

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2020 May 06

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 13000 02
DIRECTOR FINANCE

SUBJECT: CHILD CARE CENTRE FOR CITY EMPLOYEES

PURPOSE: To present a proposal to create a child care centre for the children of City employees.

RECOMMENDATIONS:

1. **THAT** the City-owned property at 6570 Deer Lake Avenue be used as a site for a child care centre that would offer priority placement for the children of City of Burnaby and Burnaby RCMP employees.
2. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$3,500,000 to finance the child care centre.

REPORT**1.0 INTRODUCTION**

Finding quality, affordable child care is one of the more stressful times in the lives of young families. To address the child care needs of our community, the City initiated work on a Child Care Needs Assessment and Strategy for Burnaby in 2019 September. As part of the assessment process, the City conducted a survey of City of Burnaby employees regarding their child care needs. Of the 361 respondents to the survey, 197 employees responded that they have children ages 0 to 5 years old, and of those 73 percent indicated that they would use City child care services for a reasonable and affordable fee in the vicinity of City Hall/Works Yard.

In addition to supporting families, the availability of quality, affordable child care plays a significant role in the location decisions of businesses and helps employers and retain employees. With this in mind, the City has explored the possibility of creating a child care centre for the children of City employees. This report provides information on the process to find a site and an operating model for the proposed facility.

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2.0 POLICY SECTION

The City's initiatives in child care are guided by its Child Care Policy, adopted in 1994 and revised in 2000. The Policy's vision states that the City is committed to:

- assisting with the creation of a comprehensive and inclusive child care system in Burnaby;
- supporting families and children in their search for child care options; and,
- working with the Board of Education, government ministries, child care providers, community service providers, and others in pursuing the City's child care objectives.

Further, the Child Care Policy states that the City will work to improve the availability, accessibility, and affordability of child care by providing appropriate and sufficient opportunities for the establishment of child care facilities within the context of the Official Community Plan, community plans, the Burnaby Zoning Bylaw, and other City regulations.

These policy statements are also identified as key objectives in the City's Social Sustainability Strategy, adopted in 2011. The Strategy recognizes the role child care plays in people's economic security and its contribution towards the development of complete communities (communities with a range of housing, services, transportation options and amenities within their own boundaries). Similarly, the City's Environmental Sustainability Strategy supports the development of complete communities that are walkable, bikeable and transit-supported. City policies recognize that while the provision and regulation of child care is the responsibility of the Provincial government, the City can play a supportive role.

The availability of quality child care in the community also aligns with the following goals and sub-goals of the *Corporate Strategic Plan*:

- ***A Connected Community***
 - Partnership – Work collaboratively with businesses, educational institutions, association, other communities and governments
- ***An Inclusive Community***
 - Serve a diverse community – Ensure City services fully meet the needs of our dynamic community
- ***A Dynamic Community***
 - Economic opportunity – Foster an environment that attracts new and supports existing jobs, businesses and industries

3.0 SURVEY OF CITY EMPLOYEES

On 2019 October 31, a survey was sent to all City employees through the All Subscribers email list and to Burnaby RCMP members and civilians. Supervisors were asked to distribute the survey to employees without access to email. The deadline to respond was 2019 November 22.

Key findings from the survey are as follows:

- 361 employees responded, of whom 74% were regular full-time (RFT), 4% were regular part-time (RPT), 10 % were temporary full-time (TFT) and 13% were auxiliary.
- the majority of respondents worked at City Hall including the West Building and Deer Lake 1 and 2 (46%), followed by the RCMP building (19%), recreation facilities (14%) the works yards (10%), the library (5%), fire stations (3%), and other facilities (3%).
- of the 361 respondents, 197 (55%) had children age 0 to 5 years old, and of these, 73% indicated they would use City child care services, for a reasonable and affordable fee, in the vicinity of City Hall/Central Valley area.
- 69% of those with children age 0 to 5 years old said they would use child care services on a full-time basis (5 days a week, all day) and 31% said they would use the services on a part-time basis.

Employees were also asked to provide comments on their responses. A sample of these comments are found in ***Appendix 1 attached***.

Based on the findings of the survey, staff have explored potential sites and operating models for City child care services, as discussed below.

4.0 POTENTIAL SITES

Based on the findings of the survey, staff researched possible City-owned properties to accommodate a child care centre for 50 to 60 children aged 0 to 5 years old. This would provide for two 12 space infant/toddler programs (24 spaces), one 25 space for three to five year old program, and one eight space multi-age program that would accommodate children transitioning from infant/toddler care to three to five year old care. The search included the consideration of commercial space available in the City-owned Deer Lake 2 building at 4940 Canada Way as well as a number of City-owned residential properties in the area of City Hall/Deer Lake. Through this work, it was determined that commercial space at Deer Lake 2 would be costly to renovate for child care purposes due to the building's design and that ongoing operating costs would be high because of the commercial maintenance standards of the building. Of the residential properties considered, most are occupied by tenanted single family dwellings. If any of these properties were used it would involve relocation of the tenants and the demolition of the existing housing since it would be more cost effective to build a purpose-built child care centre than to renovate and add additional space to any existing structure.

Through the property search, the Hill Residence at 6570 Deer Lake Avenue emerged as a potential option. The site is within Deer Lake Park, zoned P3 District (rezoning would not be required) and has a suitable site area of 16,600 sq. ft. (see ***Appendix 2 attached***). The Hill Residence is a 1925 modest, one-storey wood frame house. The house is considered to have low heritage value and is on the City's heritage inventory but is not included on the Heritage Register. The building is in

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poor condition and has been vacant for a number of years. It is currently being considered as a location for other City office uses. It is estimated that over \$1 million would be required to remediate the building to use as office space, and would be even more costly to adapt for public assembly use.

If this site were used for a child care centre, it would involve demolishing the house and building a purpose-built child care centre since renovation/remediation of the building would not be cost effective. A purpose-built centre would also result in lower operating and maintenance costs for the operator of the facility which in turn would help to reduce parent fees. In addition, the City would be able to apply for a Ministry of Children and Family Development (MCFD) capital grant for the facility which would reduce the City's required investment in the child care centre over the longer term.

Should the City proceed with using Hill Residence, it is recommended that staff explore ways to recognize the heritage of the site.

5.0 COST ESTIMATE

Staff engaged a quantity surveyor to provide a high level cost estimate for demolishing the existing structure and building a purpose-built, single storey, wood framed building of about 5,500 sq. ft. The estimated cost for a fully fitted, finished and equipped building would be approximately \$3,500,000.

As noted above, the City would be eligible to apply for an MCFD capital funding grant of up to \$2,280,000, or \$40,000 per space for a 57-space centre. Therefore, with the grant, the net cost to the City would be approximately \$1,220,000. The current intake period for MCFD capital funding is 2020 May, followed by a 2020 November intake. To take advantage of the current intake period, staff have submitted an application for funding. Should Council decide not to proceed with the project, the City will rescind the grant application.

In order to proceed with the award of contracts for design and construction, funding approval is being requested. The bylaw funding will address the majority of project expenditure which is expected to take place in 2021. There is MCFD funding expected to be available for this work which will be provided at project completion, at which time bylaw funding will be returned.

These expenditures will be included in the 2021 – 2025 Financial Plan and sufficient Capital Reserve Funds are available to finance the childcare centre.

6.0 OPERATING MODEL

As noted in the survey of City employees, the majority of respondents with children 0 to 5 year olds indicated they would use City child services for a reasonable and affordable fee. It is therefore proposed that a City employee child care centre be operated by a non-profit child care provider, selected through a Request for Proposals process, on similar terms as the City's existing child care centres. These centres are provided to the operators on a rent-free basis but the operators are

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required to pay for all of their operating costs (e.g. heat, light and other utilities, regular maintenance, landscaping, cleaning, furniture replacement, staff wages and benefits, and insurance). This model allows the operators to charge reasonable parent fees while establishing a collective agreement with employees that provides a competitive wage and benefits package. The collective agreements assist with employee retention which contributes to the quality of care within each centre.

In addition, the non-profit operator of the City child care services would be required to opt-in to the Provincial child care fee reduction initiative. Through this initiative, a fee reduction is provided directly to the operator to reduce parent fees by \$350/month for infants and toddlers, and \$100/month for children 3 years to school age. The childcare cost for an infant/toddler would be approximately \$1,100 - 1,300 per month and 3 – 5 year old approximately \$900 – 1,000 per month which is comparable to the other exiting non-profit childcare centres operated from City facilities. Market rates currently are closer to \$1,500 and \$1,000 respectively.

Further, the Province has also introduced an Affordable Child Care Benefit that goes directly to eligible families. Families that earn up to \$111,000 may qualify for a child care subsidy. The amount of subsidy is based on income. For example a two-parent family with two children under 5 years old with a total income of \$90,000 would receive \$733 per month per child. The non-profit operator of the City child care would be expected to assist families in applying for the Affordable Child Care Benefit.

Under this model, it is important that the operator operate at full enrollment. For this reason, it is proposed that priority placement in the facility be given to the children of City of Burnaby and Burnaby RCMP employees but if the operator is unable to fill all the spaces at particular time then any vacant space be offered to families in the wider community.

Through the proposed operating model and Provincial subsidies, parent fees would be slightly lower than average childcare fees for group child care in Burnaby.

7.0 CONCLUSION

The availability of quality, affordable child care is a major benefit for young families. It is also a significant factor in helping businesses to recruit and retain employees. With these benefits in mind, staff have explored options for providing child care services for City of Burnaby and Burnaby RCMP employees.

Based on this research, it is recommended that the City-owned property at 6570 Deer Lake Avenue be used as the site for a child care centre that would offer priority placement for City and Burnaby RCMP employees.

It is also recommended that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$3,500,000 to finance the child care centre.

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With Council approval of the recommendations, staff will provide Council with further information on the progress of the project including any capital funding received by the City from the Ministry of Child and Family Development.



E. W. Kozak, Director
PLANNING AND BUILDING



Noreen Kassam
DIRECTOR FINANCE

MM:sa/tn

Attachments

cc: City Manager
Director Parks, Recreation and Cultural Services
Director Public Safety and Community Services

Appendix 1

Sample of Comments Received on the City/RCMP Child Care Services Survey

I have been on a waitlist for 18 months for a licensed daycare. I was unable to come back to work from maternity leave and had to use 2 months of deferred vacation as I was unable to secure childcare.

Very few group child care facilities are open early enough to get to work on time at 8am. I would imagine a facility specifically for City staff would accommodate an 8am start time.

The waitlists for licenced centres that are reasonably priced and open the hours that the City Hall Complex operates are years long. ... If the City of Burnaby were to provide on site childcare for their employees it would also attract a lot of potential candidates.

It would be extremely convenient to be able to drop off and pick up my child near my own work and be able to work 8am to 4:45pm schedule without needing to stress about asking to come in later or leave earlier.

It would help with employee recruitment, retention, and employee health (i.e. stress, business, peace of mind, etc.).

It would be a tremendous achievement for the City as an employer to offer childcare services for staff. As a parent that might be the most important benefit of all. Thank you for entertaining and considering the idea. It tells me as an employer the City cares about its staff and our community.

We desperately need day care as it is a deciding factor for us to continue work or not.

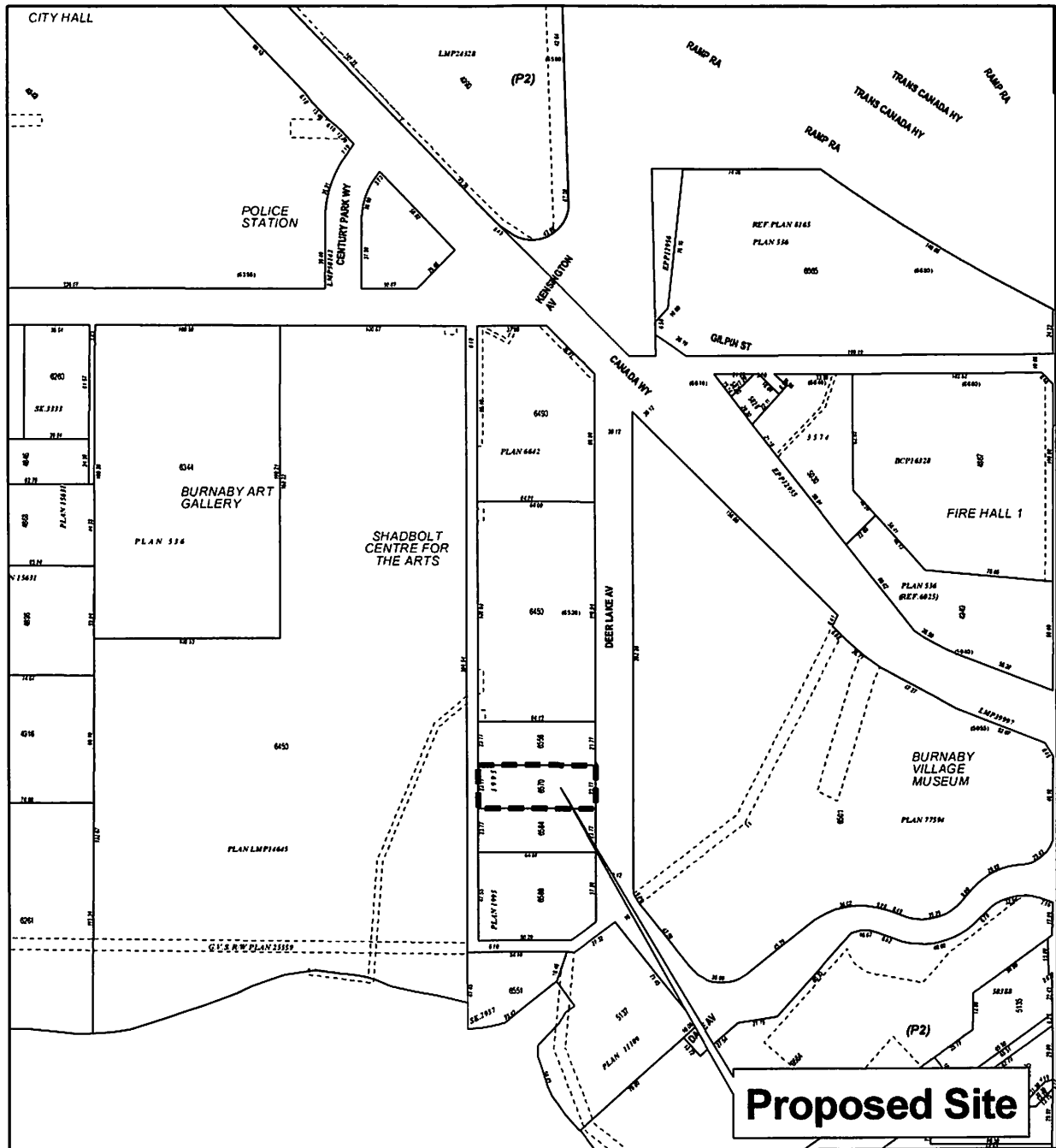
I think this would be an amazing benefit to the City staff and would increase staff motivation to come to work and do a great job and also help with retention of valued employees.




I know that for me and for my colleagues, finding a day care space has been a nightmare, when you do find a space it's typically far from where you work or live and it's expensive. I think if the City did provide Day Care it would be a huge boost to employees and would ease the pressure on other daycares in Burnaby and surrounding areas.

As an exempt staff member, it is important to support the needs of our employees, and having safe and convenient child care options at or near to work is not only beneficial to the individual employee and their family, but also beneficial to the workplace - employees have less stress about finding care, fewer challenges in making pick up and drop off times, and are able to return to work in a timely way if their care is secured.

When assessing the need for establishing child care service for City employees, I hope you will take into consideration prospective parents, and the fact that availability of such service may impact our decision-making regarding starting a family and/or staying on as City employees.

I have worked for the library for more than 25 years... and the toughest challenges in working was finding and maintaining adequate, affordable and reliable day care.



		PLANNING & BUILDING DEPARTMENT		
Date: MAY 06 2020		<div style="text-align: center;"> 6570 DEER LAKE AVENUE  Proposed Site </div>		
scale: 1:3,500				
Drawn By: RW				