Asplen, Elizabeth Moore, and Judith Harvey.

Public Attendees--None.

Approval of Minutes

Minutes from the December 19, 2022, regular meeting were then approved with a motion by Mr. Cook and seconded by Mr. Lewis. A vote was taken, and the motion was approved.

Introduction of New Members

Mr. Hardman introduced the new members: Jen Stevenson is a new member for District 5 and Heather Barnes is the new alternate for District 2. Mr. Hardman encouraged the Committee to look for opportunities to discuss the sales tax and he also thanked the Committee for their service.

Elections of New Officers

Mr. Hardman stated that new officers needed to be elected. The positions are Chairman, Vice Chairman and Secretary. Mr. Hardman opened the floor for nominations for Chairman. Mr. Lewis

nominated Mr. Hardman to be Chairman. Mr. Cook seconded that nomination. Mr. Hardman nominated Mr. Lewis to be Vice Chairman and Mr. Cook seconded that nomination. All nominations were approved. The district staff will continue to act as secretary.

Project Reporting

Prior to Mr. Rose doing the project reporting, Mr. Hardman stated that the School Board was appreciative of what the CAC has done when he presented the Annual Report to them in January. Mr. Rose then gave project updates. The first updates he presented were the roofing projects for Osceola Elementary School, Sebastian Middle School, and Pedro Menendez High School. He showed aerial photos of the roofing projects. Mr. Hardman noted that it was significant that there were two phases to the roofs around \$1 million each. Mr. Rose noted that the sales tax was instrumental in them being able to do these maintenance projects such as repairing roofs. He stated that they were not glamorous projects but were needed. He stated that he does not have any other projects to report on at this time.

Mrs. Cubbedge gave an update on the South Woods Elementary School (SWES) expansion project. She stated that the project was funded but had been on hold due to St. Johns County bringing water and sewer to the site. She stated that SWES was the only school that had its own water and sewer package. She stated these sites are on opposite sides of the school, so they take up a lot of space. She further stated that if they can do away with the package plants, then they would be able to put the expansion in the right spot. She explained that St. Johns County said it was a go so they could get the SWES project going. She further explained that SWES was the last elementary school that has been expanded after the Class Size Amendment was passed. She stated that all the elementary schools were back to 750, but SWES's enrollment had dropped so there was no need to expand. She explained that now enrollment was going up, so they do need to do the expansion. She stated that at the next meeting, they would have more information on moving forward with the expansion. Mr. Hardman asked when the expansion might be completed. Mrs. Cubbedge stated the expansion should be done before the ten-year period of the sales tax is over. She stated that St. Johns County is in the procurement phase, but she is not sure of the length of that phase. She further stated that they were hopeful it would be in the next year, but that timeframe could be adjusted. Mr. Rose stated that it will be phenomenal, and the principal is very excited. Mr. Cook asked how far away the utilities from the school were. Mr. Rose stated that they were down to 207 and 206 and would go to Cow Pen Branch Road. He also stated that the water would be done first. Mr. Rose and Mrs. Cubbedge noted that it would add twenty (20) more classrooms to the school and the project would give more property back to the school. Mr. Rose stated that the price has doubled for this prototype, and he is hoping they will see some relaxing of costs and better availability of workforce and materials. Mrs. Cubbedge elaborated on the non-stop building and that there are big projects to finish for the sales tax such as the SWES expansion and the elementary school in the southern part of the County. She also stated that they are pushing roofs, technology, and safety as well. She stated that they are going through the schools and looking for any technology dead spots and fixing those areas to make sure all parts of a school's campus are covered. Ms. Morgan asked about an update on the elementary school being planned for the

southern part of the County. Mrs. Cubbedge stated that the plan was for a Kindergarten through 5th grade school (K-5), but the location has not yet been determined. She said the school would most likely be south of SR 16. She said that the next big challenge would be locating the site. Ms. Morgan asked if there would ever be a potential Kindergarten through 8th grade school (K-8). Mrs. Cubbedge noted that the School Board could adjust the type of school, but due to costing, she did not think the District could afford a K-8. She said there had been no direction to convert the elementary school to a K-8. Ms. Morgan then asked about the timeline for the sales tax and if the District was on target for the ten year mark. Mrs. Cubbedge said that she believed the District was on target and that they hoped to have that elementary school under construction before the end of the ten years. She said that construction costs have escalated so they pushed the timeline out so the school might not be finished but it would be under construction. She further stated that getting this school under construction would complete the promises to St. Johns County residents. She stated that the sales tax has generated more than projected and the School Board would decide to do a K-8 but they have not had a discussion yet. She also stated that the site may play into the plans for the type of school. Ms. Morgan asked about what stage they were now in with this school. Mrs. Cubbedge explained that the District would like elementary schools on 20-25 acres. She also explained that Palencia Elementary School was a small and tight site, so they would prefer more space. Mr. Hardman pointed out that there are major projects not funded by the CAC and so there is a lot more money spent than just the CAC. Mrs. Cubbedge explained that the District just opened Toco Creek High School (TCHS) and Beachside High School (BHS) and there are two K-8s under construction. One K-8 is in Shearwater and one is in Beacon Lakes and these schools were funded with different combinations of property taxes, school impact fees, proportionate share mitigation and borrowing some funds. She further explained that there is another K-8 in RiverTown but the design is being finished and will go out to bid in the future.

Financial Reporting

Mrs. Saunders presented the financial report. Mrs. Saunders reviewed the 22-23 sales tax receipts and the spreadsheet that was distributed to the members. Next, she reviewed the quarterly sales tax receipts. She explained that the bold numbers were actual numbers while the numbers not in bold were projections. She stated that this budget was for the whole fiscal year. She further stated that the projections were low because they prefer to be conservative, and they never want to over project. Next, she reviewed the interest earned and following that graph, she reviewed the graph of monthly sales tax revenue. Mr. Hardman noted that the green line shows the impact of Covid and then the red line illustrates the economy as we came out of Covid. He said this graph is a pretty accurate portrayal of the economy during and after Covid. Mrs. Saunders then reviewed the quarterly sales tax revenue. The last slide, presented by Mrs. Saunders, was a graph of the monthly and quarterly sales tax revenue together.

Mrs. Saunders then reviewed the Capital Projects and Debt Service Sources. Mr. Hardman noted the \$50 million plus cost of Picolata Crossing Elementary School (PCES) and Freedom Crossing Academy (FCA) and he also noted that Palm Valley Academy (PVA) and Pine Island Academy (PIA) were funded with only a portion from sales tax. He then asked Mr. Rose about the cost of

FCA if it were built today. Mr. Rose stated that they had received one bid for \$65 million. Mr. Hardman noted the increase in construction costs and Mrs. Saunders stated that the District was very grateful for the sales tax for that reason. Mr. Hardman noted the roofing projects. Mrs. Cubbedge also noted that in the category of keeping children safe more funds were spent due to the Marjorie Stoneman Act and she made note of the Technology budget as well. Mr. Hardman explained that Mrs. Cubbedge was referencing what had been promised to voters in each of those categories. Mrs. Saunders finished reviewing the spreadsheets.

Ms. Laguardia asked Mr. Hardman if they had any idea of when they would go back to voters for the sales tax. Mrs. Cubbedge explained about how the next sales tax would go to the voters. She stated that the original sales tax was in a special election but now the sales tax can only be on the ballot in a general election. She said it could go in the 2024 election to have no gap in spending. She stated that the sales tax will end in 2025 so they could wait until the 2026 cycle. She further stated that the School Board must decide, and they have not specifically said. Mrs. Cubbedge then explained that there is a very big push now for the operational sales tax for teacher salaries. She said this tax would be separate from the capital sales tax, but they could go on the same ballot. She explained that the School Board has directed Mr. Forson to bring information back to them but it has not been brought back to them yet. She further explained that some districts have had success with both taxes. Mr. Lewis asked if they could do the capital tax in 2024 and the salary tax in 2026. Mrs. Cubbedge explained that it would be more urgent for the salaries so they would probably be in 2024. Mr. Hardman noted that one election is during a presidential election and the other is not. Mrs. Cubbedge said she could let the committee know when the School Board will discuss it. She also noted that this tax would be coming on the heels of St. Johns County being unsuccessful in their ask for an additional tax. Mr. Hardman noted that these taxes are separate taxes. Mr. Lewis asked if they could invite the School Board to a CAC meeting. Mrs. Cubbedge stated that Mr. Hardman covered the historical parts for the School Board at their January meeting when he gave the annual presentation, but she can invite them. Mr. Hardman let the committee know that the annual presentation is posted on the website if anyone could like a copy. Ms. Laguardia asked if the committee could be kept in the loop regarding the sales tax. She is also concerned that they are building schools but will have no teachers to staff them. Mr. Lewis asked for clarification that the half cent would be operational and the other would be for teacher salaries only which is millage. Mrs. Saunders said that was correct and other districts have done differing amounts, but it is operating millage. Mr. Lewis asked if sales tax is only for operations, and she said the sales tax is only for capital expenses. Mr. Hardman noted that the sales tax for St. Johns County failed and was for infrastructure and not operating. Mrs. Cubbedge stated it was for capital. Mrs. Saunders explained that the State controls the property values so there can be cost differentials with the millage rate. Mrs. Saunders said she also had information on the difference in taxes in the State and she can send it to Mrs. Cubbedge to be sent out. Mrs. Cubbedge explained that ten years is the longest for a capital tax, but they can ask for shorter. Ms. Laguardia asked if after the four years if the tax then goes away. Mrs. Cubbedge said yes, or it can be placed on the ballot again for referendum. Mrs. Laguardia also stated that then there is the potential for it to come up every four years. Mrs. Saunders said that if the voters are unhappy with the platform, then the dollars could go away but in the case of teacher salaries, she stated that it would be hard to go to bargaining if the tax is not recurring. Ms. Stevenson asked if the millage is used to fund education

and Mrs. Saunders explained that it comes from the State and it is a levy. Mrs. Saunders further explained that they calculate the tax rolls on July 1st and then you have to wait for the millage rate. She said they have to rely on the state and local numbers so there is not just one millage rate. Mr. Lewis asked if the tax that Duval County Public Schools put forward was approved. Mrs. Saunders stated that yes, it passed. Ms. Laguardia asked if that was the first time for them and Mrs. Saunders answered in the affirmative. Mr. Lewis said that he thought these taxes are very confusing for voters. Mrs. Cubbedge said that if both taxes are on the ballot, then it will be confusing. She said they would need to educate the community. Ms. Laguardia asked if the sales tax passed in 2024 then there would be no stop and it would just roll for the next ten years. Mrs. Cubbedge said they would have to wait for the new millage, so the new tax would not start until October, so the process is not that fast. Next, the Committee discussed the different taxes and their uses and how they should be presented to the voters. Mr. Cook asked if debt service could be placed on the next sales tax. Mrs. Cubbedge said that would depend upon what the School Board put on the list or what was left, so it could go either way. She said it also could be a point of contention with the community. Mr. Cook said he wanted to put a plug in for the District staff because it is never simple and the funds never come as fast as they are needed and that there is a lot to figuring all of this funding out. Mr. Cook also stated that the Committee needs to help with educating the community and how the budgeting has been conservative even with costs outpacing what is received. Mr. Hardman suggested that at the next meeting, the Committee should delve into the whole sales tax issue regarding bringing the sales tax back. Mrs. Cubbedge stated that she would get the information ready.

Public Comment

None.

Next Meeting Date/Time

The next meeting will be held on Monday, June 19, 2023, at 4:00pm at the Fullerwood Training Center, 10 Hildreth Drive, St. Augustine, FL 32084.

Adjournment

The meeting was adjourned at 5:18pm by Mr. Hardman, Chairman.

Minutes submitted by Judith Harvey.