



CCS Capital Expansion 2017-2018

Enrollment growth over 10 years

years	Enrollment Years	Enrollment	% growth / year
1	2008 - 2009	213	
2	2009 - 2010	223	4.5%
3	2010 - 2011	234	4.7%
4	2011 - 2012	223	-4.9%
5	2012 - 2013	233	4.3%
6	2013 - 2014	249	6.4%
7	2014 - 2015	272	8.5%
8	2015 - 2016	280	2.9%
9	2016 - 2017	307	8.8%
10	2017 - 2018	316	2.8%

3.8% Average yearly growth
32.6% growth over 10 years

Enrollment projections to 400 Student Capacity

<u>Population Growth</u>							
Average Growth \ year	4%						
	2018	2019	2020	2021	2022	2023	400 Cap. 2024
Population Increase	312	324	337	351	365	380	395
Classrooms (20 student ratio)	16	16	17	18	18	19	20
Families (AVG 2 kids per)	156	162	169	175	182	190	197

<u>Population Growth</u>							
Average Growth \ year	5%						
	2018	2019	2020	2021	2022	400 Cap. 2023	2024
Population Increase	312	328	344	361	379	398	418
Classrooms (20 student ratio)	16	16	17	18	19	20	21
Families (AVG 2 kids per)	156	164	172	181	190	199	209

<u>Population Growth</u>							
Average Growth \ year	8%						
	2018	2019	2020	2021	400 Cap. 2022	2023	2024
Population Increase	312	337	354	371	390	410	430
Classrooms (20 student ratio)	16	17	18	19	20	20	22
Families (AVG 2 kids per)	156	168	177	186	195	205	215

Note: CCS currently has 15 classrooms including the preschool room



Popular opinion - portables (5-6 classrooms)

- ▶ Able to add more classrooms upfront and as needed
- ▶ Able to reclaim library
- ▶ More cost effective than building
- ▶ Provides space for growth to 400+ students
- ▶ Addresses space issue for the next 7+ years
- ▶ Preschool not affected for 6+ years
- ▶ More in alignment with 400 and 500 student growth models
- ▶ Greater long term potential

Portables – estimated capital expenditures

Estimates

Portables (5-6 Classroom)	\$	430,000
Construction Costs	\$	100,000
Playground expansion (52% budgeted)	\$	125,000
New Bus (budgeted)	\$	126,000

Total \$ 781,000

Capital Expenditures


CCU Redeamable 2017-18	\$	421,000
Borrow	\$	360,000

Total \$ 781,000

Mortgage \$ 973,000 42% Debt ratio



Portables disadvantages

- ▶ Impacting construction considerations
 - ▶ Additional infrastructure considerations
 - ▶ Electrical
 - ▶ Sewer / water
 - ▶ gas
 - ▶ Additional operational expenses and considerations
 - ▶ Average 20 year life expectancy
 - ▶ Potential for increased fees
 - ▶ Potential cultural impact
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How are tuition and fees impacted?

Main budgetary factors

- ▶ Capital Expansion Projects
 - ▶ Priority and need – more classrooms!
 - ▶ Current capital expansion allocation is \$100,000 per year
 - ▶ 14% of budget
- ▶ increase operational costs
- ▶ Inflation
 - ▶ Alberta inflation rate is 2.21% since year 2000
- ▶ Debt repayment
 - ▶ How fast do we want to pay down debt?
- ▶ Extenuating circumstances
 - ▶ BGRS lease reduction
 - ▶ 2017 roofing project

Inflation impact to budget

Budgetary Adjustments

CCS sq ft	2017/18 budget	AVG cost / sq ft	expansion (sq ft)	Est. budget Increase	Total Est. Budget
32,000	\$ 760,000.00	\$ 23.75	6000	\$ 142,500.00	\$ 902,500.00

Based on a 4% population increase average our sustainable population will be 2023 and 400 student capacity

Budgetary Adjustments (2% inflation)

<u>Year</u>	<u>CCS sq ft</u>	<u>2017/18 budget</u>	<u>AVG cost / sq ft</u>	<u>expansion (sq ft)</u>	<u>Est. budget Increase</u>	<u>Total Est. Budget</u>
2018	32,000	\$ 760,000.00	\$ 23.75	6000	\$ 142,500.00	\$ 902,500.00
2019	32,000	\$ 775,200.00	\$ 24.23	6000	\$ 145,350.00	\$ 920,550.00
2020	32,000	\$ 790,704.00	\$ 24.71	6000	\$ 148,257.00	\$ 938,961.00
2021	32,000	\$ 806,518.08	\$ 25.20	6000	\$ 151,222.14	\$ 957,740.22
2022	32,000	\$ 822,648.44	\$ 25.71	6000	\$ 154,246.58	\$ 976,895.02
2023	32,000	\$ 839,101.41	\$ 26.22	6000	\$ 157,331.51	\$ 996,432.92
2024	32,000	\$ 855,883.44	\$ 26.75	6000	\$ 160,478.14	\$ 1,016,361.58

Revenue increase by population will not be sufficient

<u>Projected Revenue Increases at 4% population increase</u>							400 Cap.
	2018	2019	2020	2021	2022	2023	2024
Revenue Increase	\$ 720,720.00	\$ 749,548.80	\$ 779,530.75	\$ 810,711.98	\$ 843,140.46	\$ 876,866.08	\$ 911,940.72
Mortgage Payment	\$ 72,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00
Mortgage	\$1,200,000.00	\$1,056,000.00	\$ 912,000.00	\$ 768,000.00	\$ 624,000.00	\$ 480,000.00	\$ 336,000.00
Surplus Budget	\$ 100,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00

<u>Projected Revenue Increases at 4% population increase plus 2% inflation increases</u>							400 Cap.
	2018	2019	2020	2021	2022	2023	2024
Revenue Increase	\$ 720,720.00	\$ 763,963.20	\$ 809,800.99	\$ 858,389.05	\$ 909,892.39	\$ 964,485.94	\$ 1,022,355.09
Mortgage Payment	\$ 72,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00
Mortgage	\$1,200,000.00	\$1,056,000.00	\$ 912,000.00	\$ 768,000.00	\$ 624,000.00	\$ 480,000.00	\$ 336,000.00
Surplus Budget	\$ 100,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00

*Mortgage based on maximum debt ratio of 50%



Fee and budget recommendations

- ▶ Implementation of a 2% increase for each annual budget cycle going forward
- ▶ In 2019 - after portable expansion is completed – when possible double debt payments from \$72,000 to \$144,000 per year
 - ▶ Lowers capital expansion budget to \$28,000 per year for 7 years
 - ▶ Reduces debt from \$973,000 to about \$340,000 by 2024 (based on current cost estimates)
 - ▶ Positioned well for next capital expansion priority in 7 years
- ▶ Work towards maintaining 10% or better annual budgetary surplus for future
 - ▶ capital expansions
 - ▶ emergency funds
 - ▶ debt repayment
- ▶ borrow to a maximum \$1,200,000 or 50% debt ratio

Fee impact

Projected Tuition Increases (2%)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Membership Fees	\$ 25	\$ 26	\$ 26	\$ 27	\$ 27	\$ 28	\$ 28
1st child fees	\$ 1,600	\$ 1,632	\$ 1,665	\$ 1,698	\$ 1,732	\$ 1,767	\$ 1,802
2nd child fees	\$ 1,050	\$ 1,071	\$ 1,092	\$ 1,114	\$ 1,137	\$ 1,159	\$ 1,182
3rd child fees	\$ 500	\$ 510	\$ 520	\$ 531	\$ 541	\$ 552	\$ 563
4th & 5th child fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kindergarten	\$ 700	\$ 714	\$ 728	\$ 743	\$ 758	\$ 773	\$ 788
Preschool fees	\$ 800	\$ 816	\$ 832	\$ 849	\$ 866	\$ 883	\$ 901
Recreation fee	\$ 325	\$ 332	\$ 338	\$ 345	\$ 352	\$ 359	\$ 366
Max Tuition (K-9)	\$ 3,475	\$ 3,545	\$ 3,615	\$ 3,688	\$ 3,761	\$ 3,837	\$ 3,913

Projected Transportation Increases (2%)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
CCS Rural Users	\$ 1,850	\$ 1,887	\$ 1,925	\$ 1,963	\$ 2,002	\$ 2,043	\$ 2,083
CCS Part time riders	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,061	\$ 1,082	\$ 1,104	\$ 1,126
CCS Rural High School	\$ 225	\$ 230	\$ 234	\$ 239	\$ 244	\$ 248	\$ 253
Non CCS Users	\$ 2,050	\$ 2,091	\$ 2,133	\$ 2,175	\$ 2,219	\$ 2,263	\$ 2,309



Risks and other considerations

- ▶ Reduced enrollment rates
 - ▶ Cultural impact to community
 - ▶ Potential changes to BGRS lease structure
 - ▶ Economic and political landscape
 - ▶ Financial feasibility
 - ▶ Impact / delay other capital expenditures
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Discussion