

PROJECT OVERSIGHT COMMITTEE

Annual Report

Fiscal Year Ended June 30, 2022



Deltona Middle Replacement School



Beachside Elementary Aerial (Ortona/Osceola Consolidated E5)

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Project Oversight Committee Members

Mitch Aten, MBA, PMI-ACP, CSM

Director of CRM Systems
Embry-Riddle Aeronautical University

Sandy Burke Bishop

Top Shelf Properties, LLC

Jacob D. Lammers CPA

Charles L. Belote & Associates P.A.

Phyllis Stauffenberg

Retired Real Estate Tax Credit Agent
(Member briefly)

Jim Mather

President
Paytas Homes

M. Jayson Meyer

Founder and CEO
Synergy Billing

Todd Seis

Chief Financial Officer (as of August 22, 2022)
Volusia County Schools

Project Oversight Committee Meeting Schedule

The Committee presented the Fiscal Year Ended Annual Report to the School Board on September 28, 2021.

MEETING AND OTHER DATES

- July 15, 2021- Regular Meeting (*Meeting Cancelled*)
- August 20, 2021- Regular Meeting
- September 16, 2021 - Regular Meeting
- October 21, 2021 - Regular Meeting
- November 18, 2021 - Regular Meeting
- December 15, 2021 - Luncheon Meeting at Stonewood Grill, Daytona Beach
- January 20, 2022 - Regular Meeting
- February 24, 2022 - Regular Meeting
- March 24, 2022 - Regular Meeting
- April 28, 2022 - (*Meeting Cancelled*)
- May 26, 2022 - Regular Meeting (Deltona Middle School Tour)
- June 23, 2022 - Regular Meeting

Introduction

The Project Oversight Committee, as representatives of the citizens of Volusia County, present our 6th Annual Report to the Volusia County School Board as a record of the oversight activity that has occurred through Fiscal Year 2022, beginning on July 1, 2021 and ending June 30, 2022. Fiscal year 2022 is the sixth fiscal year in which the half cent sales tax, approved by voters on August 26, 2014, was collected with collections beginning on January 1, 2017.

The Project Oversight Committee (POC) is tasked with providing oversight of the spending of funds generated by the Half Cent Sales Tax, as committed by the Citizens of Volusia County. We bear no responsibility for this spending and are only entrusted with ensuring The Volusia County School Board and the District staff remain accountable and transparent to the citizens of Volusia County. We ensure that the District's capital spending remains in accordance with the original capital project list presented and approved by the voters in 2014 (**See Attachment 2**). Ultimately, these spending decisions remain with the members of the Volusia County School Board. The POC holds this as the foundation of our oversight and strive to remain adequately informed of all decisions regarding the spending of these funds. By doing this, we can provide assurance to the citizens of Volusia County that they "get what they paid for" through our half cent sales tax funds.

The 2021 - 2022 school year saw students and teachers returning to the classroom under normal conditions, when compared to the fear and uncertainty caused by the Covid-19 pandemic of the previous two years. To say that the 2019 and 2020 school years were disruptive is an understatement. However, through the 2021 - 2022 school year, the citizens of Volusia County remained resilient in their commitment to provide our students and teachers with a robust, safe, and technologically advanced educational environment. As this report will show, external influences continued to be a contributing factor to the success of the half cent sales tax revenues as well a contributing factor to the increases in costs related to the 3 tenets of the referendum: facilities, security and technology.

Some highlights of the 2021 - 2022 School Year include:

- Deltona Middle School - Construction nearing completion (Open for 2022 - 2023 School Year)
- Beachside Elementary School - Ortona/Osceola Elementary Consolidation project construction well underway (Anticipated Opening in late 2022)
- New Smyrna Beach Middle School - Significant renovations to Classrooms, Media Center, and Music Rooms along with upgrades to HVAC and major systems
- Upgrades to Security Fencing, HVAC, Ceiling, Lighting and Flooring across the District
- Upgrades to Athletic fields and tracks across the District

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Revenues and Expenditures

HALF CENT SALES TAX 2017-2031

Revenues from sales tax receipts, bond issues, project expenditures and debt service are shown on tables and charts below. The district has other funding sources that aid them in addressing their capital project needs which are the Local Capital Improvement Fund (LCIF) and Impact Fees for a total Fiscal Year 2022 capital budget of \$83.3 million.

Sales tax revenues, distributed monthly by the state, came in at \$60.7 million collected through Fiscal Year 2022.

In Fiscal Year 2021 the School Board issued a \$80.0 million COPS Lease to fund the following major projects: a replacement school for Tomoka Elementary, Starke Elementary - Renovations, Woodward Elementary - Renovations and Additions, Orange City Elementary - Renovations and Classroom Additions. Historically low interest rates continue to be spurred by a strong economy creating a favorable climate to initiate these projects. There is \$79.4 million remaining in this fund. Much of the construction on these projects will begin in the Fiscal Year 2023.

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Capital Projects Fund
For the Fiscal Year Ended June 30, 2022

| | Fund 3961 COPS Series 2019 | Fund 3962 COPS Series 2021 | Fund 3922 Sales Tax | Total |
|---|---|---|------------------------------------|----------------|
| REVENUES | | | | |
| Miscellaneous federal direct | \$ - | \$ - | \$ 62,537 | \$ 62,537 |
| Local sales tax | - | - | 60,772,257 | 60,772,257 |
| Interest income | 487,532 | 387,555 | 93,340 | 968,427 |
| Net decrease in fair value of investments | (445,208) | (492,139) | (103,302) | (1,040,649) |
| Miscellaneous local sources | - | - | 54 | 54 |
| Total revenues | 42,324 | (104,584) | 60,824,886 | 60,762,626 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Facilities services - non-capitalized | 1,918,261 | 62,931 | 6,531,066 | 8,512,258 |
| Capital outlay: | | | | |
| Facilities acquisition and construction | 41,661,315 | 858,272 | 14,386,893 | 56,906,480 |
| Other capital outlay | 34,473 | - | 180,156 | 214,629 |
| Total expenditures | 43,614,049 | 921,203 | 21,098,115 | 65,633,367 |
| Excess (deficiency) of revenues over (under) expenditures | (43,571,725) | (1,025,787) | 39,726,771 | (4,870,741) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | - | (35,906,951) | (35,906,951) |
| Total other financing sources (uses) | - | - | (35,906,951) | (35,906,951) |
| Net change in fund balances | (43,571,725) | (1,025,787) | 3,819,820 | (40,777,692) |
| Fund balances, July 1, 2021 | 63,582,252 | 80,000,943 | 41,446,464 | 185,029,659 |
| Fund balances, June 30, 2022 | \$ 20,010,527 | \$ 78,975,156 | \$ 45,266,284 | \$ 144,251,967 |

District School Board of Volusia County, Florida
Local Sales Tax - Capital Projects Fund Schedule of Revenues, Expenditures,
and Other Sources (Fund 3922)

Roll Forward Balance From Prior Sales Tax Referendum 51,636,621

| FY | Sales Tax Proceeds | Other Revenue Sources | Expenditures | Other Financing Uses | Ending Fund Balance |
|--------------|-----------------------|-----------------------------|--------------------|-------------------------|------------------------|
| 2017 | 21,462,837 | 14,915 | 15,896,985 | 1,953,004 | |
| 2018 | 42,941,909 | 786,900 | 31,528,418 | 17,882,854 | |
| 2019 | 44,814,724 | 1,149,431 | 37,454,672 | 4,382,085 | |
| 2020 | 44,257,468 | 816,385 | 30,542,368 | 25,419,516 | |
| 2021 | 50,507,247 | 72,893 | 19,036,504 | 32,918,460 | |
| 2022 | 60,772,257 | 52,629 | 21,098,115 | 35,906,951 | |
| Total | 264,756,442 | 2,893,153 | 155,557,062 | 118,462,870 | 45,266,284 |

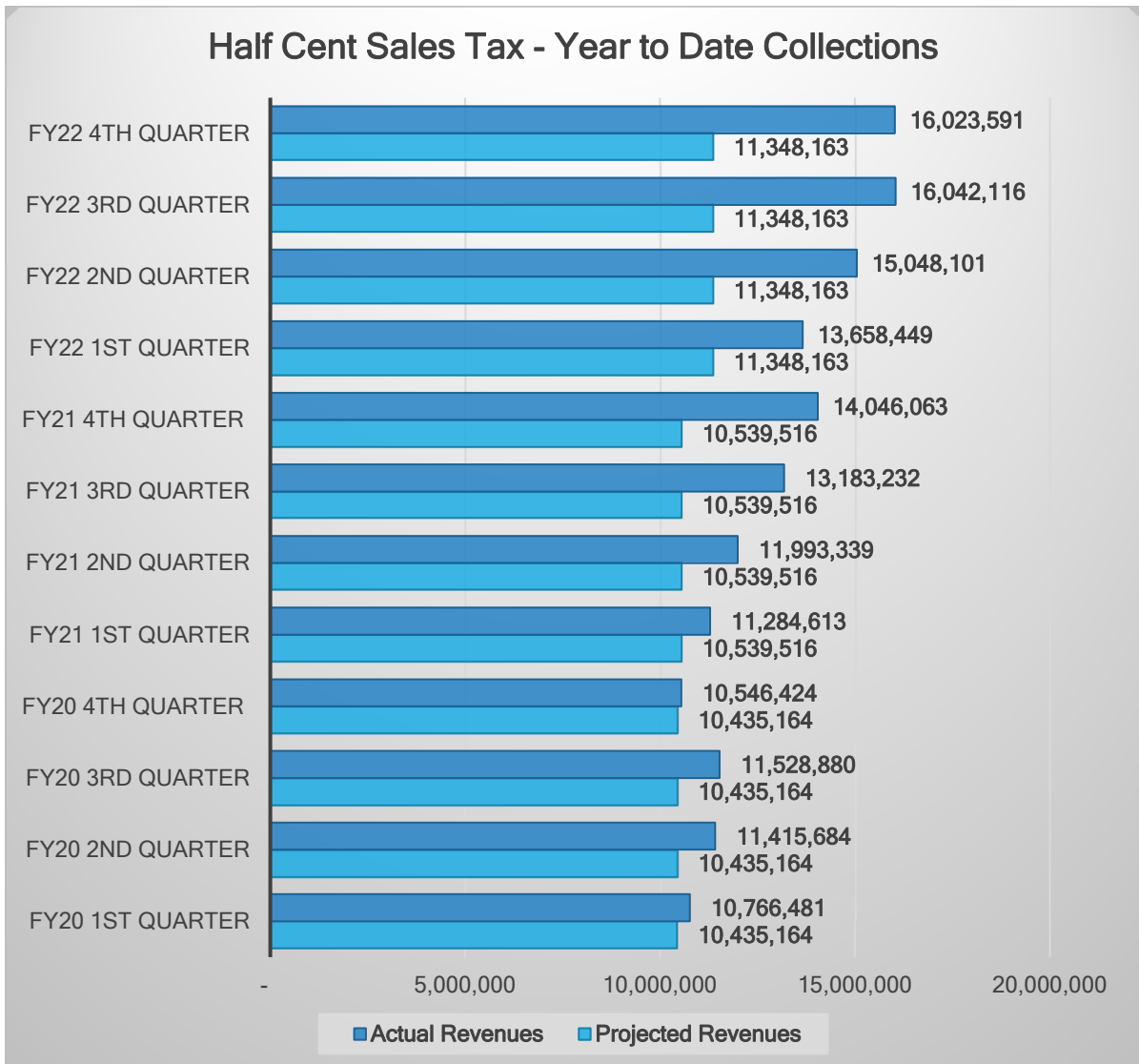
District School Board of Volusia County, Florida
Local Sales Tax - Capital Projects Fund Certificate of Participation, Series 2019
for \$100 Million (Fund 3961)

| FY | Revenues | Other Revenue Sources | Expenditures | Other Financing Sources | Ending Fund Balance |
|--------------|-------------|-----------------------------|----------------------|-------------------------------|------------------------|
| 2020 | \$ - | \$ 1,905,343 | \$ 15,044,431 | \$ (100,000,000) | |
| 2021 | - | 94,201 | 23,372,861 | - | |
| 2022 | - | 42,324 | 43,614,049 | - | |
| Total | \$ - | \$ 2,041,868 | \$ 82,031,341 | \$ (100,000,000) | \$ 20,010,527 |

District School Board of Volusia County, Florida
Local Sales Tax - Capital Projects Fund Certificate of Participation, Series 2021
for \$80 Million (Fund 3962)

| FY | Revenues | Other Revenue Sources | Expenditures | Other Financing Sources | Ending Fund Balance |
|--------------|-------------|-----------------------------|-------------------|-------------------------------|------------------------|
| 2021 | \$ - | \$ 943 | \$ - | \$ (80,000,000) | |
| 2022 | - | (104,584) | 921,203 | - | |
| Total | \$ - | \$ (103,641) | \$ 921,203 | \$ (80,000,000) | \$ 78,975,156 |

Actual Sales Tax Proceeds as Compared to Budgeted Proceeds by Quarter



School District of Volusia County
Debt Service Schedule - Debt Repaid with Sales Tax Revenue
For Fiscal Year Ended June 30, 2022

COPS 2019

COPS 2021

| Year | 2019 - \$90,945,000 | | | 2021 - \$62,800,000 | | |
|--------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2021-22 | \$ 18,255,000.00 | \$ 2,877,750.00 | \$ 21,132,750.00 | \$ - | \$ 3,532,500.00 | \$ 3,532,500.00 |
| 2022-23 | 19,170,000.00 | 1,965,000.00 | 21,135,000.00 | - | 3,140,000.00 | 3,140,000.00 |
| 2023-24 | 20,130,000.00 | 1,006,500.00 | 21,136,500.00 | - | 3,140,000.00 | 3,140,000.00 |
| 2024-25 | - | - | - | 7,710,000.00 | 3,140,000.00 | 10,850,000.00 |
| 2025-26 | - | - | - | 8,100,000.00 | 2,754,500.00 | 10,854,500.00 |
| 2026-27 | - | - | - | 8,505,000.00 | 2,349,500.00 | 10,854,500.00 |
| 2027-28 | - | - | - | 8,930,000.00 | 1,924,250.00 | 10,854,250.00 |
| 2028-29 | - | - | - | 9,375,000.00 | 1,477,750.00 | 10,852,750.00 |
| 2029-30 | - | - | - | 9,845,000.00 | 1,009,000.00 | 10,854,000.00 |
| 2030-31 | - | - | - | 10,335,000.00 | 516,750.00 | 10,851,750.00 |
| 2031-32 | - | - | - | - | - | - |
| Total | \$ 57,555,000.00 | \$ 5,849,250.00 | \$ 63,404,250.00 | \$ 62,800,000.00 | \$ 22,984,250.00 | \$ 85,784,250.00 |

STRB 2016

| Year | 2016 - \$33,805,000 | | | Grand Totals* | | |
|--------------|-------------------------|------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2021-22 | \$ 1,915,000.00 | \$ 1,311,375.00 | \$ 3,226,375.00 | \$ 20,170,000.00 | \$ 7,721,625.00 | \$ 27,891,625.00 |
| 2022-23 | 2,010,000.00 | 1,213,250.00 | 3,223,250.00 | 21,180,000.00 | 6,318,250.00 | 27,498,250.00 |
| 2023-24 | 2,110,000.00 | 1,110,250.00 | 3,220,250.00 | 22,240,000.00 | 5,256,750.00 | 27,496,750.00 |
| 2024-25 | 2,215,000.00 | 1,002,125.00 | 3,217,125.00 | 9,925,000.00 | 4,142,125.00 | 14,067,125.00 |
| 2025-26 | 2,325,000.00 | 888,625.00 | 3,213,625.00 | 10,425,000.00 | 3,643,125.00 | 14,068,125.00 |
| 2026-27 | 2,440,000.00 | 769,500.00 | 3,209,500.00 | 10,945,000.00 | 3,119,000.00 | 14,064,000.00 |
| 2027-28 | 2,565,000.00 | 644,375.00 | 3,209,375.00 | 11,495,000.00 | 2,568,625.00 | 14,063,625.00 |
| 2028-29 | 2,695,000.00 | 512,875.00 | 3,207,875.00 | 12,070,000.00 | 1,990,625.00 | 14,060,625.00 |
| 2029-30 | 2,825,000.00 | 374,875.00 | 3,199,875.00 | 12,670,000.00 | 1,383,875.00 | 14,053,875.00 |
| 2030-31 | 2,970,000.00 | 230,000.00 | 3,200,000.00 | 13,305,000.00 | 746,750.00 | 14,051,750.00 |
| 2031-32 | 3,115,000.00 | 77,875.00 | 3,192,875.00 | 3,115,000.00 | 77,875.00 | 3,192,875.00 |
| Total | \$ 27,185,000.00 | \$ 8,135,125.00 | \$ 35,320,125.00 | \$ 147,540,000.00 | \$ 36,968,625.00 | \$ 184,508,625.00 |

Resolution 2014-05

Recommended Project List

Reflecting estimated allocation over the 15-year term

Project Status Summary as of June 30, 2022

All projects are sales tax funded. Specific project budgets and expenditures are provided in [Attachment 1: Sales Tax Expenditures](#).

The items that make up the referendum and related expenditures are outlined below for the Fiscal Year Ended June 30, 2022:

SECURITY

\$45,000,000

Security Enhancements: ALL SCHOOLS & BUSES

School needs vary. Security enhancements may include, but not be limited to, one or more of the following:

- Cameras - In progress
- Cypher Locks - In progress
- Electronic Lock system - In Progress
- Fencing - In Progress (site callbacks)
- Impact Resistant Window Laminate - In Progress

During Fiscal Year 21 the focus for the annual \$2M security allocation included the installation of “storefront” style greeting areas in the main office areas, upgraded LED lighting for parking lots, and electronic locks. Additionally, while all single point of entry fencing projects were completed on all 70 campuses during Fiscal Year 20, additional “callback” fencing requests from schools were revisited during Fiscal Year 21.

Total Security Expenditures:

\$2,481,356

TECHNOLOGY

\$135,000,000

- Classroom & School Based Technology Retrofits & Upgrades: All Schools - Ongoing
- Career & Technology Education Upgrades: All Secondary Schools - Ongoing
 - High School Academies - Ongoing
 - Middle School Electives - Ongoing
- Middle School Electives - Ongoing
- District Based Technology Retrofits & Upgrades - Ongoing
 - ERP

Total Technology Expenditures:

\$4,998,654

To illustrate the impacted categories funded with the \$9M annual allocation, the following table is provided:

| Category | Proposed % |
|-----------------------------------|------------|
| Student Computers | 51.15% |
| Teacher Computers | 8.32% |
| CTE Student Computers | 3.01% |
| Printers | 0.25% |
| Projectors/Display Panels | 3.01% |
| Multimedia & Audio Enhancement | 1.00% |
| Capital Projects | 2.51% |
| Device Supply (Break/Fix/Hotswap) | 19.01% |
| Infrastructure Expansion | 11.75% |

Major items of focus are summarized as:

- More than 33,000 student laptops were assigned supporting Student 1:1 Device implementation. The laptops offer touch screen and tablet/laptop dual functionality to assist all grade levels with academic needs and statewide computer-based testing.
- Refresh project to assign more than 2,500 laptops to teachers.
- Continuing replacement of projection devices in the classroom.
- **Completed** Phase 2 - the Federal eRate replacement network cabling project was completed at the high school and middle school sites
- **Completed** Phase 3 - The Federal eRate high schools and middle schools network connection to the District WAN was increased from 1G to 10G and the District WAN (affecting ALL district sites connected to the WAN) was **increased from 10G to 40G**.

SCIENCE CLASSROOM REMODELING: ALL MIDDLE SCHOOLS \$8,000,000

Total Science Classroom Remodeling MS Project Expenditures: \$ -

NEW AND /OR REPLACEMENT SCHOOLS \$111,000,000

Pierson Elementary School

Substantially complete on July 17, 2018 and opened for the new school year August 2018. Total Expenditures: \$21,774,889

Chisholm Elementary School (Replacement on site):

Completion of Exhibit B: Buildings 400 and 500 (covered play area and kindergarten classrooms, respectively), and staff and Pre-K parking lot
Architect: Rhodes & Brito

Construction: H.J. High Construction, Inc.

Total Half Cent Sales Tax Project Expenditures: \$ 178,009

George Marks Elementary School (Replacement on site):

Project is closed out

Architect: Harvard Jolly Architecture

Construction: Wharton Smith, Inc

Total Half Cent Sales Tax Project Expenditures:

\$ 3,345



Deltona Middle School (Replacement on site)

Interior and exterior work in New Building Areas 1 through 9 complete, with window assemblies installed, prime painting of exteriors, and walls and ceilings framed. HVAC ductwork materials were delivered, with work starting in June. Fire proofing spray completed. Contractor continues to work on the westside bus loop and dumpster enclosure.

Architect: C.T. Hsu Architects

Construction Management: CORE Construction

Total Half Cent Sales Tax Project Expenditures:

\$24,702,958



Beachside (Ortona/Osceola) Elementary School (Replacement on site-Ortona Elementary School):

- The new consolidated K-5 school will be called Beachside Elementary following a community survey and Board approval in May 2021.
- The Ortona Elementary portable village on the Osceola Elementary campus was completed in June, with curriculum materials and furnishings currently staged in preparation for the new school year. The new Beachside Elementary will have 765 student stations, with a total square footage of 94,944 sf.
- The Guaranteed Maximum Price (GMP) for Exhibit A, which includes demolition, temporary utilities and site work was approved by the school board in July 2021. The GMP submitted by the construction manager was \$3,346,733.43.

Architect: BRPH Architects-Engineers, Inc.

Construction Management: Ajax Building Company, LLC

Total Half Cent Sales Tax Project Expenditures: **\$14,654,250**

Tomoka Elementary School (Replacement on site)

BRPH was selected as the architect. Project is in design.

Total Half Cent Sales Tax Project Expenditures: **\$ 149,076**

Total New/Replacement Schools Expenditures to Date: **\$39,687,638**

ATHLETICS & PHYSICAL EDUCATION **\$15,000,000**

Track resurfacing/replacement & athletic fields: ALL HIGH SCHOOLS **All High Schools**

- Use of Ormond sports complex and Daytona Stadium

Total Half Cent Sales Tax Project Expenditures: **\$ 139,630**

Mainland High School:

- One-year lease. Athletic Field renovation.
- Track renovation completed January 18, 2022
- Field lighting completed September 2, 2021

Total Half Cent Sales Tax Project Expenditures: **\$ 1,255,669**

New Smyrna Beach High School:

- Municipal Stadium 10-year Agreement
- Track renovation completed January 18, 2022

Total Half Cent Sales Tax Project Expenditures: **\$ 371,517**

Total Athletics/Physical Education Expenditures:

\$ 1,766,816

SPECIFIC & SIGNIFICANT RENOVATIONS

\$100,000,000

ELEMENTARY SCHOOLS

McInnis Elementary School:

- Project to connect school to potable water and/or sanitary sewer established by the board September 2020
- Substantial completion of media center retrofit, August 2021

Total Half Cent Sales Tax Project Expenditures:

\$ 377,543

Orange City Elementary School:

- Classroom renovations & new construction, site improvements/circulation
- Schenkel Shultz selected as architect
- CM Selection Underway

Total Half Cent Sales Tax Project Expenditures:

\$ 73,357

Starke Elementary School:

- Doors, ceiling & lights and interior finishes including electrical, restroom renovations.
- Media center reroof initiated

Total Half Cent Sales Tax Project Expenditures:

\$ 93,771

Westside Elementary School:

- Renovations and Additions Complete
- Construction of new cafeteria and remodeling of existing cafeteria into new learning and administrative spaces completed in May 2021. Remodeled and renovated spaces will be ready for occupancy SY 2021-2022

Total Half Cent Sales Tax Project Expenditures:

\$ 1,652

Woodward Elementary School:



- The Board approved in February 2021 the re-use of the Westside renovations and additions plan for the Woodward Avenue project

Architect: Hall & Ogle Architects

- Construction Management: WELBRO Building Corporation

Total Half Cent Sales Tax Project Expenditures:

\$ 620,859

MIDDLE SCHOOLS

New Smyrna Beach Middle School:



- **Projects - HVAC Ceiling Lighting and Flooring**
- Completed: Cafeteria building and media center renovation
- Completed construction classroom interiors, site work, circulation, facade upgrade, campus-wide HVAC, ceilings and lighting

Total Half Cent Sales Tax Project Expenditures:

\$ 10,862,354

HIGH SCHOOLS

Atlantic High School:

- Projects - Replace Gym Bleachers, Upgrade fire alarm and intercom, campus wide reroof
- HVAC replacement, ceiling & lighting, electric service upgrade, roof replacement, auditorium renovations, window replacement, technology lab conversion.
- Completed HVAC renovations for buildings 3, 4, 5 and chiller replacement for building 5. Completed media center retrofit. Initiated roof replacement design and fire alarm and intercom replacement design. Replaced doors. Renovated aquaculture lab
- Began Building 6 HVAC & lighting upgrades

Total Half Cent Sales Tax Project Expenditures: **\$ 3,414,079**

Deltona High School:

- Windows and doors replacement, technology lab conversion
- Completed media center retrofit.

Total Half Cent Sales Tax Project Expenditures: **\$ 214,380**

Pine Ridge High School:

- Projects - Campus Wide Reroof, Replace Gym Bleachers and Upgrade of HVAC, ceiling and lighting for Buildings 6 and 7
- Upgrade of HVAC, ceiling and lighting for Buildings 6 and 7 initiated; expected completion is in August 2021
- Substantial completion of campus wide re-roofing project
- HVAC replacement, ceiling & lighting, electric service upgrade, roof replacement, technology lab conversion, culinary lab
- Completed second phase of replacing chillers and renovating HVAC for buildings 2, 3, 4 and 5. Proceeded with design and construction of total roof replacement. Began HVAC, ceiling and lighting renovations for building 8. Completed media center retrofit
- Campus wide re-roof
- Upgrade HVAC, ceiling, and lighting for buildings 9 and 10.

Total Half Cent Sales Tax Project Expenditures: **\$ 1,040,909**

Total Specific and Significant Project Expenditures: **\$ 16,698,904**

**GRAND TOTAL HALF CENT SALES TAX PROJECT
EXPENDITURES FOR THE FISCAL YEAR ENDED
JUNE 30, 2022:**

\$65,633,368

Internal and External Influences

EXECUTIVE TURNOVER

Once again, the Project Oversight Committee would like to highlight the considerable amount of turnover at the Executive and Cabinet level. As noted in reports from previous years, stability in leadership is vital to student and district achievement. Instability causes fear and uncertainty amongst the staff, and ultimately hinders progress on District goals, including Capital Projects funded by the Half Cent Sales Tax. A revolving door at the Executive ranks does not bode well for the long-term success of any District. During the last several months, Volusia County Schools has replaced the Superintendent, Deputy Superintendent, CFO, CIO, and COO among others. The POC recognizes that circumstances sometimes warrant change, but we encourage the leadership of the District to focus on stabilization. This stability builds confidence in the future success of the vision for the District, ultimately impacting the value received by the investment of our half cent sales tax.

SAFETY AND SECURITY

Volusia County Schools is charged with providing a safe and secure environment for our students, teachers, and school staff. We would be remiss if we did not acknowledge the recent tragedies that continue to plague our country. The authorities of Uvalde, Texas failed the students and teachers of Robb Elementary School, amplifying a horrific incident that resulted in the murder of 19 students and two teachers on May 24, 2022. As we send our kids to school every day, we expect the District to do everything in their power to ensure that this type of event will not occur in our district. The half cent sales tax funds designated for security enhancements have thus far been used in a responsible manner to improve the safety at all of Volusia's schools. But, as new information, new strategies, and new technology emerges, the District should remain diligent while continuously evaluating process and procedure to ensure that no gaps are left unfilled.

PANDEMIC

The effects of the Covid-19 pandemic continue to influence our lives in many ways beyond the obvious implications of public health and wellness. We are seeing shifts in social and economic behaviors unlike any other as a result. For example, many shoppers have changed their shopping habits and switched to online retailers as a result. The US and Global supply chain have been impacted significantly. Employers are faced with shifts in workforce preferences, resulting in "The Great Resignation". And we can't overlook that the pandemic has certainly been a contributing factor to inflation. Amazingly, all things considered, projects funded by the half cent sales tax mostly remained on time and within budget. This is a testament to the hard-working staff of Volusia County Schools and their dedication to the vision of the Citizens of Volusia County.

INCREASED COSTS AND REVENUES

As noted in previous Annual Reports, construction material and labor costs continued to soar as a result of the global pandemic. In some cases, building components and supplies saw increases from 30% - 50% above pre-pandemic pricing. However, as this year unfolded, it became evident that other factors would have far reaching impacts on the cost of goods beyond the construction sector. Besides the pandemic, we've seen where things like political influences and the war in Ukraine have negatively impacted the economy, causing an inflationary effect on everything from housing to consumer goods to fuel and energy. While inflation tends to impact discretionary spending, the half cent sales tax revenues have remained strong, even exceeding the budgeted revenue. Whether affected by Covid-19 directly, fearful of going out,

or enjoying economic stimulus checks, consumer spending in Volusia County has been strong. This resultant increase in sales tax revenue should help offset the added costs incurred as a result of inflation.

DELAYED MAINTENANCE OF MAJOR SYSTEMS

The POC continues to monitor the status of the HVAC and other major systems of our older schools. In our summary last year, we highlighted a District report that provided an overview of the age of these systems across the District. We noted the inefficiencies of older systems along with the maintenance costs associated with these systems. While we have seen improvements over the past year, HVAC continues to be a concern of the POC. We urge the District to pursue opportunities for improving these systems.

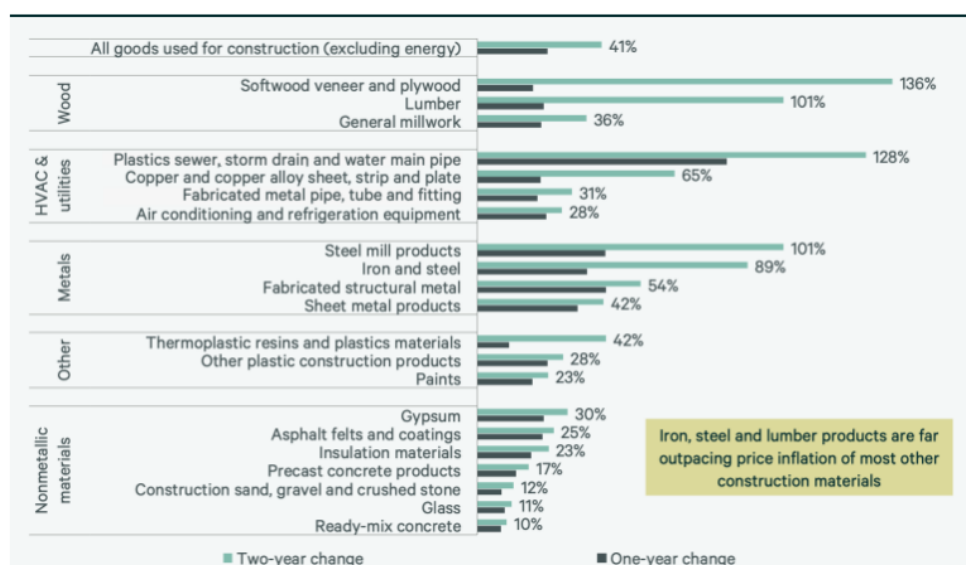
LOST BUT NOT FORGOTTEN

The POC would also like to mention that on several occasions, the District has provided information related to a variety of potential projects that could have a significant impact on the District's Capital budget. For example, in late 2020, the Avalon Park Group presented a conceptual plan for a master planned community in Daytona Beach which included provisions for new schools in that community. On another occasion, the District provided a compelling presentation that outlined the deteriorating state of the DeLand Administrative Complex and potential options for relocation or renovation. The POC is aware that the staff must explore options such as these when evaluating the Capital budgetary needs of the District. We encourage the District to continue to inform the POC of these types of projects, along with their impact to the half-cent sales tax funds.

Cost of Construction

Construction costs are continuing to soar due to challenges in the supply chain caused by the global pandemic. The timeliness of deliveries and the cost of obtaining goods was greatly impacted both in 2019 and 2020. Commodity prices continue to climb. A few examples are listed below.

Figure 37: Price inflation for select construction commodities, March 2020-March 2022



Source: U.S. Bureau of Labor Statistics, CBRE Strategic Investment Consulting April 2022.

Committee's Recommendations/Conclusions

The Project Oversight Committee, a volunteer committee, remains committed to representing the citizens of Volusia County to ensure transparency regarding the outlay of funds generated by our sales tax dollars. The Volusia County School District is accountable to the citizens of Volusia County and as such, are expected to allocate these funds in accordance with the original project list approved by the citizens of Volusia County in 2014. The POC holds this obligation as the benchmark of our oversight and insist that we are informed adequately and expediently of all decisions regarding these funds.

The POC recognized a direct correlation between the flow of information and the “changing of the guard” in the District’s leadership. As new staff filled these positions, it became evident that the requirements of the referendum and the role of the POC were not clearly communicated to new staff. While staff were shuffled around, and the District worked to accommodate the needs of the POC, the flow of information naturally slowed. We believe that this was simply a result of turnover in the ranks. The POC has since reaffirmed the importance of this committee and is working with District staff to reestablish an open line of communication. We are optimistic that we are headed in the right direction and expect a positive relationship moving forward.

The 2021 - 2022 school year was once again a challenging year for our District. Through persistence and dedication, the District continues to provide a quality education system for the students of Volusia County, while focusing on continuous improvements. We believe that District Staff have maintained an acceptable level of transparency throughout this past year and continues to provide timely updates on capital projects. As noted above, we believe there is room for improvement, but expect that will occur as District leadership stabilizes. As we complete our 6th year of oversight, on behalf of the taxpayers of Volusia County, we reaffirm our confidence that our tax dollars are being utilized in a responsible manner.

ATTACHMENT 1

Sales Tax Expenditures

Volusia County School Half Cent Sales Tax Expenditures from Inception through Fiscal Year Ended June 30, 2022

| Referendum Category | Sum of the Expenditures |
|---|--------------------------------|
| Athletics & Physical Education | \$ 6,962,459 |
| All High Schools - Athletic Facility Leases | 528,625 |
| Atlantic HS - Athletic Field Lighting | 1,112,287 |
| Atlantic HS - Replace Track | 614,444 |
| DeLand HS - Renovate Track | 347,654 |
| Deltona HS - Replace Track | 291,351 |
| Deltona HS Replace Rotted Nets | 827 |
| Deltona HS Tennis Court Resurface | 33,921 |
| Mainland HS - Athletic Field Lighting | 792,908 |
| Mainland HS - Renovate Tracks | 586,448 |
| New Smyrna Beach HS - Renovate Tracks | 402,853 |
| Pine Ridge HS - Renovate Track | 361,469 |
| Seabreeze HS - Athletic Field Renovation | 207,340 |
| Seabreeze HS - Track | 496,303 |
| Spruce Creek HS - Replace Track | 448,642 |
| Spruce Creek HS - Softball Dugout & Backstop Renovations | 146,367 |
| Spruce Creek HS Tennis Court Resurface | 32,924 |
| University HS - Athletic Field Lighting | 552,243 |
| Various Schools - HS School Athletics | 5,853 |
| New and/or Replacement Schools | 126,293,965 |
| Chisholm Elm - Replacement | 21,480,802 |
| Deltona Mid - Master Plan | 49,449,371 |
| George Marks Elm - Master Plan | 16,981,643 |
| Osceola Elm - Master Plan | 16,458,183 |
| Pierson Elm - Replacement | 21,774,889 |
| Tomoka Elm - Master Plan | 149,076 |
| Turie T. Small Elm - Master Plan | - |
| Security | 9,030,753 |
| Atlantic HS - Security Fencing | 84,557 |
| Blue Lake Elm- Fencing, Cameras, Cipher Locks | 16,246 |
| Central Admn - Upgrade Security Systems | 45,445 |
| DeLand HS - Security Fencing | 108,863 |
| DeLand MS - Fencing, Cameras, Cipher Locks | 26,138 |
| Deltona HS - Fencing, Cameras, Cipher Locks | 104 |
| Deltona HS - Security Fencing | 52,107 |
| Deltona HS - Upgrade Security Cameras | 62,687 |
| Deltona Mid - Security Fencing | 33,216 |
| Discovery Elm- Security Fencing | 47,536 |
| Edgewater Public Elm - Security Fencing | 1,688 |
| Forest Lake Elm- Security Fencing | 47,869 |
| Hinson Mid - Security Fencing | 49,650 |
| Holly Hill K8 - Fencing, Cameras, Cipher Locks | 30,163 |
| Horizon Elm- Security Fencing | 48,111 |
| Indian River Elm- Fencing, Cameras, Cipher Locks | 33,709 |
| Mainland HS - Security Fencing | 3,111 |
| Mainland HS - South and East Perimeter Fencing, cameras, cipher locks | 11,231 |
| New Smyrna Beach HS - Fencing, Cameras, Cipher Locks | 52 |
| New Smyrna Beach HS - Retention Fencing | 43,006 |
| New Smyrna Beach HS - Security Fencing | 64,104 |

| Referendum Category | Sum of the Expenditures |
|---|-------------------------|
| New Smyrna Beach Mid - Security Fencing | 101,598 |
| Orange City Elm - Security Fencing | 34,374 |
| Ormond Beach Mid - Upgrade Security Gates | 62,174 |
| Ormond Beach Elm - Security Fencing | 39,539 |
| Osteen Elm- Security Fencing | 42,069 |
| Pine Ridge HS - North side fencing, cameras, cipher locks | 104 |
| Pine Ridge HS - Security Cameras | 10,657 |
| Pine Ridge HS - Security Fencing | 124,574 |
| Pride Elm - Security Fencing | 45,357 |
| Read Pattillo - Security Fencing | 59,888 |
| River Springs Mid - Security Fencing | 59,034 |
| Seabreeze HS - Security Cameras | 2,962 |
| Seabreeze HS - Security Fencing | 163,510 |
| Silver Sands Mid - Circulation for Security, Administration Relocation | 2,998,709 |
| Silver Sands Mid - Security Fencing | 97,660 |
| South Daytona Ele - Security Fencing | 51,359 |
| Spruce Creek HS - Security Fencing | 191,611 |
| Spruce Creek HS - Storefront | 57,192 |
| Starke Elm- Fencing, Cameras, Cipher Locks | 19,906 |
| Tomoka Elm - Security Cameras | 1,281 |
| Turie T. Small Elm- Fencing, Cameras, Cipher Locks | 35,946 |
| University HS - Security Cameras | 2,784 |
| Various - Security | 4,018,872 |
| Specific & Significant Renovations | 43,186,226 |
| Atlantic HS - Campus Wide Reroof | 2,579,460 |
| Atlantic HS - HVAC Renovation Bldg 5 | 1,319,068 |
| Atlantic HS - New Digital Marquee | 179,219 |
| Atlantic HS - Replace Gym Bleachers | 21,161 |
| Atlantic HS - Upgrade Chillers 4 and 5, HVAC Bldg 3 | 1,821,663 |
| Atlantic HS - Upgrade Fire Alarm and Intercom | 1,319,842 |
| Atlantic HS - Upgrade HVAC and Lighting, Bldg 6 | 1,468,504 |
| DeLand HS - Media Center Retrofit | 628,974 |
| DeLand HS - Outdoor Restroom | 162,484 |
| DeLand HS - Replace Gym Bleachers | 19,370 |
| DeLand HS Replace Bleachers at Baseball Field & Move to Existing Track | 20,231 |
| DeLand Mid - Campus Wide HVAC, Ceiling and Lighting | 1,383,500 |
| DeLand Mid - Replace Fire Alarm & Intercom | 1,497 |
| Deltona HS - Media Center Retrofit | 384,742 |
| Deltona HS - Replace Gym Bleachers | 233,339 |
| McInnis Elm - Media Center Retrofit | 417,463 |
| McInnis Elm - Potable Water and Sanitary Sewer | 1,427 |
| New Smyrna Bch HS - Stadium Joint Use | 250,000 |
| New Smyrna Beach Mid - Cafeteria and Media Center Renovations | 424,099 |
| New Smyrna Beach Mid - HVAC, Ceiling, Lighting and Flooring Campus Wide | 15,555,198 |
| Orange City Elm - Renovations and Additions | 73,357 |
| Palm Terrace Elm - Media Center Retrofit | 341,066 |
| Pine Ridge HS - Campus Wide Reroof | 3,292,692 |
| Pine Ridge HS - Media Center Retrofit | 197,733 |
| Pine Ridge HS - Replace Chillers 3 and 4, HVAC Bldg 2 | 1,733,008 |
| Pine Ridge HS - Replace Gym Bleachers | 21,161 |
| Pine Ridge HS - Upgrade Chiller Plant & Bldg 5 HVAC | 2,191,039 |
| Pine Ridge HS - Upgrade HVAC, Ceiling and Lighting Bldg 8 | 1,519,641 |

| Referendum Category | Sum of the Expenditures |
|--|--------------------------------|
| Pine Ridge HS - Upgrade HVAC, Ceiling and Lighting, Bldgs. 6 and 7 | 1,017,649 |
| Pine Ridge HS - Upgrade HVAC, Ceiling and Lighting, Bldgs. 9 and 10 | 614,759 |
| Seabreeze HS - Media Center Retrofit | 272,377 |
| Seabreeze HS - Reroof Media Center | 22,169 |
| Seabreeze HS - Upgrade Chiller Water Plant | 205,715 |
| Seabreeze HS - Window and Door Replacement Bldgs 7 - 11 | 626,098 |
| Southwestern Mid - Media Center Retrofit | 496,732 |
| Spruce Creek HS - 35 Ton A/C Unit on Cafeteria, Controls & Roof Curb | 136,247 |
| Spruce Creek HS - Classroom Additions and Renovations | 12,719 |
| Spruce Creek HS - Master Plan | 137,958 |
| Starke Elm - Renovations and Additions | 77,910 |
| Starke Elm - Reroof Media Center | 138,166 |
| Taylor Mid-HS - Outdoor Restroom | 177,203 |
| University HS - Outdoor Restrooms | 143,495 |
| Westside Elm - Renovations & Addition | 925,230 |
| Woodward Elm - Renovations and Addition | 620,859 |
| Technology | 56,081,548 |
| ERP Software - Enterprise Resource Planning | 10,814,476 |
| Mutual Link | 240,476 |
| SIS Software - New District Student Information System | 2,168,377 |
| Various - Infrastructure for Technology | 1,543,105 |
| Various Schools & Depts - District Wide Technology Equipment | 41,315,113 |
| Grand Total | \$ 241,554,950 |

Attachment 2

Sales Tax Referendum

Resolution 2014-05

A RESOLUTION OF THE SCHOOL BOARD OF VOLUSIA COUNTY FLORIDA, DIRECTING A REFERENDUM TO BE HELD ON AUGUST 26, 2014, PURSUANT TO SECTION 212.055(6), FLORIDA STATUTES, FOR THE PURPOSE OF SUBMITTING TO THE DULY QUALIFIED ELECTORS OF VOLUSIA COUNTY, FLORIDA, A QUESTION REGARDING THE EXTENSION OF THE LEVY OF A DISCRETIONARY SALES SURTAX IN VOLUSIA COUNTY OF ONE-HALF CENT FOR SPECIFIED PURPOSES; PROVIDING FOR PROPER NOTICE OF SUCH ELECTION; AUTHORIZING CERTAIN INCIDENTAL ACTIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on October 9, 2001, the electors of Volusia County approved a sales surtax levy of 0.5 percent (one-half percent)(one-half cent) pursuant to sections 212.054 and 212.055(6), Florida Statutes, for a fifteen (15) year period for the limited purpose of capital expenditures or fixed capital costs, associated construction-related costs, technology implementation at schools and bond indebtedness financing costs;

WHEREAS, that levy shall expire on December 31, 2016, unless extended by the electors of Volusia County;

WHEREAS, the critical need for the extension of the levy was established by a Citizens' Capital Needs Committee that met five times between the months of September 30, 2013, through January 13, 2014, and approved a recommended capital projects list that identified new capital project needs for an additional fifteen (15) year period of 2017 through 2031 ("New Capital Project Needs Plan");

WHEREAS, on January 28, 2014, the Volusia County School Board ("School Board") reviewed and approved the recommendation of the Citizens' Capital Needs Committee;

WHEREAS, the capital revenue sources for the School District of Volusia County, Florida, for financing the costs of school facility renovation, replacement and construction and technology purchases are inadequate without the continuation of the one-half cent sales surtax levy;

WHEREAS, the School Board is authorized by section 212.055(6), Florida Statutes, to levy a one-half cent sales surtax to fund capital outlay projects and technology implementation, including the payment of bond indebtedness and any interest accrued thereto, upon approval by a majority vote of the electors of Volusia County;

WHEREAS, the School Board desires to limit the financial impact of its capital outlay and technology implementation programs on local property owners by minimizing the use of ad valorem taxes to pay the costs of such improvements; and

WHEREAS, the New Capital Project Needs Plan is consistent with the School Board's adopted 2012 Educational Plant Survey as approved by the Florida Department of Education and serves as a plan for use of the proceeds of the levy and collection of the surtax for capital outlay which may be modified from time to time as the School Board determines to be in the best interest of the citizens throughout Volusia County.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Volusia County, Florida, as follows:

SECTION 1. SALES SURTAX LEVY. There is hereby levied and imposed within Volusia County a discretionary sales surtax of 0.5 percent (one-half cent) pursuant to the provisions of sections 212.055(6) and 212.054, Florida Statutes subject to approval by a majority vote of the electors of Volusia County voting in the referendum directed by this resolution.

SECTION 2. FINDINGS. The findings set forth above are hereby adopted and incorporated by reference into this resolution.

SECTION 3. TERM OF LEVY. The surtax levy shall continue beginning January 1, 2017. The surtax levy shall remain in full force and effect for a period of fifteen (15) years from and after January 1, 2017, through December 31, 2031, unless repealed or reduced prior to that time by resolution of the School Board, which repeal or reduction may be effectuated without referendum.

SECTION 4. ADMINISTRATION; USE OF REVENUES.

- A. The surtax levied by this resolution shall be collected, administered and paid to the School Board by the Department of Revenue pursuant to the terms of section 212.054(4)(a), Florida Statutes or as otherwise provided by law.
- B. The proceeds of the levy and collection of the surtax and any interest accrued thereto shall be expended by the School Board for fixed capital expenditures or fixed capital costs associated with the renovation or construction of school facilities, and campuses, for security, technology and other school purposes, which have a useful life expectancy of five (5) or more years, and any land improvement, design and engineering costs related thereto, and for the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the district. Such proceeds and interest thereon may also be used for the purpose of servicing bond indebtedness to finance the projects authorized above. A brief and general description of the initial capital outlay projects to be funded by the surtax is set forth in the New Capital Project Needs Plan attached as Exhibit A.

SECTION 5. PROJECT OVERSIGHT COMMITTEE. The School Board and the Superintendent of Schools shall establish a Project Oversight Committee to report on the implementation, progress, status and completion of the projects funded by the sales surtax approved by this referendum. The Project Oversight Committee shall consist of six private citizens and one member of the Volusia County School District administration. The six private citizens shall not be affiliated with or employed by any business or occupation that would have a

direct or indirect financial benefit from these projects. The Project Oversight Committee shall prepare an annual report within ninety (90) days of the end of each fiscal year.

SECTION 6. REFERENDUM ELECTION ORDERED; DIRECTION. Pursuant to authority granted to the School Board pursuant to section 212.055(6), Florida Statutes, a county-wide referendum election is hereby ordered to be held in Volusia County on August 26, 2014, consistent with the terms of this resolution. This resolution shall constitute direction to the Volusia County Council to call said election within the School District of Volusia County consistent with the terms of this resolution. The School Board shall reimburse the County of Volusia for the costs of such referendum, if any, based on the actual expenses incurred on behalf of the School Board as filed by the Volusia County Supervisor of Elections attributable to the referendum.

SECTION 7. OFFICIAL BALLOT. The ballots to be used in the referendum election shall be substantially in the following form:

BALLOT TITLE: REFERENDUM ON EXTENDING ONE-HALF CENT SALES SURTAX FOR SCHOOL SECURITY, TECHNOLOGY AND OTHER FACILITY IMPROVEMENTS

BALLOT QUESTION: SHALL AN EXTENSION OF THE ONE-HALF CENT SCHOOL CAPITAL OUTLAY SALES SURTAX THAT EXPIRES ON DECEMBER 31, 2016, BE AUTHORIZED FOR AN ADDITIONAL FIFTEEN (15) YEAR LEVY BY THE SCHOOL BOARD OF VOLUSIA COUNTY BEGINNING JANUARY 1, 2017, TO FINANCE SCHOOL SECURITY AND TECHNOLOGY CAPITAL IMPROVEMENTS AND CONSTRUCTION OF OTHER SCHOOL CAPITAL PROJECTS, INCLUDING CONSTRUCTION, ADDITIONS, RENOVATIONS, AND REPLACEMENTS?

_____ **FOR THE ONE-HALF CENT TAX**
_____ **AGAINST THE ONE-HALF CENT TAX**

SECTION 8. HOLDING OF ELECTION. The referendum election directed by this resolution shall be held and conducted in the manner set forth by law.

SECTION 9. NOTICE OF REFERENDUM. In accordance with section 100.342, Fla. Stat., the superintendent is hereby authorized and directed to place a notice of referendum election in a newspaper of general circulation published in the school district. The publication shall be made at least twice, once in the fifth week and once in the third week prior to the week in which the referendum is to be held.

SECTION 10. SEVERABILITY. In the event that any word, phrase, clause, sentence or paragraph of this resolution shall be held invalid by any court of competent jurisdiction, such holding shall not affect any other word, clause, phrase, sentence or paragraph.

SECTION 11. REPEALING CLAUSE. All resolutions in conflict or inconsistent with this resolution are repealed to the extent of such conflict or inconsistency.

SECTION 12. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED at a regular meeting of the School Board of Volusia County, Florida, the 25th day of February, 2014.

SCHOOL BOARD OF VOLUSIA COUNTY,
FLORIDA

By: 
CANDACE LANKFORD
Chairman

ATTEST:

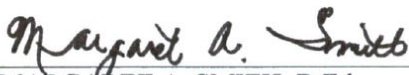

MARGARET A. SMITH, D.Ed.
Superintendent and Ex Officio Secretary
of the School Board of Volusia County, Florida

EXHIBIT "A"

**CITIZENS' CAPITAL NEEDS COMMITTEE
RECOMMENDED CAPITAL PROJECTS LIST
SCHOOL BOARD APPROVED January 28, 2014**

SECURITY **\$ 45,000,000**

Security Enhancements: ALL SCHOOLS & BUSES

School needs vary. Security enhancements may include, but not be limited to, one or more of the following:

- Cameras
- Cypher Locks
- Electronic lock system
- Fencing
- Impact resistance window laminate
- Panic buttons
- Ridership Verification & Accountability System
- School Visitor Management System

TECHNOLOGY **\$ 135,000,000**

Classroom & School Based Technology Retrofits & Upgrades: ALL SCHOOLS

Career & Technology Education Upgrades: ALL SECONDARY SCHOOLS

- High School Academies
- Middle School Electives

District Based Technology Retrofits & Upgrades

SCIENCE CLASSROOM REMODELING: ALL MIDDLE SCHOOLS **\$ 8,000,000**

NEW AND/OR REPLACEMENT SCHOOLS **\$ 111,000,000**

- Pierson/Seville Elementary Replacement
- Chisholm Elementary (Replacement on site)
- Deltona Middle (Replacement on site)
- George Marks Elementary (Replacement on site)
- Tomoka Elementary (Replacement on site)

ATHLETICS & PHYSICAL EDUCATION **\$ 15,000,000**

Track resurfacing/replacement & athletic fields: ALL HIGH SCHOOLS

Dollars are based on 2013 values

EXHIBIT "A"

SPECIFIC & SIGNIFICANT RENOVATIONS

\$ 100,000,000

ELEMENTARY SCHOOLS

| | |
|---------------|---|
| Enterprise | Classroom renovations/replacement |
| McInnis | Connect to potable water and/or sanitary sewer when available |
| Orange City | Classroom renovations & additions, site improvements/circulation |
| Ortona | Classroom renovations, site improvements/circulation |
| Osceola | New construction: administration/guidance, classroom renovations, windows & doors, exterior walls, site improvement/circulation |
| Read-Pattillo | New construction: administration/guidance, classroom renovations, exterior walls, site improvement/circulation |
| Starke | Doors, ceiling & lights and interior finishes including electrical, restroom renovations |
| Woodward | Classroom renovations & addition, restroom renovations |

MIDDLE SCHOOLS

| | |
|--------------|---|
| New Smyrna | Classroom addition, Site work circulation, Façade upgrade |
| Silver Sands | Exterior site improvements, parking lot & lighting |

HIGH SCHOOLS

| | |
|--------------|---|
| Atlantic | HVAC replacement, ceiling & lighting, electric service upgrade, roof replacement, auditorium renovations, window replacement, technology lab conversion |
| Deltona | Windows and doors replacement, technology lab conversion |
| Pine Ridge | HVAC replacement, ceiling & lighting, electric service upgrade, roof replacement, technology lab conversion, culinary lab |
| Seabreeze | Exterior door replacement, Buildings 8 & 9 classroom renovations |
| Spruce Creek | HVAC Replacement, electric service upgrades |

OTHER RENOVATIONS (subject to sufficient revenues)

May include upgrades or replacement at any school of one or more of the following: electric service and/or equipment, ceiling & lights, fire alarm, HVAC system and/or equipment, intercom, roof replacements.

HALF CENT MONIES RECEIVED

(32m x 15 yrs based on 2013 values)

\$ 480,000,000

PROJECT COST ESTIMATE (based on 2013 values)

| | |
|-----------------|------------------------------|
| Security | \$ 45,000,000 |
| Technology | \$ 135,000,000 |
| Facilities | <u>\$ 234,000,000</u> |
| SUBTOTAL | \$ 414,000,000 |
| Contingency & | |
| Inflation | <u>\$ 66,000,000</u> |
| | \$ 480,000,000 |