

# Half-Cent Sales Surtax Citizens Advisory Committee

## Meeting Minutes

Monday, March 18, 2024

### Opening

The regular meeting of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 4:04p.m. on Monday, March 18, 2024, via Microsoft Teams by Mr. Hardman, Chairman.

### Attendance

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

School District staff--Present: Nicole Cubbedge, Mike Degutis, Gretchen Saunders, Christina Upchurch, Brennan Asplen, Elizabeth Moore, Cathy Weber, and Judith Harvey.

Public Attendees—None.

### Approval of Minutes

Minutes from the December 18, 2023, regular meeting were then approved with a motion by Mr. Lewis and seconded by Ms. Little. A vote was taken, and the motion was approved.

### Election of Officers

Mr. Hardman led the election of officers. Mr. Hardman stated that due to medical issues who would not continue as Chairman. Mr. Hardman opened the floor for nominations. He nominated Mr. Lewis and Mrs. Little seconded the nomination. This nomination unanimously passed. Mr. Lewis then nominated Mr. Cook as Vice Chairman. St. Johns County School District (SJCS) staff will continue as Secretary.

### Financial Reporting

Mrs. Saunders presented the financial report. She reviewed the tax receipts from July 1<sup>st</sup> through December 31<sup>st</sup> for the 23-24SY. She noted that the numbers in bold were the actual amounts and

then she noted the January through June budget with actual and projected numbers as well as interest earned. Next, Mrs. Saunders reviewed the monthly sales tax revenue chart, and she noted the peaks and valleys which coincide with sales tax holidays and Nights of Lights as well as the Covid pandemic. Next, Mrs. Saunders reviewed the quarterly sales tax revenue chart. Mr. Lewis noted that the 22-23SY and the 23-24SY were close in amounts so there seemed to be an equilibrium. Mrs. Saunders noted that the trend is still up. Next, she noted the combination slide with the monthly and quarterly sales tax revenue. Mr. Hardman noted that the amounts were close to the previous year and so it will be interesting to see what the rest of the year brings. Mrs. Saunders stated that the ebb and flow coincides with the economy. Next, she presented the tax revenue slide.

### **Project Reporting – Discussion of Community Presentations on Half-Cent Sales Tax**

Mrs. Cubbedge stated that instead of Project Reporting, she wanted to bring the CAC up to date on the community presentations of the Half-Cent Sales Tax referendum. She noted that SJCSO will be educating and communicating the community on the referendums. She noted that the presentation was given to the Chamber of Commerce and a Focus group. She said that staff now wanted to bring the presentation to the CAC since they are the most educated on the half-cent sales tax. She noted that then presentations would be delivered to SAC and PTO groups. She asked for feedback from the CAC on this presentation.

Mr. Degutis started the presentation by first congratulating Mr. Lewis and Mr. Cook as Chairman and Vice Chairman. He stated that the presentation had been taken to several groups and now they wanted to present it to the CAC. He reiterated that they wanted the CAC to be very involved in this referendum. He stated that the presentation encompassed two proposals. One part was to continue the half-cent sales tax, but the new referendum was the levy of one (1) mill property tax for school operations. He further explained that he and Dr. Asplen would explain and present the two proposals.

Dr. Asplen presented the agenda slide. He did an overview of the Half-Cent Sales Tax history including promises made and kept by emphasizing that the District had done as they said they would do. He then discussed the four (4) categories of the half-cent sales tax: Keep Children Safe, Meet the Needs of an Increasing Student Population, Maintain High-Quality Educational Facilities and New Technology for 21<sup>st</sup> Century Learning. Next, he discussed student growth with explanations of actual versus projected growth in relation to Full-Time Equivalent (FTE) funding. The last item he discussed was why the half-cent sales tax should continue. He noted that without the half-cent sales tax the District would struggle to maintain the pace of new construction, as well as struggle to keep up with technology advancements in the classroom and be forced to defer maintenance for needs of critical system upgrades or replacements. Last, he noted that all of the monies from the half-cent sales tax remain in St. Johns County.

Dr. Asplen then explained that school funding silos. He stated that there is the capital funding silo which is the half-cent sales tax and the operations funding silo which would be the 1 mill funding. He stated that they are two separate buckets that cannot be mixed.

Mr. Degutis then presented the 1 mill funding presentation. Mr. Degutis discussed the history of the last ten years of school millage. He explained the Required Local Effort (RLE) and how it was reduced by 1.93 mills which is a 38% decrease in revenue generating power. He also noted that the School District cannot levy its own taxes and must go to the ballot. He explained that property values have gone up and revenue is up but not by the same RLE. He further noted that RLE has remained constant since 2015. Mr. Degutis also stated that SJCS D is the largest employer in St. Johns County (SJC). He then stated that a comparison of contiguous school districts was done for the 2023-2024SY. He noted that the cost of living in SJC is higher and that teachers left SJCS D for other districts, not necessarily for a larger salary, but rather for the lower cost of living. Mr. Lewis suggested that a column be added to the spreadsheet to reflect the additional \$5-\$7k supplement offered by Clay and Duval counties. Mr. Degutis stated that he would add that column. Mr. Degutis did note the employee vacancies in the classroom and operationally. He noted that the \$15/hour kicked in during the 2022-2023SY, so the shortage of bus attendants went down. He stated that the New One Mill Property Tax for school operations was to recruit, train and retain high-quality staff over the long term. He then noted the impact on school taxes on average showed that the homeowner pays less today than nine years ago since the millage went down although the assessed value was more. He said the breakdown of a one mill increase would look like an extra \$360/year, \$30/month, \$7/week, and \$1/day. Mr. Hardman suggested adjusting it to the cost of living and it would show even more savings and Mr. Degutis agreed and stated he would add that to the verbal presentation. Mr. Degutis further stated that great schools make great communities and noted there are benefits of a well-educated community. He then presented a summary for the half-cent sales tax and the one mill.

The floor was then opened for comments and questions. The first discussion regarded groups that the committee and staff felt should see the presentation. The consensus was SAC and PTO groups should be some of the first groups. Mr. Lewis then added that it would be good to show how this referendum will impact students with better trained teachers and scores going up for students which would result in higher graduation rates and students being better prepared for college. Mr. Lewis also noted that the higher pay would have a tangible effect. Mr. Degutis noted that there had been robust discussions about this topic, but it would need to be qualified since all of these items would have to be negotiated with the Union. Mr. Cook stated that the presentation was well done and contained a lot of information and was crafting a good narrative and good direction. He made some recommendations on certain slides and also asked about a breakout of the different areas by School Board Member district to show that the half-cent sales tax has been evenly distributed. He noted that it would be a visual demonstration of the investment. Mr. Degutis said they would do the math on that idea and see how it looks. Dr. Asplen noted that the two taxes go together. Schools need to be built but the costs have doubled, and the plan is five (5) schools over the next five to six years so the capital side is important but the District will also need personnel for these new schools so the one mill is needed to pay the staff. Mr. Degutis and Dr. Asplen thanked the CAC for the comments and feedback.

Mr. Lewis said he would like to help with the presentations. Mr. Degutis said that the District did not have the CAC the first time so it would be helpful for the CAC to be involved. Mr. Lewis suggested that prior to the June meeting that staff put together a list of groups to take the

presentation to in the fall. Mrs. Cubbedge stated in the affirmative and that SJCS D must stay on the educating side of the presentation and with school back in August, the staff was hopeful to talk to most groups by June. The discussion then centered on whether the CAC can advocate legally for the referendum so Mrs. Cubbedge stated that she would check on the CAC's participation. Mrs. Upchurch noted that there were political activity guidelines on school grounds or at a School Board meeting that she will also check on. The discussion then regarded reaching out to PTO and SAC groups as well as keeping a list of contacts for these groups and possible future town halls.

Mrs. Cubbedge noted that as far as the four categories, they would stay but the projects would change. She stated that they may have a survey or town hall for community input. She noted that last time the staff came up with the list but would need more community input this time.

### **Public Comment**

None.

### **Chairman's Note**

Mr. Lewis thanked Mr. Hardman for his service and leadership on the CAC.

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

The next meeting will be held on Monday, June 17, 2024, at 4:00pm, St. Johns County School District, The Fullerwood Training Center, 10 Hildreth Drive, St. Augustine, Florida.

### **Adjournment**

The meeting was adjourned at 5:28pm with a motion by Mr. Cook and seconded by Ms. McManus.

Minutes submitted by Judith Harvey.