



AGENDA
Strategic Priorities Committee

April 18, 2017

10:00 am

Council Chambers, Town Hall

Pages

1. CALL TO ORDER

2. DECLARATIONS OF PECUNIARY INTEREST

3. AMENDMENTS AND APPROVAL OF THE AGENDA

Resolution

THAT the April 18, 2017 Strategic Priorities Committee agenda be accepted as presented.

4. DELEGATIONS AND PRESENTATIONS

5. STRATEGIC PRIORITIES REVIEW

5.1 DCS 02-2017 Infant Care

2

Resolution

THAT DCS 02-2017 Infant Care report be received for discussion.

6. NEXT MEETING

May 16, 2017 - 9:00am, Town Hall, Council Chambers

7. ADJOURNMENT

Resolution

That this meeting of the Strategic Priorities Committee adjourn at _____ am.



FORMAL REPORT

To: Chair Stratthdee and Members of Strategic Priorities Committee

From: Stephanie Ische, Director of Community Services

Date of Meeting: 18 April 2017

Subject: **DCS-02-2017 Infant Care**

PURPOSE

This report presents to Council information on expanding services at the Early Learning Service Child Care Centre to include infant care, and requests that Council give consideration to offering some form of infant care program at the Centre starting in 2017.

RECOMMENDATION

THAT report DCS-02-2017 Infant Care be received for discussion.

BACKGROUND

The St. Marys Early Learning Program is a municipally operated child care and early learning program that has been providing quality child care since 1979.

On March 1, 2016 Council directed staff to proceed with the relocation of the Early Learning Centre to the Holy Name of Mary site and to negotiate a capital project and lease agreement with the Huron Perth Catholic School Board.

Moved By: Councillor Pope
Seconded By: Councillor Craigmile

THAT the Town proceed with the relocation of the Early Learning Centre to the Holy Name of Mary site: and

THAT staff be directed to negotiate an agreement with the Huron Perth Catholic School Board to relocate the Early Learning Centre services to Holy Name of Mary School: and

THAT staff report back on the options for selling 121 Ontario Street South as an option to fund the Town's portion of capital costs associated with the relocation, and include a discussion of the Heritage implications.

CARRIED

The new Child Care Centre was designed with a fifth room to accommodate infant care. The room is licensed for 10 infants. Staff have not purchased equipment for the infant program at this time, however infant care equipment will be funded through a \$53,204.00 subsidy from the City of Stratford. The necessary equipment to provide infant care will be at no cost to the Town.

On November 8, 2016 staff presented Council the costs of an Infant room. Due to the costs to operate an infant room staff asked for time to research alternatives for infant care.

Moved By: Councillor Van Galen

Seconded By: Councillor Winter

THAT DCS 24-2016 ELC Infant Room be received.

CARRIED

The new site opened on January 9, 2017. Following the November 8, 2016 Council meeting staff have reviewed a variety of options for infant care. Staff met with Social Services, reviewed what other agencies do when offering this program and reviewed ministry guidelines. Based on all research to date we are now ready to present the following options as listed below.

REPORT

There are many benefits to children who attend an Early Years Program including:

- Experiences during the first five years of life have a material impact on economic and social success, including educational and career attainment, health and overall well-being.
- Greater essential skills development makes it more likely that children will complete high school, go on to post-secondary education and succeed at that education.
- Allows mothers/fathers to enter or return to the labour force, or to upgrade their skills through schooling or other personal development programs.
- Licensed child care subsidies enable lower income family to attend quality early learning programs which they might otherwise be unable to afford.
- Early childhood education programs can help to identify learning or developmental delays at an early stage, and provide children and parents with appropriate support. For example, speech and language services, occupational therapy.

All rooms at the new location are licensed and are interchangeable to hold all age groups. In essence, what this means is what is used today as a toddler room could be used as a pre-school room tomorrow. This design gives the staff the flexibility to meet the childcare needs of the community as they arise.

At this new location there is now the ability and capacity to provide care for infants. Our current staff child ratio based on legislative requirement is as follows:

- Toddlers (18 months to 30 months) – Teacher ratio 1:5
- Preschoolers (ages 30 months to 6 years) – Teacher ratio 1:8
- School age (44 months to 12 years) – Teacher ratio 1:15

For an infant room the Ministry of Education requires a higher staff to child ratio as follows:

- Infant (0 to 18 months) – Teacher ratio 1:3

Because of this ratio the staffing costs to provide an infant care program comes at a higher cost than other programs, and will operate at a deficit thus impacting the tax levy. The decision to delay the opening of an exclusive infant program was made to allow staff time to research alternative options

and to be able to present thorough information to Council on the potential annual deficit for the program that would have to be budgeted for. Providing an infant care program would be a service level change for the Child Care Centre, and Council's direction is required to adopt this service level change.

Below staff have presented a summary of several options for Council to consider based on staff's research:

Option 1 - Exclusive Infant Room:

Consider opening the fifth room as an exclusive infant room. In discussions with the City of Stratford Social Services Department there will be additional funding that can be provided to St. Marys should the decision be made to open this room as an exclusive infant room. Since the presentation to Council in 2016, additional funding has been sourced that would reduce the cost to operate an infant room. At this time we have been told that we would be eligible to receive additional wage subsidy for this space totaling \$28,600 annually. All licenced facilities receive wage subsidies based on licenced space, these subsidies are in place to assist with staff wages. Wage subsidy is a government initiative that has been around for many years that is in place to support child care. At this time staff has been told this funding would continue indefinitely, along with this annual funding Social Services would also fund 5 infant spaces for 6 months initially to assist with the opening.

In an exclusive infant room there are 10 infant spaces for children ages 0 to 18 months. Accepting infants in this space was the original vision of the new centre. At this time we have 9 full time infants and 2 part time infants on the waiting list, come September we have an additional 6 full time infants and 1 part time infant requesting care.

From staff's perspective this is the preferred option, because there is an identified need in the community and there are a number of families interested in filling these spots. This meets the strategic vision of the municipality for balanced growth and youth retention as services such as a Child Care Centre provides care for young families as they move to our community.

Benefits:

- Ministry expectations are clear for ease of inspections.
- Children are able to start earlier in the program which builds capacity for families using our services.
- Additional funding is available for this program specifically for a total of \$28,600 annually.
- There is the ability and flexibility with parent fees as they have not been set and there is not a great deal of competition. These new rates would be based on industry standards.
- As there is a current wait list this room could be filled immediately.

Challenges:

- This exclusive room comes at a higher cost to operate.

Cost to operate and infant room would cost \$40,948.40 annually net of all revenues. This cost would have to be funded through the annual tax levy. See a detailed costing of this option in the "Financial Implications" section below.

If Option #1 is selected and this room was to be opened by July 1, 2017 we currently have the support of Stratford Social Services to provide funding of 5 spaces for the first 6 months. The Town

would receive an additional amount from Stratford Social Services covering the cost of 5 infant spots to help get the full program up and running because they see this as an important service for the Town. It is expected that this funding would not be available for 2018 and the Town would have to budget for the full cost of infant care in 2018.

For 2017, this would equate to \$5763.75 per month for a 6 month period totaling \$34,582.50. The cost to operate this infant space for 6 months in 2017 will cost the town \$6,365.90, this would be funded through the reserves. In 2018, the cost to operate a full time infant room would be budgeted for.

The funding from the City of Stratford is only available for Option #1

Option 2 - Mixed Age Group (Ratio), Operate up to 3 Toddler Rooms with Infants:

As of September 2016 legislation changed to allow more than one room to use a mixed ratio. This was an action to ensure providers are able to service young children in licensed care. What this means to our service is this will allow the Early Learning Services the ability to take infants in each of the toddler rooms. With the construction of the new location an additional room was added and at this time it is vacant. However, with this additional new room staff have the ability to offer 3 toddler rooms and 2 preschool rooms. This is an increase of one toddler room compared to the previous site. By moving in this direction as per the new legislation this gives the flexibility to put 3 infants ages 12 months to 18 months into each toddler room without creating a separate infant room. So, under this option this empty room would be turned into a toddler room. This option would allow for a total of 9 infant spots (ages 12 months to 18 months). By moving in this direction a family's length of time on the wait list could be longer so may need to find alternate care while they wait.

Under this option staff would recommend a slow transition. This would include not opening the new room (3rd toddler room) until there is success with the other two existing toddler rooms. The transition would include allowing infants into each of the toddler rooms once a spot becomes vacant. This would allow 3 infant spots per toddler room for a total of 6, however these spots will not be immediately available as we must wait until children in the existing program move up to the pre-school room. At this time 3 infants would be brought into the existing two toddler rooms in 2017, and there would be no additional cost to the 2017 budget.

The 3rd toddler room would then be proposed to be opened in 2018, subject to budget approval by Council of the projected cost of \$46,925.60 to run the program.

Benefits:

- Children are able to start earlier in the program which builds capacity for families using our services.
- As there is a current wait list these spaces could be filled immediately. (At this time we have 9 full time infants and 2 part time infants on the waiting list, come September we have an additional 6 full time infants and 1 part time infant requesting care).

Challenges:

- There are a number of toddlers and infants on the waiting list at this time so it does not fill the immediate need. To fill the existing need the 3rd toddler room would need to be opened. The room would be filled based on order of placement on waitlist.

- With this option there would be no additional wage subsidy offered.
- There is an additional cost to opening this 3rd mixed ratio room.
- Families' time on the wait list could be longer: for toddlers because there would be toddler spaces used by infants, and for infants because there would be fewer spaces available for infants.

Cost to operate a mixed ratio classroom would cost \$46,925.60, net of all revenues. This cost would have to be funded through the annual tax levy. See a detailed costing of this option in the "Financial Implications" section below. For clarity, if this option was to be selected by Council there would be no additional costs incurred in 2017. Costs would be incurred in 2018 to open the third toddler room.

Option 3 – Operate Only 2 Toddler Rooms with a Mixed Ration, Leave Infant room vacant for one year:

In this option, the infant room would be left empty for a year only allowing infants in the two existing toddler rooms under the mixed ratio provision as listed under option two. This option would allow for a total of 6 infant spots (ages 12 months to 18 months) in the current two toddler rooms. With this option there would be a transition similar to option two where infants would be allowed into the toddler rooms as a spot becomes available as toddlers move up into the pre-school spaces. This option would allow staff a full year to evaluate the viability of opening the third toddler room in 2019 based on financial implications.

There would be no additional cost to the municipality in 2017 or 2018 under this option as the existing two toddler rooms would be used for infants. Costs would not be incurred until Council approved the opening of the third toddler room similar to Option #2 above. If Council decided not to ever open the third toddler room, then there would be no additional costs but the infant room at the facility would remain empty.

Benefits:

- Children are able to start earlier in the program which builds capacity for families using our services.
- No additional operating cost to the municipality in 2017 and 2018 or until it is decided to open that 3rd space as a toddler room.
- Gives time to evaluate the full financial implications.

Challenges:

- With this option it does not meet the current needs of the community based on the current wait list numbers. (At this time we have 9 full time infants and 2 part time infants on the waiting list, come September we have an additional 6 full time infants and 1 part time infant requesting care.)
- A number of current families have expanded their families and are looking forward to placing their new edition in the centre with their sibling.
- Families' time on the wait list could be longer: for toddlers because there would be toddler spaces used by infants, and for infants because there would be fewer spaces available for infants.
- With this option there would be no additional wage subsidy offered.

There are no additional cost to operate a mixed ratio classroom with only 2 classrooms open.

If it was decided to open a third mixed ratio classroom in 2019, the costs is forecasted to be \$46,925.60, net of all revenues. This cost would have to be funded through the annual tax levy. See a detailed costing of this option in the “Financial Implications” section below. For clarity, if this option was to be selected by Council there would be no additional costs incurred in 2017. Costs would be incurred in 2018 to open the third toddler room.

Option 4 - Status Quo:

Do nothing and continue to operate status quo. This option would allow the centre to operate as it has for many years. The caution with this option is that wage subsidy provided for the centre is based on capacity and if this is the selected option there is a risk of losing some wage subsidy. Wage subsidy is based on licensed capacity of children, our current license is for 88 children, this does not include school age. The amount that could be lost is undetermined at this time. If this option is selected the newly created infant room space remains empty.

Benefits:

- No additional cost to the municipality for overall operational costs.

Challenges:

- There is a high demand for infant child care and limited options within the Town.
- There could be a loss of subsidy funding due to lower numbers than the facility can accommodate.
- The Town is paying for space that is not in use.

SUMMARY

There is evidence that shows that community-based systems of high quality early childhood education and care are part of the backbone of a strong economy. Many times, children are placed in child care because both parents are working.

Supporting the operation of infant care would align St. Marys with Ontario’s vision of high quality, licensed child care for families focusing on infants and toddlers. The goal is to ensure overall satisfaction with the service. Knowing the benefits in providing care to infants brings in children younger and they are not lost to an outside unlicensed provider. Based on the current and past registration records, once in the program children will remain within the service going through all programs right into school age.

There is a cost to open any new room for child care. However, getting the children into the centre younger and not losing them to outside providers is a benefit for the centre. The school age program is where there is an increase to the bottom line. In essence, the older children offset the costs of the younger children in the program. Since moving to the new site there has been an increase in children attending the program as there are 5 additional new spaces at this new location.

We do know there is a local gap in the provision of infant care, and adding this service to the ELC would fill that gap. We also expect that once a child is in the facility as an infant, children will remain in the Town’s care until school age. There is a need for an infant care in St. Marys that could be filled quickly. Staff have reviewed a variety of service delivery models for the new location. Because of the identified need, it is staff’s recommendation that Council consider opening an infant room as presented in Option 1 because it provides the best service level of infant care, the most available

infant care spots, and represents the most cost effective option for a dedicated and formal infant care program.

If this option was chosen the service could be provided as early as July 1, 2017. Although the 2017 budget does not provide funding for this program, the Town would receive an additional amount from Stratford Social Services covering the cost of 5 infant spots. This would equate to \$5763.75 per month for a 6 month period totaling \$34,582.50. Because of this subsidy, the net cost to operate this infant space for 6 months in 2017 will cost the town \$6,365.90. This funding shortfall would be funded through the reserves. In 2018, the cost to operate a full time infant room would be budgeted for at the projected budget of \$40,949.40.

As an alternative, Council could decide to forego providing care to infants at this time and it could be considered in the future.

FINANCIAL IMPLICATIONS

To budget conservatively, staff salaries are calculated at the highest pay rate. Opening a new infant room (option 1) would cost \$40,948.40 annually to operate whereas a toddler room (option 2- mixed age group ratio) would cost \$46,925.60 annually.

The following charts compare the costs of each of the options at various registration levels so that Council is aware the net deficit of the infant care program is sensitive to total registration.

OPTION #1: Infant Program (for one year of operating at full capacity vs at half capacity)

REVENUE	REVENUE SOURCES	OPERATING AT FULL CAPACITY (10 INFANTS)	OPERATING AT CAPACITY (6 INFANTS)
Children in the Program	10 Infants used a rate of \$53 per day	\$138,330	\$83,016
Wage Subsidy	For the 10 infants this includes the extra \$28,600 for infant spaces.	\$43,176.40	\$43,176.40 This is based on actual license number, we would get the full amount initially but if we did not take children on wait list it would be clawed back
Total Revenue		\$172,506.40	\$126,192.40
EXPENSES	STAFFING REQUIREMENTS		
Staff wages	3 staff per room- as per legislation 2 ECE are	\$207,454.80	\$139,434.40

	required and 1 Educator Assistant **(see note below) This rate includes vacation and sick days coverage		
Food Costs		\$6000	\$6000
Total Expenses		\$213,454.80	\$145,434.40
	NET COST	\$40,948.40	\$19,242

**Under this option we would ensure that we have multiples of 3. We would have the flexibility to move children into a toddler program to balance the programs.

If Option #1 is selected and this room was to be opened by July 1, 2017 we currently have the support of Stratford Social Services to provide funding of 5 spaces for the first 6 months. The Town would receive an additional amount from Stratford Social Services covering the cost of 5 infant spots to help get the full program up and running because they see this as an important service for the Town. It is expected that this funding would not be available for 2018 and the Town would have to budget for the full cost of infant care in 2018.

For 2017, this would equate to \$5763.75 per month for a 6 month period totaling \$34,582.50. The cost to operate this infant space for 6 months in 2017 will cost the town \$6,365.90, this would be funded through the reserves. In 2018, the cost to operate a full time infant room would be budgeted for.

The funding from the City of Stratford is only available for Option #1

OPTION #2: Accommodate Infant Care Under Mixed Age Group Ratio in the Toddler Program

REVENUE		
Children in the program	15 Toddler spaces (this number includes infants)	\$144,000
Wage Subsidy	For 15 Toddlers	\$18,529.20
Total Revenue		\$162,529.20
EXPENSES		STAFFING REQUIRMENTS
Staff Wages	3 staff per room- as per legislation one ECE is required and 2 Educator Assistants. This rate includes vacation and sick time coverage.	\$201,454.80
Food Costs		\$8,000

Total Expenses		\$209,454.80
	NET COST	\$46,925.60

During budget deliberations Council asked staff to work towards having Child Care become self-funded. As we transition to the new site and set the foundation for overall operations for the Early Learning Services staff have identified a number of efficiencies that will include a reduction in the overall bottom line. In having a clear direction with the child care centre this will allow for other options to bring in other options for generating more revenue. One example includes, bringing home child care under our umbrella. Under this option it would increase licensed child care options within the community giving families different service delivery options.

For Council's full information when reviewing this report and recommended program, staff now has received a final cost tally of the ELC relocation project. The original budget forecast for the Town's portion of the project was \$496,544.20. With the project now complete, the cost to the Town is \$602,407.14 or an increase of \$105,862.94. We are in the initial stages of discussions with the school board to see how this cost can be recouped. If it cannot be fully recouped from the school board as an alternative staff are investigating how Stratford Social Services could assist with the support of this additional expense. Staff will report back on a full financing plan for these costs once the sale of 121 Ontario Street is completed.

OTHERS CONSULTED

Jim Brown, Director of Finance
 Stacey MacDonald, Supervisor of Early Learning Services
 Barb Hobson, Manager of Child Care, City of Stratford

Strategic Plan: this initiative is supported by the following priorities, outcomes and tactics in the plan:

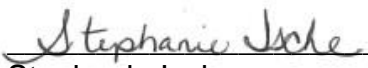
Pillar #3: Balanced Growth- Scale-based demographic growth & targeted immigration

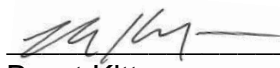
- Outcomes-One of the only remaining means of growing the population is by attracting newcomers to St. Marys. St. Marys will identify the key demographics they wish to attract and match there against existing amenities that would best serve those demographics.

ATTACHMENTS

None.

Respectfully submitted,


 Stephanie Ische
 Director of Community Services


 Brent Kittmer
 CAO / Clerk