



REPORT

TO: Community Services Executive Committee

FROM: Jason Kabel, Manager of Community Services

DATE: March 31, 2017

RE: **Children's Complex 2017 Budget Initiatives**

Background

The Children's Complex is funded primarily by the Rainy River District Social Services Administration Board (RRDSSAB), parent fees paid directly to the Town, and the Town operating budget (tax revenue). Below is a summary of the budget since 2013 for all three Children's Complex cost centres (Children's Complex, Best Start Hub, & Resource Teachers).

	2013	2014	2015	2016
REVENUE				
Provincial Child Care Wage Enhancement			(19,541.12)	(37,349.97)
RRDSSAB - Fee Subsidy, Core Services, Capacity Building	(837,632.75)	(1,099,033.13)	(1,040,775.75)	(1,061,154.63)
Day Care Fees (Parent Fees)	(191,437.96)	(173,408.48)	(236,451.60)	(299,104)
TOTAL REVENUE	(1,033,200.47)	(1,272,532.13)	(1,297,012.28)	(1,426,798.96)
TOTAL EXPENSES	1,068,962.80	1,272,532.13	1,264,114.31	1,469,470.00
TOTAL DAYCARE SERVICES	35,762.33	0.00	(32,897.97)	42,671.04

The funding from RRDSSAB is always a moving target as we do not know until usually mid-year what the Childcare funding for the Complex will be. Expenses in 2016 were elevated due primarily to provincial compliance requirements, staffing issues, and janitorial contract changes. As an attempt to operate all childcare services as a cost neutral entity, we have undertaken a comparative review of similar childcare centres in the district from Thunder Bay to Kenora. The results of the investigation has led to a number of potential cost savings initiatives to help lower operating expenses as follows.

Children's Complex Cost Savings Initiatives (see also attached table for comparative analysis of other centres)

Proposed Effective Date	Current Policy	Proposed New Policy	*Potential Cost Savings/Revenue
May 1, 2017	Parent no-call fee for absentee - \$0	Parent no-call fee for absentee - \$15	\$750
May 1, 2017	Late Pickup fee - \$2/minute/child	Late Pickup fee - \$20/15 min./child (starting with 0-15 min.)	\$400
May 1, 2017	Absenteeism Days – 12/6months (2/month) – 24/year	Absenteeism Days – 8 for remainder of 2017 (May-Dec). Beginning 2018 - 0/year	2017 - \$27,520 2018 - \$51,600
June 1, 2017	Toddler rate - \$42.00/day	Toddler rate - \$43.00/day	2017 - \$1,942 2018 - \$3,330
June 1, 2017	2 nd child rate discount - 40% discount (\$42, \$25.15)	2 nd child rate discount - 25% discount (\$42, \$31.50) Jan 1, 2018 – 15% discount Jan 1, 2019 – 0% discount	2017 - \$4,890 2018 - \$13,926 2019 - \$22,242
June 1, 2017	Before & After School fee – Before school - \$7.75 After school - \$13.90	Before & After School fee – Before school - \$10.00 After school - \$15.00	2017 - \$16,744 2018 - \$28,703

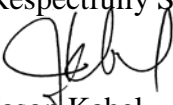
Total of Potential Cost Savings / Revenue Generation	2017	2018	2019 & beyond
	\$52,246	\$98,709	\$107,025

*The projections do not take into account the impact that the initiatives will have on families and the possible decline in enrollment as a result of the increase in fees. Projections are based on programs being near full capacity.

RECOMMENDATION

The Community Services Executive Committee recommends to Mayor & Council to endorse the revenue generation measures presented for the Children's Complex on the dates specified in the report.

Respectfully Submitted,



Jason Kabel

Council approval of this report will endorse the revenue generation measures presented for the Children's Complex on the dates specified in the report.