



PROJECT MEMORANDUM

TO: Mr. Michael Chiumento, III
FROM: Saralee L. Morrissey, FAICP*
DATE: July 27, 2022
RE: FLAGLER COUNTY SCHOOL CONCURRENCY

This report is a continuation of the Flagler County school concurrency evaluation process begun in 2020 and first documented in a December 17, 2020 memorandum. Some concerning observations outlined in that memo have been addressed; however, the district's implementation of school concurrency continues to lack consistency with the statute, interlocal agreement and local regulations. Flagler's school concurrency implementation processes changed in the fall 2020 and the changes were not effectively communicated with local governments. Over the past 12 months more coordination and communication has been occurring and the parties are trying to work through the issues to maintain a sound and legally defensible school concurrency system. This memo outlines remaining substantive concerns but may not necessarily address all concerns.

Corrections made since December 2020 include:

- Steps toward implementation of redistricting and grade reconfiguration to better utilize existing school capacity in accordance with F.S. 163.3180(6)(f)(2)(a). The 2022-23 school year will reflect the movement of 6th grade from elementary schools to the middle schools. Redistricting of schools to achieve better balance is still needed across all levels and the district has indicated it is working on that as well.
- Updating the 2004 school impact fee study. A new fee based on the 2021 adopted study will go into effect September 1, 2022.
- Correcting the mitigation formula. The District is now providing a dollar-for-dollar credit with the school impact fee; however, the agreements are only between the school district and the developer applicant(s) and do not include the local government in accordance with F.S. 163.3180(6)(h)(2)(a) and the adopted interlocal agreement. **The Proportionate Share Mitigation Agreements include the Municipality where the Development is located as a party. We can include a process for them to sign the document in the new Interlocal Agreement along with the formula for impact fee increases.**
- The agreements do not address entitlements relative to density and the (future) increase in impact fee and credits in accordance with F.s. 163.31801(7), nor is there an agreed upon process in place with the local governments to coordinate the issuance of credits and the payment of school impact fees. **Impact fee credits are**

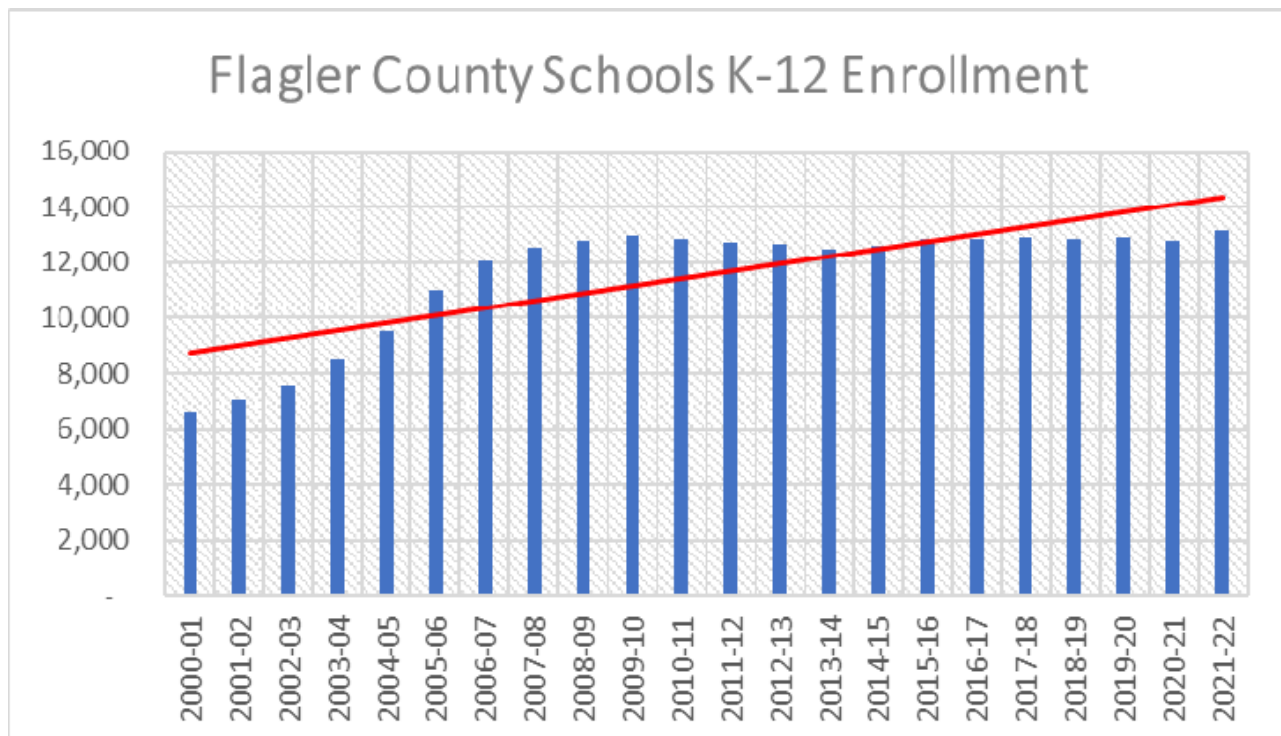
based upon the impact fee at the time of the proportionate share payment. They will receive a voucher for an impact fee credit without a dollar amount on it.

Strategic · Meaningful · Collaborative

- Making some information and data available on the District website. **Once we have a final agreement with the members of the School Concurrency ILA we will begin posting the documents on our website, along with calculations.**

The overall concern is the congruity of the district's capital work plan with its school concurrency program and the overall collaboration of all processes with the local governments. More specifically, the adopted 100% level of service at the secondary level does not appear to be financially feasible and mitigation is being used as a school financing tool to address this lack of financial feasibility. F.S. 163.3180(1)(b) states that the local government comprehensive plan must demonstrate that the levels of service adopted can be reasonably met and that infrastructure needed to ensure that adopted level-of-service standards are achieved and maintained for the 5-year period are in the capital improvement schedule. **The School Board funding plan is financially feasible and can be funded without proportionate share. The funds from proportionate share are used for planning and to reduce the debt service.** As stated in December 2020, the desire to adopt a 100% level of service is understandable; however, this is an expensive level of service and works in a district that has adequate revenues to address new capacity within the five-year period. Between 2005-07 when concurrency was being adopted, there was rapid and consistent enrollment growth, and state revenues contributed to the district's capital budget. As shown in Figure 1-1 this enrollment growth has not continued and there is disagreement over whether it will return. Furthermore, the state has considerably reduced its monies towards traditional public school's capital outlay.

FIGURE 1-1 HISTORICAL DISTRICT ENROLLMENT



SOURCE: Florida Department of Education

- 21 Year Overall October Enrollment
 - 6,607 to 13,131 students
 - 99% growth
- First Decade enrollment
 - Growth of 6,222 students
 - 94% increase
- Second Decade enrollment
 - Decline of 10 students
- The Pandemic Year (SY 2020-21) saw decline
- SY 2021-22 enrollment
 - Growth of 313 students from pandemic year
 - 2.4% increase
 - Growth of 223 students from SY 2019-20
 - 1.7% increase

In 2011 school concurrency became optional; however, to implement school concurrency, the need for the underlying planning standards and documentation remains as well as the coordination with local government. The following elements should be considered when determining whether and when new school capacity construction should be pursued and are essential to a defensible school concurrency system and a financially feasible and effective capital work program.

- 1) Enrollment, Historical Trends and Projections
- 2) Capacity and Level of Service Tables
- 3) Available Capital Revenues and Balancing Other Needs

ENROLLMENT PROJECTIONS

Student enrollment projections are an essential component of facilities planning. Overall enrollment growth or decline is based on several variables, which can vary in significance by county including but not limited to birth rate, in-migration, specific demographic characteristics, new construction, economic development, and instructional delivery methods, and most recently the impact of the pandemic. **The Districts projection software utilized birth rates, in-migration, new construction and other pertinent data. In addition, we have utilized an exact generation rate based upon our County enrollment and our County number of homes and students in each type of home. The School Board is happy to include completing a new generation rate each Spring, with the cooperation of the County Property Appraisers office, if that is what is desired.**

As shown in FIGURE 1-1 Historical District Enrollment, Flagler's enrollment has been flat in the past decade, except for the most recent school year. The question is whether annual increases in enrollment will begin, and if so, how significant? The two consultants hired by the district have wildly different enrollment projections. The 2020 pre pandemic study by Davis Demographics showed a 2.3% enrollment increase over a ten-year period. Davis Demographics considers birth rates, grade cohorts, and new development, but presumably underestimated the impact of in-migration and new housing, according to district staff. **Please see the attached spreadsheets regarding the Davis Demographic Data vs the development data**

Mr. Michael Chiumento, III

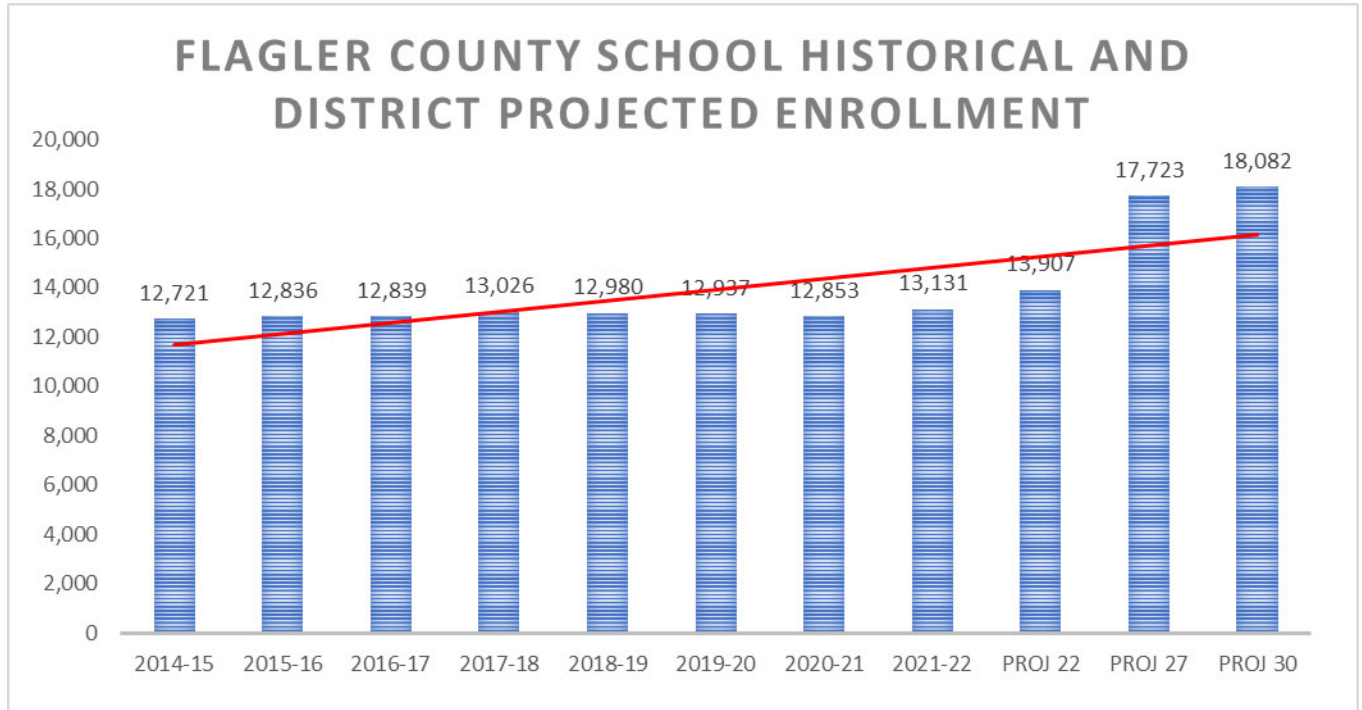
July 27, 2022

Flagler School Concurrency

received since that time (October 2019). The 2021 impact fee study by Tischler Bise showed a 19.3% increase over a ten-year period. Tischler Bise does not consider birth rates nor grade cohorts and based the projection on a flat student generation rate per dwelling unit and new housing unit estimates consistent with the Bureau of Economic and Business Research at the University of Florida (BEBR) medium projection.

Recently released district staff enrollment projections forecast a higher growth rate as shown in FIGURE 1-2. The concern with the staff and Tischler Bise projections is that they rely heavily on growth and lack sufficient consideration of the declining birth rate and grade cohorts addressed in the Davis study. District staff projections exceed the projections by Tischler Bise and reflect a 38% increase over the ten-year period. **Again, the School Board software includes the birth rate data and it is updated annually.**

FIGURE 1-2 DISTRICT PROJECTED ENROLLMENT



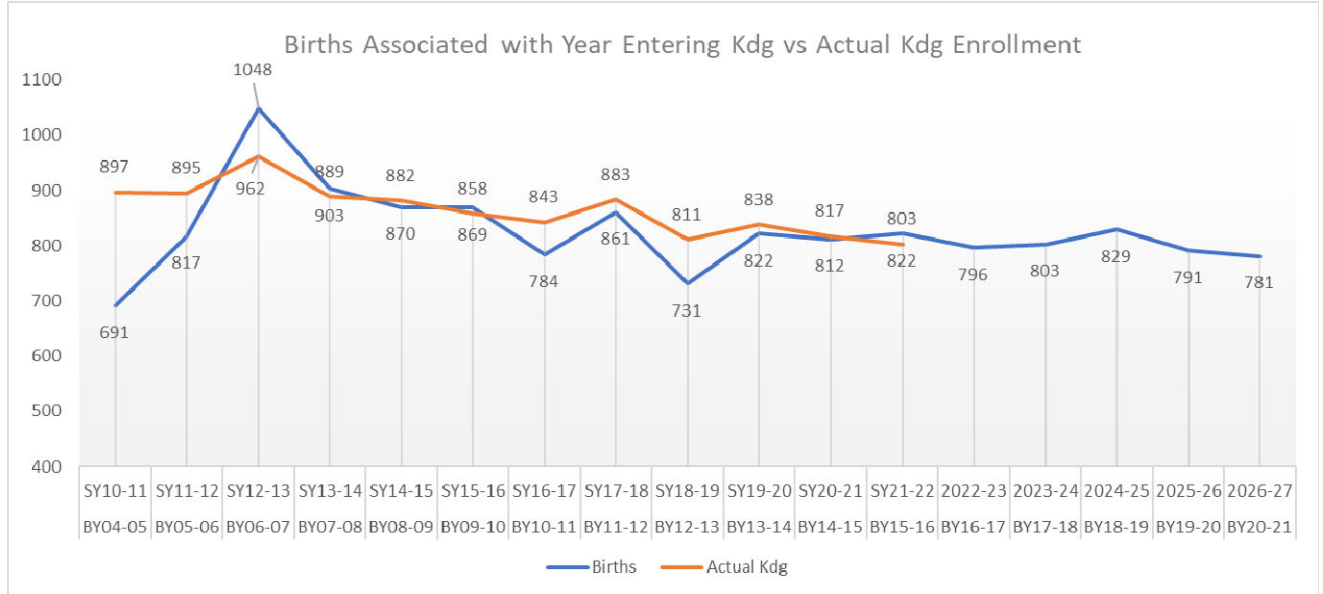
Source: 2014/15-2021-22 Florida Department of Education, Projections 22-30 July 19, 2022 District Presentation US1 Master Plan and inclusion of Imagine Charter and iFlagler students

- SY 2022-23 Enrollment Projection by District
 - Growth of 776 students
 - 6% increase from this most recent (SY 2021-22) school year
- SY 2027-28 Enrollment Projection by District
 - Growth of 4,592 students
 - 35% increase from this most recent (SY 2021-22) school year
- SY 2030-31 Enrollment Projection by District
 - Growth of 4,951 students
 - 38% increase from this most recent (SY 2021-22) school year

FIGURE 1-3 tracks birth rates and kindergarten enrollments, both of which have been declining since the boom, pre-Great Recession. Eventually, the smaller incoming class sizes from the elementary grades replace larger middle school classes and drive the resident student projections downward. This can also be seen in Figure 1-4 where the school enrollments over the past seven years at the elementary school have dropped. Figure 1-5 shows the enrollments at middle and high school appear to be increasing but they are influenced by the growth cohort

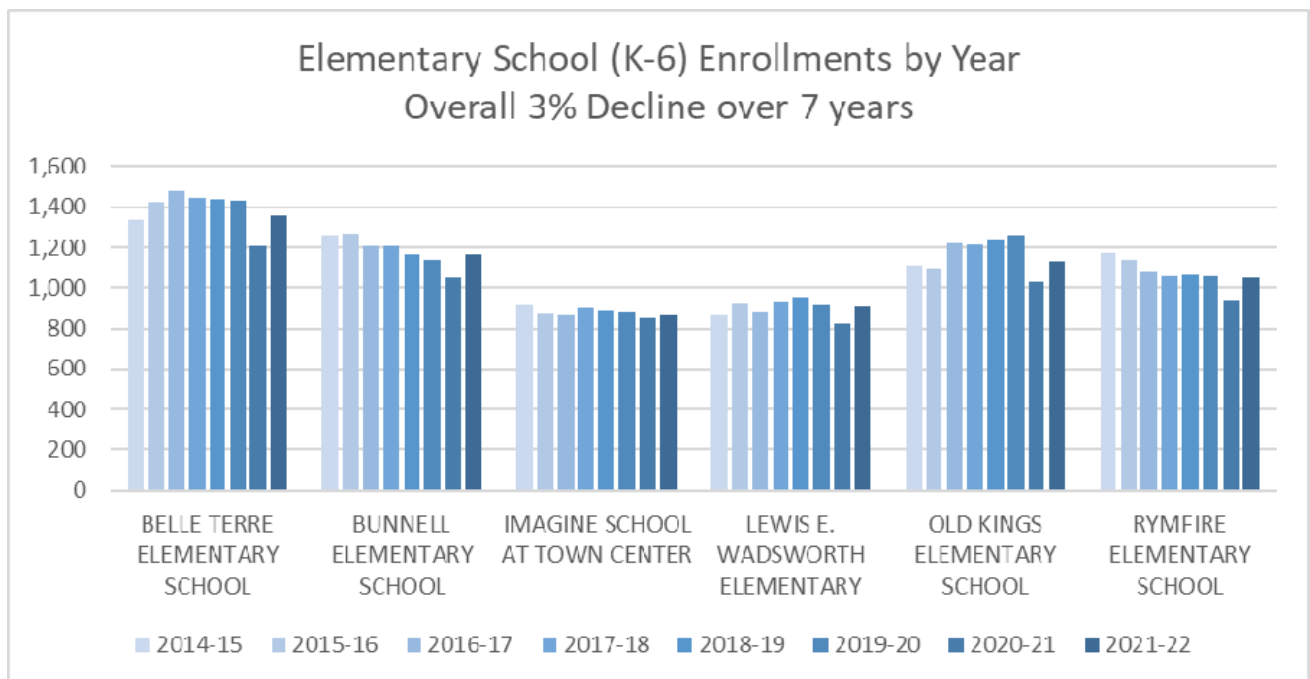
that is moving through the system and can be seen influencing the decline in the middle school. Finally, when looking at Figure 1-6, the grade cohorts do show that they have gotten smaller since the Great Recession.

FIGURE 1-3 BIRTHS AND CORRESPONDING KINDERGARTEN ENROLLMENT



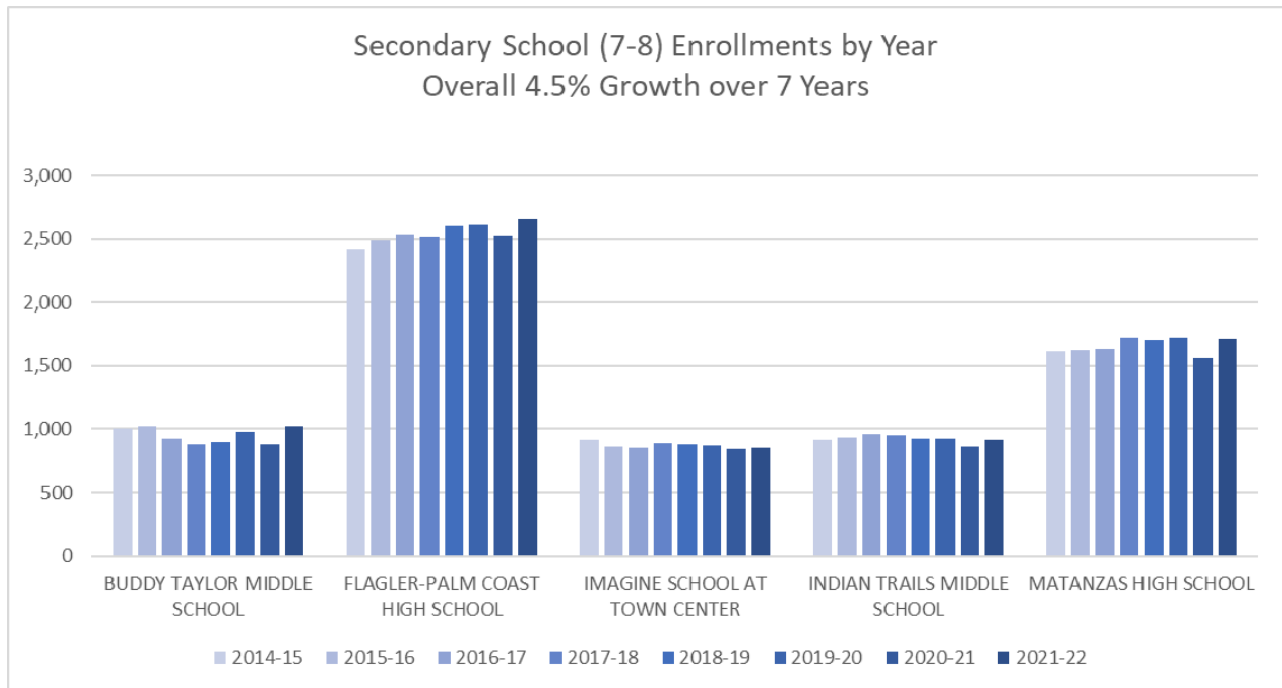
Source: Florida Department of Education

FIGURE 1-4 HISTORICAL ELEMENTARY SCHOOL ENROLLMENT



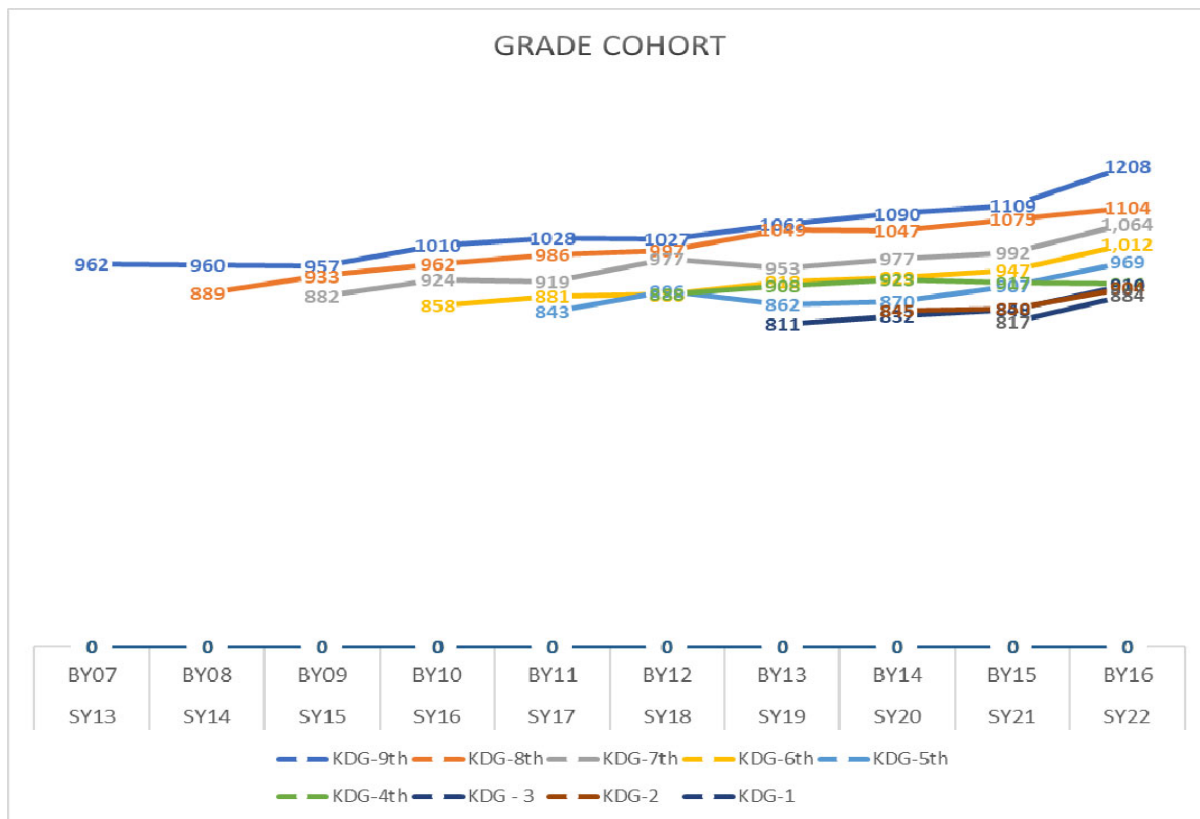
Source: Florida Department of Education

FIGURE 1-5 HISTORICAL SECONDARY SCHOOL ENROLLMENT



Source: Florida Department of Education

FIGURE 1-6 GRADE COHORT



Source: Florida Department of Education

Growth activity, most typically associated with new construction, does not necessarily translate into growth in school enrollments, particularly in a state like Florida that is attractive to retirees, seasonal visitors and second home ownership. It cannot be assumed that residential construction will result in student growth. The table below shows that increased building activity in Flagler and Volusia did not equate to more students though St. Johns County reflects a consistent pattern. As interest rates rise and talk of a pending recession increases, St. Johns does not appear to be slowing down like Flagler and Volusia. **Refer to the current generation rate and how it is calculated and can be updated annually. Volusia does not use this type of exact data that is most applicable.**

FIGURE 1-7 RESIDENTIAL BUILDING PERMITS AND STUDENT ENROLLMENT

	Residential Building Permits					YTD		
	2017	2018	2019	2020	2021	2021	2022	
Volusia	2,094	2,960	2,462	2,651	3,600	2,081	1,434	-31%
Flagler	950	1,208	1,185	1,444	2,693	1,468	1,260	-14%
St Johns	3,910	4,460	4,017	4,751	6,136	3,418	3,469	1%
	Student Enrollment							
Volusia	62,977	63,249	63,027	61,088	62,666			
Flagler	13,026	12,980	12,946	12,853	13,131			
St Johns	40,189	41,908	43,644	44,550	48,032			

Source: Builders Reports

Key Findings ENROLLMENT PROJECTIONS

- *Enrollment is considerably slower than when the school concurrency system was originally developed which reflects lower birth rates and an aging population. Residential building activity is nowhere near the unsustainable levels of 2003-2005, but the past five years has seen consistent, more sustainable construction levels reminiscent of 2001 activity.*
- *There is a growth cohort that is now at the high school. High school enrollments will decline after the growth cohort matriculates through as subsequent grade cohorts are smaller.*
- *It is too soon to know with any level of certainty the rate of growth in student enrollments over the next ten years and the consistency associated with that rate of growth. Consistent enrollment increases and reliable enrollment projections are needed to warrant new school construction.*
- *Given the declining births, and smaller grade cohorts, projections based solely on student reservations and level of service challenges are not sufficient to justify school construction unless and until sufficient and consistent enrollment increases appear.*

CAPACITY CALCULATIONS VS LEVEL OF SERVICE

The school concurrency system relies heavily on capacity calculations. Based on grade reconfiguration, redistricting, and a classroom addition at Matanzas High School, capacity and balanced utilization issues will largely be addressed. The permanent capacity at Flagler elementary schools has changed since the 2020 Educational Plant Survey (discussed in the December 2020 memorandum) because the district has gone back to a traditional elementary

Mr. Michael Chiumento, III

July 27, 2022

Flagler School Concurrency

school model (K-5) rather than the K-6 model. This changes the FDOE utilization rate from 90%

to 100% and increases the permanent capacity. Figure 1-8 shows the relationship of enrollment to permanent capacity in both the most recent school year and the upcoming school year. The upcoming school year enrollment projections are based on the recently released US1 Master Plan report, the movement of 6th grade from the elementary schools to the middle schools, and the redistricting anticipated at the high school level.

FIGURE 1-8 PERMANENT SCHOOL CAPACITY AND UTILIZATION

	SY2021-22 Actual Enrollment	Permanent Capacity	Utilization	SY2022-23 Projected Enrollment	Permanent Capacity	Utilization
Belle Terre Elem	1,360	1,557	87%	1,051	1,557	68%
Bunnell Elem	1,168	1,579	74%	1,284	1,579	81%
Old Kings Elem	1,130	1,290	88%	939	1,290	73%
Rymfire Elem	1,047	1,545	68%	1,007	1,545	65%
Wadsworth Elem	905	1,048	86%	683	1,048	65%
				6 th grade will move from elementary to middle		
Buddy Taylor MS	1,022	1,481	69%	1,493	1,481	101%
Indian Trails MS	911	1,609	57%	1,497	1,609	93%
				Classroom Addition at Matanzas should start construction. Capacity added for illustration purposes		
Flagler Palm Coast HS	2,662	2,534	105%	2,391	2,534	94%
Matanzas HS	1,716	2,258	76%	2,372	2,638	90%

Source: Florida Department of Education, July 19, 2022 Flagler County School District US1 Master Plan report and Flagler Educational Plant Survey

LEVEL OF SERVICE

Level of Service (LOS) is the target utilization of facilities for the purposes of evaluating and planning for new residential development. The Interlocal Agreement (ILA) for Public School Facility Planning and School Concurrency provides that the school board and local governments must work cooperatively to ensure that student stations are available for students associated (concurrent) with new residential development.

Section 163.3180(1)(b), Florida Statutes, states: “The local government comprehensive plan must demonstrate...that the level-of-service standards can be reasonably met. Infrastructure needed to ensure that the adopted level-of-service standards are achieved and maintained for the 5-year period of the capital improvement schedule must be identified. ..” A 100% Level of Service (LOS) for school concurrency at all school levels based on permanent school capacity is an expensive level of service as it theoretically can require school capacity be available before student reservations become actual students attending schools. When steady consistent enrollment increases are occurring, new schools can be planned and constructed in a timely manner knowing that students will be there, such as in St. Johns County, but in a county like Flagler County where student growth is not significant, or lagging, yet residential construction activity is significant, it can falsely and/or prematurely create a demand for additional capacity. .

It is important to note the distinction between capacity and level of service. Capacity is a real time measurement whereas level of service reflects an anticipated measure of students based on the calculation of the student generation rate multiplied by the proposed number of residential dwellings. ***Being over level of service does not necessarily mean that the school is over capacity.*** In looking at the reserved student stations in Figure 1-9, it reflects an 18% increase which could happen over ten years at 1.8% growth per year. 1.8% annual growth would be consistent with the projections in the Tischler Bise impact fee study. The challenge is that for school concurrency purposes, student station reservations are all front loaded; they are all counted in one year, and that results in a primary source of conflict, particularly in an area that is not experiencing growth. Figure 1-9 depicts projected enrollment, capacity, and reserved student stations and subsequent level of service. It indicates that middle schools and high schools are over level of service, even with the redistricting and classroom addition. Note that the middle schools were not over level of service before the transfer of 6th graders; however, there was considerable underutilization of school capacity (see December 2020 report).

FIGURE 1-9 LEVEL OF SERVICE PROJECTION FOR SY 2022-23

	SY2022-23 Projected Enrollment	Permanent Capacity	Utilization	Reserved Student Stations	Level of Service	What does growth look like in students?
Belle Terre Elem	1,051	1,557	68%	270	85%	
Bunnell Elem	1,284	1,579	81%	421	108%	
Old Kings Elem	939	1,290	73%	126	83%	
Rymfire Elem	1,007	1,545	65%	109	72%	
Wadsworth Elem	683	1,048	65%		86%	
	6 th grade will move from elementary to middle			926	87% AVG	1% = 69 students
Buddy Taylor MS	1,493	1,481	101%	400	128%	
Indian Trails MS	1,497	1,609	93%	173	104%	
	Classroom Addition at Matanzas should start construction. Capacity added for illustration purposes			573	116% AVG	1% = 28 students
Flagler Palm Coast HS	2,391	2,534	94%	596	118%	
Matanzas HS	2,372	2,638	90%	259	100%	
			86% AVG	855	109% AVG	1% = 44 students

Source: Flagler County Schools July 19, 2022 US1 Master Plan report, Flagler Educational Plant Survey, and July 12, 2022 Concurrency Reservations

Key Findings LEVEL OF SERVICE

- *Based on Florida Statute and the adopted level of service of 100%, Flagler County Schools and the local governments have the obligation to achieve and maintain the LOS within the five-year period. The fact that the level of service is not met with the Matanzas High School classroom addition is problematic. It indicates that this measure has not been met.*

Mr. Michael Chiumento, III

July 27, 2022

Flagler School Concurrency

The Matanzas High School addition is not a capacity project. It is an equity project to be sure the two high schools provide similar programs. As part this project it happens to increase capacity.

- *One of the objectives of school concurrency is to ensure that schools have sufficient capacity to support projected student growth. At the first signs that schools may reach their maximum capacity, options should be considered that will maximize the available school capacity. The district moved 6th grade to the middle school to address underutilization of middle school space; however, in so doing, they created a level of service issue. **Portable classrooms will be utilized until new permanent school capacity can be achieved***
- *The district changed the utilization of the elementary schools from 100% to 90% in 2020 with their Educational Plant Survey (see December 2020 report). This caused some elementary schools to be over the adopted level of service. Note that in addition to moving the 6th grade to middle schools, the district has recently changed the utilization at the elementary school back to 100%. If the transfer of 6th graders to middle school was only because of level of service, the utilization should have remained at 100% to avoid the (paper) loss of capacity. **This was done at the recommendation of the DOE.***
- *ILA section 12(e) School Concurrency Implementation states “Relocatables shall be utilized to maintain the LOS on a temporary basis when construction to increase capacity is planned and in process. The temporary capacity provided by relocatables shall not exceed twenty percent (20%) of the permanent FISH capacity and shall be used for a period not to exceed five (5) years.”*
- *ILA section 12(f) School Concurrency Implementation states “If Level of Service cannot be met with the funding available and if Level of Service cannot be amended to a standard agreeable to the School Board and Local Government, then the School Board and Local Governments shall consider other capacity options such as a tiered LOS to meet sudden growth spurts, double sessions, year long school, dual enrollment and virtual school.” **Our level of service can be met with funding available. The question is the cost of debt servicing if the Development Community does not pay their proportionate fair share.***

WORK PROGRAM

Already mentioned is the statute’s requirement that the adopted level of service be achieved and maintained within the five-year period and the statute further requires that demonstration reflect the projects can be reasonably provided and included in the local governments’ capital improvements element as well as the school board’s educational facilities plan. (Florida Statute 163.3180(6)(h)(1)(b)) This author has already expressed concern over a 100% level of service but in a July 8, 2022 Oversight Committee meeting, the district staff distributed a chart prepared by their financial advisor, PFM, that documents a concern that the level of service is not financially feasible if construction of a new middle and high school is necessary in the near future and must be paid for with issuance of bonds and their associated debt.

The PFM document shows the necessary debt associated with constructing a new \$70M middle

Mr. Michael Chiumento, III

July 27, 2022

Flagler School Concurrency

school in FY 24 and new \$90M high school in FY26. This document is included in the appendix.

Its data is professionally acceptable and reasonable and is used in the charts and tables in this section to assist in evaluating a possible capital work program. Of critical importance is the rule

that the district should not incur additional debt if it exceeds 50% or 75% of its 1.5 millage revenue. This author does not think the district should exceed 50% of its 1.5 millage, currently equal to approximately \$8 million, because of the vulnerability of its impact fee revenue to the impact of a recession. Impact fee revenue can be used to pay debt associated with school construction needed for growth provided appropriate data and analysis prove a rational nexus. Last year the district collected \$9.1 million in impact fees; it is expected to increase to \$13 million with the increase in the fee; however, the number of building permits is anticipated to decline as shown in Figure 1-7 and the revenue will decline as well. **Our Bonding company will be able to answer all questions related to this at the Oversight Committee meeting**

New school facilities are expensive, and they require large and lumpy budgeting to proceed with construction. Generally, if it is necessary to acquire a site, land acquisition costs are budgeted in one year; design and permitting costs are budgeted in a subsequent year; construction funds in a third year; and furniture, fixtures, and equipment in a year prior to the school opening. It is not unusual for one school, with all phases as referenced necessary, to be funded over a five-year period. The construction phase alone for a large school like a middle or high school may take two - three years, depending on construction complexity. Even though funds are expended over a 2-3-year period, the governing body is required to encumber all necessary monies in order to execute the construction contract, unless a unique arrangement like a public-private partnership (P3) is being utilized.

A school district, like a local government, adopts a five-year capital work program but it only is funding year one of the work program. All other years are based on forecasts and assumptions and may change in future years. ***The school concurrency statutes require us to have a reasonable expectation that the five-year work program can be achieved to ensure that the level of service is financially feasible.***

There are many assumptions that must be made to project forward. In the next few tables and figures, the following assumptions are used across all scenarios.

- The Half Cent Sales Tax must be approved by voters in November for it to continue through the next ten years. Revenue is kept flat at \$8 million annually. This revenue stream increases with population growth and can decline slightly during a recession. Keeping it flat accounts for either fluctuation; more importantly is whether it is approved by the voters.
- Impact fee collections are expected to increase for next year based on the increase in the amount. Impact fee revenue is much more affected by economic booms and recessions. The revenue is estimated to decline the year after and is kept flat for all years after. The revenue estimate is based on the permit activity projected in the recent school impact fee study - this could vary significantly in either direction based on continued growth in construction activity or a recession. Additionally, over the

next ten years there should be two updates to the impact fee. Overall, the revenue estimated for this purpose is conservative.

- Proportionate Fair Share Mitigation is not shown as a revenue source because it reflects the same fund source as impact fees. Impact fees need to be reduced if proportionate fair share mitigation is shown as a revenue source. Additionally, because the district has not executed its mitigation agreements in concert with the local governments to date, any collection is speculative, though the district has received some mitigation payments.
- State Revenues (CO&DS and PECO) are kept flat and based on past budget figures.
- Capital Millage revenue is based on the amounts and 3% annual increase used by PFM in the July 8, 2022 handout.
- Existing debt amounts are based on the school impact fee study and PFM handout. School impact fees pay for the portion identified in the school impact fee study. Other capital revenues pay for the remainder.
- Bus expenditures are based on purchasing 10 new buses at \$1.25M annually.
- Technology and other expenditures are estimated at \$7M annually.
- Renovations and maintenance are estimated at \$9M annually.
- Matanzas High School renovations and classroom addition expenditures are projected in the new fiscal year based on the project schedule outlined by the consulting architect at the July 19, 2022 School Board meeting.
- The classroom addition at Matanzas HS is funded with school impact fees and other funds are used for the renovation aspect of the project.

Figure 1-10 is based on data associated with Table 1-10 and reflects capital expenditures for Flagler County School District. The figure also shows the debt level allowed as provided by the PFM handout of July 8, 2022. Generally, assuming the half cent sales tax referendum is approved by voters, the district is in good condition. All subsequent charts and tables build off this chart and its baseline data.

The additional charts and tables are based on the district's desire for a new middle school and new high school; there are other options available to address level of service and/or provide additional capacity, if in fact additional capacity is warranted. The purpose of the charts is to show when new capacity, in the form that the district is desiring, is financially feasible based on a reasonable allocation of capital expenditures, issuance of debt and available revenues.

FIGURE 1-10 Anticipated Capital Expenditures with Level of Debt Allowed

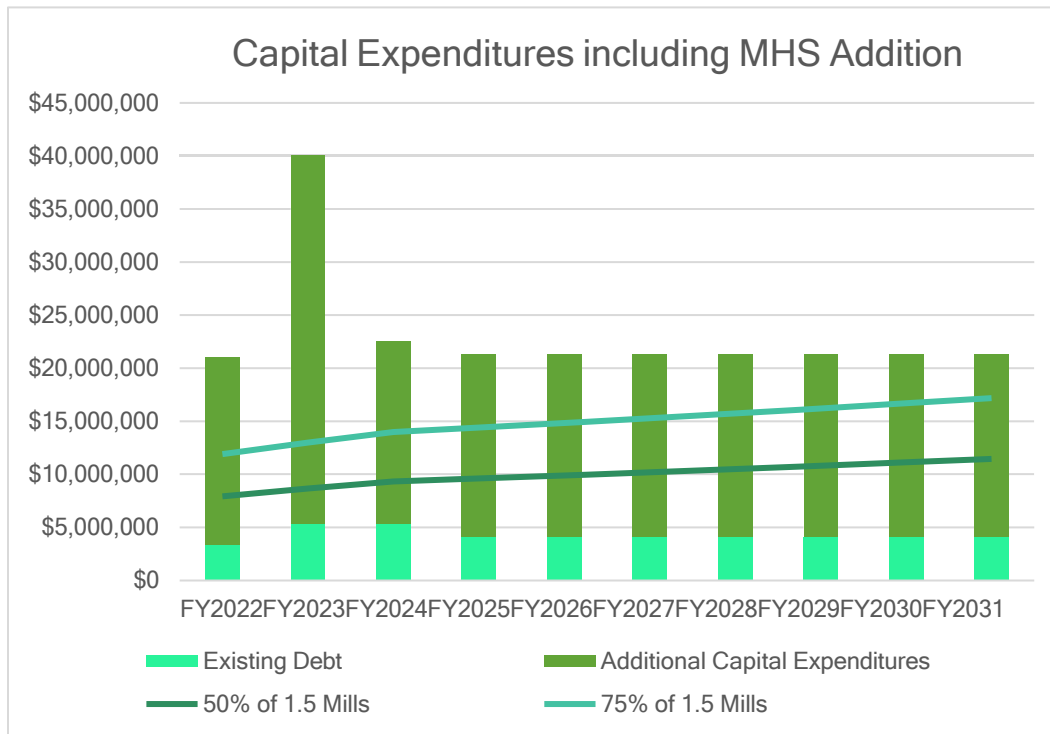


TABLE 1-10 Capital Budget with Matanzas High School Addition and No Increased Debt

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	Actual	Estimated	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
CAPITAL REVENUES										
School Impact Fee Carry Forward	\$23,729,239	\$29,083,029	\$31,803,311	\$34,481,990	\$37,087,108	\$39,612,235	\$42,088,667	\$44,481,449	\$46,814,048	\$49,060,455
1.5 Capital Millage	\$15,843,983	\$17,294,395	\$18,628,704	\$19,187,565	\$19,763,192	\$20,356,088	\$20,966,770	\$21,595,774	\$22,243,647	\$22,910,956
Half Cent Sales Tax	\$7,700,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Sale of Surplus Property										
CO&DS (State)	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000
PECO (State)	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
NEW BOND										
TOTAL CAPITAL REVENUES	\$48,062,222	\$55,166,424	\$59,221,015	\$62,458,555	\$65,639,300	\$68,757,323	\$71,844,437	\$74,866,223	\$77,846,695	\$80,760,411
MAJOR NEW CAPACITY PROJECTS										
Matanzas HS Expansion	\$408,335	\$17,500,000								
New Middle School										
New High School										
OTHER CAPITAL EXPENSES										
Renovations and Maintenance	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Buses	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Technology, Security, FFE, Insurance	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
2014 A Bond Payment										
COPS Debt Service Impact Fee	\$3,389,353	\$3,454,456	\$3,521,321	\$3,594,882	\$3,674,873	\$3,723,568	\$3,807,218	\$3,867,401	\$3,953,593	\$4,051,228
Other COPS Debt Service		\$1,849,233	\$1,780,740	\$498,281	\$421,790	\$369,582	\$286,682	\$225,749	\$136,057	\$41,172
NEW DEBT SERVICE										
TOTAL EXPENDITURES	\$21,047,688	\$40,053,689	\$22,552,061	\$21,343,163	\$21,346,663	\$21,343,150	\$21,343,900	\$21,343,150	\$21,339,650	\$21,342,400
School Impact Fee Collections	\$9,151,478	\$13,674,738	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000
Less School Impact Fee Expenditures	\$3,797,688	\$10,954,456	\$3,521,321	\$3,594,882	\$3,674,873	\$3,723,568	\$3,807,218	\$3,867,401	\$3,953,593	\$4,051,228
School Impact Fee Balance	\$29,083,029	\$31,803,311	\$34,481,990	\$37,087,108	\$39,612,235	\$42,088,667	\$44,481,449	\$46,814,048	\$49,060,455	\$51,209,227
Theoretical Other Year End Balances	\$27,014,534	\$15,112,735	\$36,668,954	\$41,115,392	\$44,292,637	\$47,414,173	\$50,500,537	\$53,523,073	\$56,507,045	\$59,418,011

Figure 1-11 and Table 1-11 show that the district can fund the new middle school in two years in FY24 and keep their debt service under the 50% of 1.5 mills. This is based on bonding \$70M as provided in the PFM document. Design and permitting phase is shown as funded this next year. Note that DOE cost per student station for a middle school is approximately \$27,000. This would yield a lower overall cost of approximately \$46 million for the school. Additionally, the

school impact fee revenue is adequate to pay the additional debt associated with the \$70 million middle school bond.

FIGURE 1-11 Anticipated Capital Expenditures with New Middle School & Level of Debt Allowed

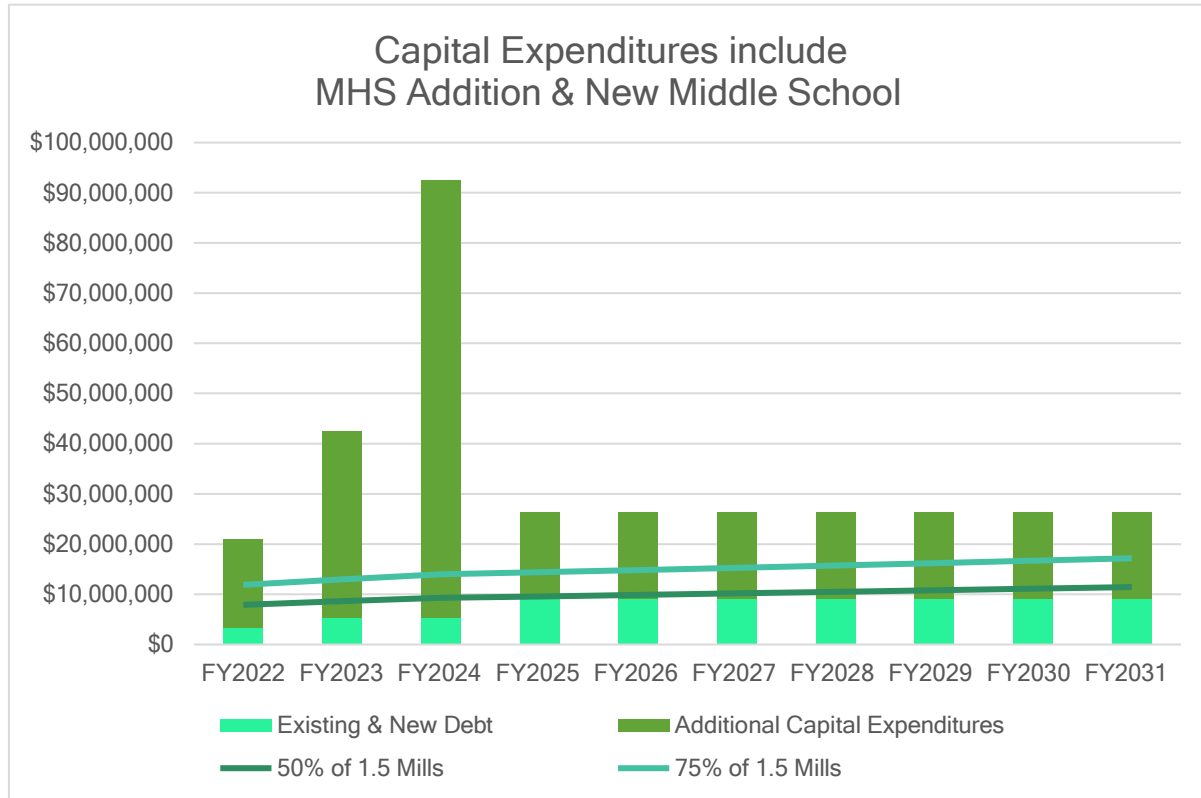


TABLE 1-11 Capital Budget with New Middle School and Associated Increased Debt

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	Actual	Estimated	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
CAPITAL REVENUES										
School Impact Fee Carry Forward	\$23,729,239	\$29,083,029	\$29,423,311	\$32,101,990	\$29,645,733	\$27,106,610	\$24,519,042	\$21,848,074	\$19,117,423	\$16,301,580
1.5 Capital Millage	\$15,843,983	\$17,294,395	\$18,628,704	\$19,187,565	\$19,763,192	\$20,356,088	\$20,966,770	\$21,595,774	\$22,243,647	\$22,910,956
Half Cent Sales Tax	\$7,700,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Sale of Surplus Property										
CO&DS (State)	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000
PECO (State)	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
NEW BOND			\$70,000,000							
TOTAL CAPITAL REVENUES	\$48,062,222	\$55,166,424	\$126,841,015	\$60,078,555	\$58,197,925	\$56,251,698	\$54,274,812	\$52,232,848	\$50,150,070	\$48,001,536
MAJOR NEW CAPACITY PROJECTS										
Matanzas HS Expansion	\$408,335	\$17,500,000								
New Middle School		\$2,380,000	\$70,000,000							
New High School										
OTHER CAPITAL EXPENSES										
Renovations and Maintenance	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Buses	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Technology, Security, FFE, Insurance	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
2014 A Bond Payment										
COPS Debt Service Impact Fee	\$3,389,353	\$3,454,456	\$3,521,321	\$3,594,882	\$3,674,873	\$3,723,568	\$3,807,218	\$3,867,401	\$3,953,593	\$4,051,228
Other COPS Debt Service		\$1,849,233	\$1,780,740	\$498,281	\$421,790	\$369,582	\$286,682	\$225,749	\$136,057	\$41,172
NEW DEBT SERVICE				\$5,061,375	\$5,064,250	\$5,064,000	\$5,063,750	\$5,063,250	\$5,062,250	\$5,060,500
TOTAL EXPENDITURES	\$21,047,688	\$42,433,689	\$92,552,061	\$26,404,538	\$26,410,913	\$26,407,150	\$26,407,650	\$26,406,400	\$26,401,900	\$26,402,900
SCHOOL IMPACT FEE COLLECTIONS										
School Impact Fee Collections	\$9,151,478	\$13,674,738	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000
Less School Impact Fee Expenditures	\$3,797,688	\$13,334,456	\$3,521,321	\$8,656,257	\$8,739,123	\$8,787,568	\$8,870,968	\$8,930,651	\$9,015,843	\$9,111,728
School Impact Fee Balance	\$29,083,029	\$29,423,311	\$32,101,990	\$29,645,733	\$27,106,610	\$24,519,042	\$21,848,074	\$19,117,423	\$16,301,580	\$13,389,852
Theoretical Other Year End Balances	\$27,014,534	\$12,732,735	\$34,288,954	\$33,674,017	\$31,787,012	\$29,844,548	\$27,867,162	\$25,826,448	\$23,748,170	\$21,598,636

PFM shows that adding the high school too soon causes the debt service to exceed 50% of the 1.5 mills. High school debt can be addressed within the cap set by the 50% of 1.5 millage however when the current 2014 COPS debt is paid off in FY 31 and this is the basis of FIGURE 1-12 and Table 1-12. Bond for the high school is in FY 31 and the debt begins in FY32.

FIGURE 1-12 Anticipated Capital Expenditures with New Middle School and New High School

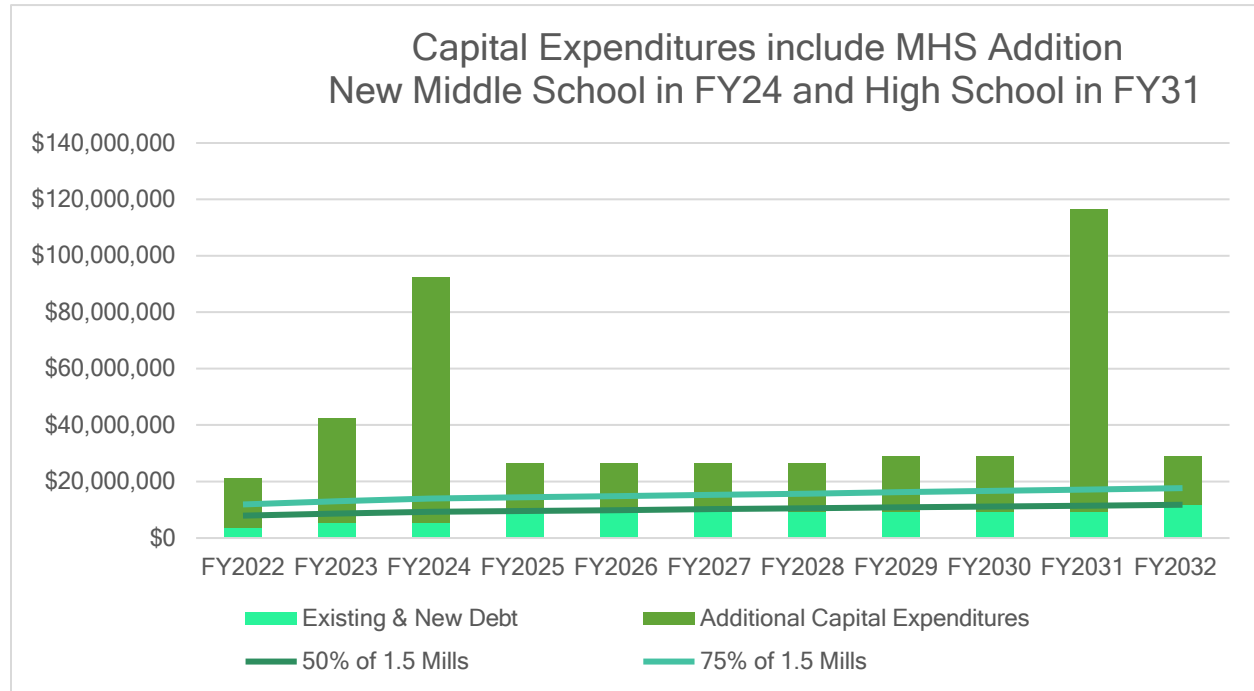


TABLE 1-12 Anticipated Capital Expenditures with New Middle School and New High School and Associated Increased Debt

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
	Actual	Estimated	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
CAPITAL REVENUES											
School Impact Fee Carry Forward	\$23,729,239	\$29,083,029	\$29,423,311	\$32,101,990	\$29,645,733	\$27,106,610	\$24,519,042	\$21,848,074	\$16,737,423	\$11,541,580	\$8,629,852
1.5 Capital Millage	\$15,843,983	\$17,294,395	\$18,628,704	\$19,187,565	\$19,763,192	\$20,356,088	\$20,966,770	\$21,595,774	\$22,243,647	\$22,910,956	\$23,598,285
Half Cent Sales Tax	\$7,700,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Sale of Surplus Property											
CO&DS (State)	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000	\$389,000
PECO (State)	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
NEW BOND			\$70,000,000							\$90,000,000	
TOTAL CAPITAL REVENUES	\$48,062,222	\$55,166,424	\$126,841,015	\$60,078,555	\$58,197,925	\$56,251,698	\$54,274,812	\$52,232,848	\$47,770,070	\$133,241,536	\$41,017,137
MAJOR NEW CAPACITY PROJECTS											
Matanzas HS Expansion	\$408,335	\$17,500,000									
New Middle School		\$2,380,000	\$70,000,000								
New High School								\$2,380,000	\$2,380,000	\$90,000,000	
OTHER CAPITAL EXPENSES											
Renovations and Maintenance	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Buses	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Technology, Security, FFE, Insurance	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
2014 A Bond Payment											
COPS Debt Service Impact Fee	\$3,389,353	\$3,454,456	\$3,521,321	\$3,594,882	\$3,674,873	\$3,723,568	\$3,807,218	\$3,867,401	\$3,953,593	\$4,051,228	
Other COPS Debt Service		\$1,849,233	\$1,780,740	\$498,281	\$421,790	\$369,582	\$286,682	\$225,749	\$136,057	\$41,172	
NEW DEBT SERVICE				\$5,061,375	\$5,064,250	\$5,064,000	\$5,063,750	\$5,063,250	\$5,062,250	\$5,060,500	\$11,837,375
TOTAL EXPENDITURES	\$21,047,688	\$42,433,689	\$92,552,061	\$26,404,538	\$26,410,913	\$26,407,150	\$26,407,650	\$28,786,400	\$28,781,900	\$116,402,900	\$29,087,375
SCHOOL IMPACT FEE COLLECTIONS											
School Impact Fee Collections	\$9,151,478	\$13,674,738	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000	\$6,200,000
Less School Impact Fee Expenditures	\$3,797,688	\$13,334,456	\$3,521,321	\$8,656,257	\$8,739,123	\$8,787,568	\$8,870,968	\$11,310,651	\$11,395,843	\$9,111,728	\$11,837,375
School Impact Fee Balance	\$29,083,029	\$29,423,311	\$32,101,990	\$29,645,733	\$27,106,610	\$24,519,042	\$21,848,074	\$16,737,423	\$11,541,580	\$8,629,852	\$2,992,477
Theoretical Other Year End Balances	\$27,014,534	\$12,732,735	\$34,288,954	\$33,674,017	\$31,787,012	\$29,844,548	\$27,867,162	\$23,446,448	\$18,988,170	\$16,838,636	\$11,929,762

Key Findings WORK PROGRAM

- *The district's handout on July 8, 2022 indicates that the financial capacity to construct new schools in a timely manner consistent with the requirements of the school concurrency system and its adopted level of service does not exist.*
- *The most stable capital revenue source is the 1.5 millage. This revenue must guarantee any additional debt though debt associated with new school capacity can be paid for by school impact fees if the district can show a reasonable relationship between the new school capacity and growth (the principal of rational nexus). Debt can also be issued based on sales tax revenue. If the half cent sales tax were to be approved, the district could issue bonds based on the sales tax being used for a portion or all the debt.*
- *Until the outcome of the November election is known, the half cent sales tax is vulnerable. Dependent on other variables, this accounts for 15-20% of the district's capital revenue and is an extremely important component of the district's capital work program.*
- *The school impact fee is also an extremely important component of the district's capital revenue and can account for 18-23% of the district's revenue but it is more limited in its use. The school impact fee is also more vulnerable to the impact of a recession, and as such, a decline in its revenue must be considered if used to pay debt service.*
- *Based on the tenuous nature of key components of the district's capital revenue streams, along with the need to fund other equally important capital needs, consideration of new debt should be evaluated based on absolute certainty that a critical need for it exists.*
- *The school district can fund alternative forms of new capacity in a timely manner. Less expensive options that could be considered before constructing a full middle and or full high school, particularly given the slow rate of student growth, include a larger addition at Matanzas HS, an addition at Flagler Palm Coast, a 9th grade center, a middle school addition, an 8th/9th grade center, and/or a middle/high combination school. These are all additional capacity options that are less expensive than building two new full size schools, and do not rely on portables.*

MITIGATION

There is considerable vulnerability with how the school district is implementing the mitigation provisions of the statute. The district's first mitigation agreement was first considered in October 2020 for a project known as Grand Landings 4 in Palm Coast. This agreement indicated that mitigation was needed to address capacity at the high school level. There was no capacity project at that time in the district's five year program and the District had just adopted its Educational Plant Survey that said there would not be any new capacity projects. The mitigation

amount was scheduled to be paid in three increments after a specific number of building permits were issued, no impact fee credits were given, and the City of Palm Coast was not a party to the agreement, though the agreement indicates that they are a party. The agreement was approved November 17, 2020. **Impact fee credits were provided to this Development for all proportionate share payments. There was a revision of this agreement in 2021 to assure it complied with statute.**

In December 2020 the district began to assess mitigation at both the high school and elementary levels. This being done again without any projects in the work program, and without considering other options like redistricting and grade reconfiguration. The second mitigation agreement was for a project called The Gardens, and this agreement also did not include the local government as a party. The mitigation calculation was increased between December and January and impact fee credits were not addressed in the agreement. **The District has reached out to the attorney Chiumento numerous times about revising this document to comply with statute and have had no response. All other agreements with other Developers were revised to assure they comply with statute, and we are happy to revise this one as well.**

In February and April of 2021 district staff recommended redistricting of school attendance zones and grade reconfiguration, both of which were necessary to make better use of and balance the use of school capacity. This action should have been undertaken prior to assessing mitigation in accordance with the Interlocal Agreement as well as F.S. 163.3180(6)(f)(2)(a). Ironically in April 2021 the School Board approved a mitigation agreement for Pointe Grande Apartments for elementary and high school student stations, only to amend it in June 2021 to change the mitigation calculation from assessing for elementary and high school student stations to assessing for middle and high school student stations. Yet even with this amendment the Board did not provide for impact fee credits in the Agreement.

Note that the issue of impact fee credits is addressed in Florida Statutes 163.3180 and 163.31801. A 2011 amendment addressing the provision of impact fee credits was specifically targeting the use of mitigation. There was a case in Hillsborough County where a developer challenged Hillsborough County Schools over the lack of providing impact fee credits in association with mitigation, *Eisenhower Property Group, LLC v. Hillsborough County, and Hillsborough County School Board (Case No. 8:21-cv-229-YMC-TGW) in the United States District Court for the Middle District of Florida*. The School Board chose to settle the case before a judicial ruling by agreeing to issue \$900,000 in impact fee credits.

By April 2021, the district had approved three mitigation agreements; all had different payment schedules, no provision for impact fee credits, no provision for approval by the affected local government, and mitigation amounts in excess of impact fees. In May 2021, due to the hiring of

Mr. Michael Chiumento, III

July 27, 2022

Flagler School Concurrency

an impact fee consultant to update the district's impact fee study, the district was advised that they must issue impact fee credits as part of their mitigation agreements. Further, the district was advised that their proportionate fair share mitigation amounts could not exceed the overall amount due by impact fees. In July 2021 the district began to provide for impact fee credits in its agreements.

In July 2021 the Board held its first budget workshop. The capital work plan did not provide for any capacity projects as required by the mitigation agreements executed to date. In October the DOE adopted work program showed a Matanzas High School addition with construction funds in the fourth year and a new middle school with construction funds in the fifth year but the plan indicated that neither were funded. There are no projects shown for capacity at elementary school.

Florida Statutes 163.3180(6)(h)(2) states that if a local government applies school concurrency, it may not deny an application for site plan, final subdivision approval, or the functional equivalent for a development or phase of a development authorizing residential development for failure to achieve and maintain the level-of-service standard for public school capacity in a local school concurrency management system *where adequate school facilities will be in place or under actual construction within 3 years after the issuance of final subdivision or site plan approval, or the functional equivalent.* School concurrency is satisfied if the developer executes a legally binding commitment to provide mitigation proportionate to the demand for public school facilities to be created by actual development of the property, and there is a project in the five year work program to which the monies can be applied, but more importantly, where the level of service can be achieved and maintained. If all parties agree that mitigation can be collected absent a project in the work program, then theoretically this is acceptable, but local governments in Flagler County have yet to approve a mitigation agreement associated with school concurrency.

By January 2022 the School Board had approved five mitigation agreements, one of which had been amended to change the assessment of mitigation from elementary to middle. Two of the five agreements included language addressing impact fee credits. None of the agreements included local government as a party; **local governments are listed in all proportionate share mitigation agreements** all had different payment schedules. **The different pay schedules are at the request of the development community, based upon their buildout schedules. The School District is in agreement to set forth a set payment plan.** In February 2022 Grand Landings Phase 4, the first mitigation agreement, was amended to address impact fee credits and Pointe Grande was amended a second time to address impact fee credits and to reduce the proportionate fair share mitigation amount to ensure it did not exceed impact fee payments.

Also in February the School Board executed a contract with Schenkel Schultz Architects that indicated the construction for the Matanzas High addition would begin in May 2023, even though the work plan indicated 2024-25. Construction in May 2023 would mean that mitigation was not necessary to be collected at the high school since it would be within three years after subdivision/site plan approval. **The Matanzas addition does increase capacity but not enough for the total new student stations required at the high school level**

Mr. Michael Chiumento, III

July 27, 2022

Flagler School Concurrency

with the amount of increased development. It is not meant to serve as a capacity project.

At this time there are seven known mitigation agreements, and they all address impact fee credits; however, they do not address the full benefit of the intensity or density prepaid by the credit balance as of the date it was first established before an impact fee increased in

accordance with F.S. 163.31801(7). The impact fee is scheduled to increase on September 1st. Some monies have been paid to the district in accordance with their mitigation payment schedule. As stated above, each time a developer makes a proportionate share mitigation payment, they will receive a number of impact fee credits based upon the current impact fee. (Example: payment of \$500,000 with current impact fee of \$5,450. They would receive 91 Impact fee credits and have a carryover of \$4,050 toward their next payment and impact fee credits.

Key Findings MITIGATION

- *The district was not prepared to implement mitigation as has been evidenced by the number of times agreements required amendments to conform to a particular requirement of law. The district had not done any proportionate share mitigation prior to 2020 and acknowledges that it had some growing pains. In 2021 we hired a consultant who has years of experience with School District Concurrency and proportionate share. He has assisted the District in developing a new proportionate share mitigation agreement and impact fee credit voucher process to assure we are compliant with statute.*
- *There is no process in place to coordinate impact fee payments associated with impact fee credits. Yes there is.*
- *The timing associated with mitigation payments remains uncertain. There are at least five distinctly different schedules associated with the seven existing agreements. The working group has been addressing this issue*
- *The manipulation of capacity calculations using grade (re)configurations, along with redistricting, should have been thoroughly analyzed and evaluated prior to the use of mitigation.*
- *The Educational Plant Survey has been amended twice, in two years, to reflect changes in capacity calculations.*
- *District staff recently announced that Matanzas High School addition will not resolve the level of service issue at the high school level. This reflects a lack of proper planning and inconsistency with the requirement to achieve and maintain the level of service within the five year period. The district is utilizing current impact fee funds for this addition and is not bonding any of the work. In addition to adding student stations, it will allow both of our high schools to have similar capacity and programs facilities*

CONCLUSION

District staff is using mitigation as a gap financing tool. The purpose of proportionate share mitigation is that new Development pays up front their proportionate fair share of the cost of the new student stations, so that the capacity is available as the development is built out. If there is no proportionate share, then the funds come in much later, after the students are potentially already there, and greatly hinders school planning. There are options available that are affordable; in the

alternative, if level of service cannot be achieved and maintained within the five year period it should be revisited.

- 100% level of service at all school levels is not financially feasible if the response to it is new school construction that cannot be paid for with available revenues. As earlier noted the plan is financially feasible and can be funded without proportionate share but the funds from proportionate share are used for planning and to reduce the debt servicing costs.
- The district can afford to place the middle school construction within the first three years of the work program. The school planning is based upon the projections and will be updated annually. With changes in the construction industry, as a result of the pandemic, we need to be flexible. In addition the Board is actively seeking appropriate land for this school
- The lack of financial feasibility for new debt associated with new schools combined with the lack of sufficient and stable enrollment growth suggests options other than just relying on proportionate fair share mitigation be considered.
- Future enrollments are uncertain. There is nothing to substantiate enrollment increases beyond 2% annually, and even this rate of growth seems high given the historical trend, aging, higher interest rates, and potential for recession.
- Correct, that future enrollments are uncertain. That is why we purchased the software from Davis Demographics, and monitor each permit issued on a monthly basis, and the build out schedules of all new developments. We are utilizing all available tools to complete our planning but there will be adjustments.

- There is a cognitive dissonance between what constitutes capacity vs level of service. A school that is over level of service is not necessarily over capacity. These terms should not be used synonymously.
- A tiered level of service could be adopted for the secondary schools to allow time for students and funding to accrue. School impact fee balance will increase with time and can be used to lessen the debt burden.
- Moving forward with any type of expensive new school construction when capacity thresholds are satisfactory and demand not apparent and other, less expensive options have not been considered does not seem fiscally prudent when interest rates are rising, construction slowing and a recession considered likely.
- Additions or construction of a different school type like a middle high school could address the short-term capacity concerns while minimizing the costs associated with two new schools. The school could be converted to either the full middle or high school when sufficient demand and revenues exist for the next new school. This is a model that does not exist in Flagler and curriculum considerations are necessary.
- A 9th grade center or additions to the existing high schools (Flagler or a larger addition to Matanzas) would provide the district with additional capacity without the expense and debt of a whole new high school. Consideration of curriculum and core facilities is necessary.

** Saralee Morrissey has nearly 40 years professional planning experience; including real estate development, local government and 27 years with a Florida school district where she was responsible managing a half billion dollar construction program.. Ms. Morrissey was recognized for implementing an intergovernmental coordination agreement between the Volusia County School District and local municipalities which later was used by the state of Florida as a model to implement state mandated school planning and coordination. She later was responsible for designing and implementing both the school concurrency and school adequacy models for Volusia County Schools, mandated by both 2005 state legislation and a 2006 voter approved charter amendment. She formerly was President of the Atlantic Coastal Section of the Florida American Planning Association and was part of FAPA's Legislative Policy Committee. She served on the board of the Florida Educational Facilities Planners Associations. She is the only professional school planner to be recognized by the American Institute of Certified Planners and awarded the designation of Fellow, a designation reserved to mark distinguished and long-lasting planning work that positively impacts a community. She currently is the Chair of the American Planning Association's Public Schools Interest Group.*



Saralee L. Morrissey, FAICP
Saralee Morrissey Consulting, LLC

APPENDIX - PFM WORKSHEETS JULY 8, 2022 HANDOUTS

The School District of Flagler County, FL
 Adopted 2022-2023 Budget Schedule

Estimate	Estimate Principal	Estimate Interest	Estimate Debt	FY22 2022-2023 Total Debt Service	FY23 2023-2024 Total Debt Service	Total Debt Service	Value of A.A. Bonds	% of A.A. Bonds Capital Expenditures	% of A.A. Bonds Debt Service	% of A.A. Bonds Debt Service
6/1/22	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/23	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/24	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/25	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/26	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/27	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/28	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/29	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/30	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/31	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/32	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/33	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/34	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/35	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/36	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/37	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/38	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/39	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/40	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/41	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/42	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/43	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/44	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/45	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/46	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/47	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/48	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/49	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/50	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
6/1/51	1,210,000	1,000,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
Total	12,100,000	10,000,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000

