

Half-Cent Sales Surtax Citizens Advisory Committee

Meeting Minutes

Monday, June 19, 2023

Opening

The regular meeting of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 4:06p.m. on Monday, June 19, 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, Richa Jeetah, Elena Laguardia, Jason Lewis, Kim McManus and Norvie Veracruz. Alternates: Virginia Morgan. Absent: Michelle Dillon, Amy Lasswell, John Lasswell, Barbara Little, Terence Mahoney, Jen Stevenson, Linda Villadoniga, Javelyn Arvay, Heather, Barnes, Derek Barrs, and Dr. William McCormick.

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

Public Attendees--None.

Approval of Minutes

Minutes from the March 20, 2023, 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.

Financial Reporting

Mrs. Saunders reviewed the financial reports as of May 31, 2023. She shared the 2022-2023 Sales Tax Receipts spreadsheet with actual and projected amounts. These amounts would include funds that have been received since March 31, 2023. Mrs. Saunders pointed out that there was a \$7.8 million increase over the projected budget. She further stated that we are in vacation season right now. She noted the following trends: August/September is sales tax holiday so there is a downward trend and then an upward trend in November/December with Nights of Lights and then a downward trend in January. Ms. Laguardia asked about the percentage growth from last year to this year and Mrs. Saunders stated it was about 19%.

Next, Mrs. Saunders reviewed the Summary of Funds which includes Sources and Uses. Mr. Lewis noted that there was \$34 million for future schools as well as \$14.9 million of a carryforward balance. Mrs. Saunders stated that those funds were set aside for future schools. Mrs. Cubbedge explained that some of the funds were for the expansion at South Woods Elementary School (SWES) and the remainder of the funds would be for the elementary school for the southern part of St. Johns County. Mr. Lewis noted the extra \$14.9 million left for schools and Mrs. Cubbedge explained that the \$14.9 million was unbudgeted until the next budget. Mr. Lewis asked if those funds were technically to be used for future new schools and the expansion at SWES. Mrs. Cubbedge answered in the affirmative and added it would include interest. Mrs. Cubbedge stated that the last two projects would need to be “pay as we go” since there is no time to borrow and that the district could not miss the last two commitments under the half-cent sales surtax. Mr. Hardman asked if there would be enough funds and Mrs. Cubbedge stated that there will be enough to start the project in the next budget cycle. Mr. Lewis asked for an estimate on the SWES cost. Mrs. Cubbedge said they hoped it would be under \$10 million. She stated that the expansion would expand the potential for that school, and it has been a long time in coming.

Ms. Morgan asked about costs of schools if they had to buy more land. Mrs. Cubbedge said they have not decided how they want to do it but if they had to buy land, it could be about \$50 million. Mr. Rose and Mrs. Cubbedge said that a quick calculation would be about \$35 million depending upon the number of classrooms, size of the building and if it was a two story building or not. Mr. Lewis stated that we would probably need about \$40 million in the budget. Mrs. Cubbedge said they may be short a little, but they need to fulfill those promises from the sales tax. Mrs. Cubbedge reviewed all the categories and noted whether or not they had been fully completed. Mr. Hardman asked if they were working on the budget now and Mrs. Saunders answered in the affirmative. Mr. Hardman asked when the Committee would see the budget for the half-cent sales surtax and Mrs. Cubbedge stated the budget would be presented at the September meeting. Ms. Morgan asked for clarification on the last two pages of the budgeted versus actual numbers. Mrs. Saunders explained that the sheet was just breaking those items out.

Committee Discussion

Mrs. Cubbedge then introduced the ad hoc discussion for the meeting regarding two items: the half cent sales surtax and the operational millage. She stated that there would be a presentation on the half-cent sales surtax at the June 27th School Board Workshop at 9am and she invited the Committee to attend. She stated that it would be online as well. She further stated that the presentation would show everything that has been done over the years. She said the district had been good stewards of the funds. She also said the presentation would present reasons as to why the half-cent sales surtax is still needed and would explain how the half-cent sales surtax would be used if it was voted in again. She explained that if the half-cent sales surtax was put on the ballot in 2024 then everything would be status quo and no different than now. She also explained that if the half-cent sales surtax was not on the 2024 ballot, then it would expire before the item could be placed on the ballot again. She noted that now the half-cent sales surtax has to be placed on the ballot in a general election and a special election for it cannot be held. She also explained that the

staff can only educate about the half-cent sales surtax and not market it. Thus, they would be asking to the CAC to help by creating a list of critically needed projects for the next half-cent sales surtax. She stated that the CAC has their pulse on the community and could help with this list, so it encompasses the entire county. She asked that the CAC bring input to the next meeting. She gave an example of an item that could be considered for the list. She stated that renovations at the center for the arts at Murray Middle School (MMS) and St. Augustine High School (SAHS) are needed. Ms. Morgan asked if the School Board Workshop would be at Fullerwood and Mrs. Cubbedge stated that the Workshop would be at the 40 Orange Street location in the auditorium.

Mr. Lewis asked about the half-cent sales surtax being on the ballot with the teacher salary tax. Mrs. Cubbedge explained that the Workshop would have both presentations. She stated that the teacher salary tax is in the news but that the district also needs to stay on top of the growth and that the half-cent sales surtax is instrumental in helping the district keep up. She stated that the School Board will consider both taxes. Mr. Lewis asked about the plausibility of combining the two taxes, but Mrs. Saunders explained that by statute, they must be separate. Dr. Asplen explained that both taxes are needed because of the growth. He stated that more schools are needed but teacher salaries are also important. He explained that the half-cent sales surtax comes from tourists and citizens and the teacher salary tax is from household taxes, so the basis of each tax is different. Mrs. Saunders also explained that the operating millage for teacher salaries would only be for four (4) years, but the half-cent sales surtax could go for fifteen to twenty (15-20) years. Mr. Lewis asked what the average raise would be on a \$100,000 home. Mrs. Saunders said it would depend on whether it was a full mill or a ½ mill. She explained that the amount of the mill would be for the School Board to decide.

The Committee then discussed the responsibilities of the CAC to the School Board regarding the tax. The Committee felt they needed to let the School Board know what has been done and the challenges left to come especially in regards to new schools. There were also discussions about how and when to get the half-cent sales surtax on the ballot and the advantages to keeping the half-cent sales surtax going without a break. This half-cent sales surtax would stop in January 2026 so if there was a break, then the tax would not start again until January 2027 since the election would be in November of 2026. The Committee also discussed relocatables and their role with the growth. Mrs. Cubbedge stated that the School Board values the opinion of the CAC. Mrs. Saunders stated that she would bring some information on millage throughout the state of Florida to the September meeting. The Committee will continue the discussion at the September meeting.

Public Comment

None.

Next Meeting Date/Time

The next meeting will be held on Monday, December 18, 2023, at 4:00pm at the Fullerwood Training Center, 10 Hildreth Drive, St. Augustine, FL 32084.

Adjournment

The meeting was adjourned at 5:08pm with a motion by Mr. Cook and seconded by Mr. Lewis.

Minutes submitted by Judith Harvey.