

Minutes
Citizens Oversight Committee
June 6, 2023
District Office Board Room
5:30 pm

- **Present:** Jerry Boudreaux, Bob Archer, Steve Spencer, Sean Johnson, Candy Posey, Deena Loughry, Gary Suderman, Lee Schlenker, Bill Masei, Tami Montague, Jennifer Reinhardt, Marlene Gillis, Natalie Castillo, Greg Hiebert, Jed Bennett, Steve Bennett, Tim Cable

- **Welcome**
 - Meeting called to order at 5:30 p.m.

- **Approval of Minutes**
 - Motion made by Candy Posey to approve minutes from May 2, 2023 meeting, motion seconded by Jennifer Reinhardt, motion carried, minutes are approved.

- **Financial Update**
 - No representative from HMK available for an update, Zoom link unavailable. Bob stated that not a lot has changed, billing for professional services have been paid.

- **Old Business**
 - Construction Excise Tax
 - Steve Spencer stated how much importance the School Board places on the recommendations from the Citizens Oversight Committee. They have heard from the Finance Committee and public comment, both for and against, and they feel strongly that the recommendation from this committee needs to be weighed and they pushed their decision out until the COC can meet again and have a larger quorum.
 - The amount of the Construction Excise Tax (CET) has been around \$300,000 per year for the last five years. The CET can be both commercial, residential or both. The current rate is \$1.56 per square foot (sq ft) for residential and .78 cents per sq ft on non-residential, there is a cap of \$39,000 on non-residential. The City of Dallas would collect fees and distribute to the district, fees for properties outside of the city limits would have to be paid directly to the district, Polk County doesn't collect.

- Steve Spencer said that he will be expected to make a recommendation to the School Board that is independent of the COC. Giving builders and opportunity to plan and to make sure that we're hearing the messages that have been shared by community members. Feels that his recommendation will be going forward with an Excise Tax resolution but to make sure that its being done in a way that is giving builders an opportunity to plan and see what that be. Feels that rolling it in over a period of time would be a good plan. Exemptions can always be put into place such as a house burning down.
- Tami – The Business Office's part of the resolution starts when and if the CET is passed.
- The School Board can override any decision that the COC makes and do what they think is best. The board has the ability to make changes around the tiered approach. If implementation is viewed as a mistake, it can be taken away.
- Motion made by Gary Suderman –
 - In view of current conditions and relative to input from committee members and the public present the Citizens Oversight Committee, the recommendation at this time is that the decision not be made this year but be revisited next year.
 - No second made, motion denied
- Motion made by Bill Masei –
 - I motion to move forward with the Construction Excise Tax over a three-year time period with tiered implementation to be determined by the Board.
 - Deena seconded motion
 - 3 – Yes, 1 – No, 1 – Abstain
 - Motion carried
 - New Bond
 - Reported to the School Board that the consensus of the members present at the last COC meeting is that it's inappropriate to make a comment at this time.
 - Consensus – COC is going to make a recommendation to the Board to not move forward with a new Bond.
- **New Business**
 - Seismic Update – We were over budget for the Grant amount, now we fairly close to allocated amount. Project is scheduled to start once school is out. One way we got the cost down was to have the work done from underneath, instead of on top of the roof, the roofing won't have to be replaced that way. We are also going to try to upgrade the lighting in the gym as well.

- Summer Projects – Roofing project at the high school has begun. Rebuilt the HVAC unit for the Bollman Theatre. A sizable amount of HVAC units showing up to install in various places in the district. Modernization and vestibule at LaCreole Middle School, the gym roof will be started, have some plumbing that will be implemented as well this summer. Vestibule and roof at Lyle will be started as well.
- **Discussion of Next Meeting**
 - Next Meeting Date – Monday August 7, 2023 5:30 pm, LaCreole Middle School
- **Public Input**
 - Jed Bennett spoke representing Steve Bennett Construction and Marion and Polk Home Builders Association regarding the Construction Excise Tax about the financial impact that it could have on both builders and prospective buyers. He said that with increased costs, supply chain issues and higher interest rates, it could put some buyers out of the market if the tax is put into place. Asked that, if the board is insistent that the CET be implemented, that they look at scaling in the tax over course of a few years so that it doesn't hit all at once. Cost per sq foot of a new build is about \$140, pre-pandemic it was about \$115, that's without a profit. Sales prices are determined by the average salary of a two-teacher household. Suggested a community fundraiser, they tend to raise more money than a tax.
 - Steve Bennett stated that the current economic climate is hard to work through and they have to be creative everyday because of it.
 - Tim Cable, Real Estate Broker – Rising interest rates have taken buyers out of the market. Something like a CET can have an effect on affordable housing. He thinks that phasing in a CET seems to be a legitimate compromise.
- **Adjourn**
 - Motion made by Lee Schlenker, motion seconded by Gary Suderman. Meeting adjourned at 7:10 p.m.

Committee Chair **Jerry Boudreaux**

Date

Committee Secretary **Natalie Castillo**

Date

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