

COMMITTEE OF THE WHOLE – APRIL 12, 2011

FAMILY DAY CARE SERVICES OPERATION OF DAYCARE SPACE LOCATED IN THE GARNET A. WILLIAMS COMMUNITY CENTRE WARD 5

Recommendation

The Commissioner of Community Services in consultation with the Directors of Legal Services, Building and Facilities, Reserves and Investments recommends:

- 1) That the lease between the City of Vaughan and the Family Day Care Services located at Garnet A. Williams Community Centre located at 501 Clark Avenue West be early terminated on June 30, 2011 as requested by Family Daycare Services; and,
- 2) That the Mayor and the City Clerk are authorized to sign the necessary documents to dissolve the lease agreement between The City and Family Day Care Services; and,
- 3) That Council authorize staff to proceed to explore options for the future use of this space, including but not limited to re-purposing for other activities, or obtaining another provider to take over the existing facilities and negotiate a lease.

Contribution to Sustainability

This report is consistent with the priorities previously set by Council in the Green Directions Vaughan, Community Sustainability Environmental Master Plan, Goal 4, Objective 4.1.6

- Provide more partnership opportunities for existing non-profit and volunteer groups to meet the community's social, cultural and recreational needs.

Economic Impact

Family Day Care Services occupying spaces at Garnet A. Williams Community Centre has been providing rental income to the City which has been deposited into a reserve fund for repairs and future renovations.

There will be a financial income loss of \$55,350.00 for the balance of the 2011 fourth year term and the final 2012 year term that is allocated to the Garnet A. Williams Family Day Care Services Reserve Fund as a result of terminating the lease prior to the expiry date of August 31, 2012.

Communications Plan

Family Day Care Services will be notified of Council's decision following the Council meeting of May 3, 2011.

Purpose

The purpose of this report is to obtain Council approval to permit Family Day Care Services operating a day care centre at Garnet A. Williams Community Centre to be released of the lease commitment with The City prior to the current expiry date of August 31, 2012.

Background - Analysis and Options

Family Day Care Services is a non-profit charitable organization operating programs in Toronto, York and Peel Region. They currently have a lease at Garnet A. Williams Community Centre where they have been operating since January 1984. Commencing August 1st, 2006, the City of Vaughan has had a lease agreement directly with Family Day Care Services who continue to pay the current established rental rate of \$49,200.00 plus HST from September 1, 2010 to August 31, 2011. The final year of the established rental rate is \$51,250.00 plus HST from September 1, 2011 to August 31, 2012.

There is an option at the discretion of the Landlord to renew the lease for one additional five year period under the same terms and conditions save for the amount of rent payable.

Family Day Care Services provides care for children 18 months to twelve years of age in addition they also pick up and drop off children to local schools as well as operating a kindergarten program for junior kindergarten and senior kindergarten children within the centre. They also have partnerships with the Ontario Early years that provide early learning programs for families and children 0 -5 years of age on Sunday to Friday. The program is attended by families from the area other than those in child care. Many of these families walk in with strollers and include nannies and grandparents. On Saturdays the Supervised Access program uses the facility to conduct a secure program for non-custodial parents who are allowed only supervised visits with their children as directed by court order. In the summer the York centre runs a group for 6 weeks for special needs children and their families twice a week.

A Garnet A. Williams Family Day Care Services Reserve Fund has been established for the purpose of funding infrastructure, maintenance and repairs for the space utilized by the Family Day Care Services. In 2006, the source of funding was established by the sole net contribution by the Region of York and all future facility rent revenue received from the Family Day Care Services will be deposited into this fund as set out in their agreement. The funds in this reserve have been used to fund, as determined by the Buildings and Facilities Department, for any current or future repairs, renovations, monthly maintenance or capital improvements as it relates to the space utilized by the Family Day Care Services.

Currently, Family Day Care Services pays all costs with respect to the telephone and janitorial services in addition to paying the costs for hydro and water since these services are separately metered. The Building and Facilities Department in conjunction with the Parks and Forestry Operations Department provides services such as heating/cooling, ventilation, minor maintenance, garbage pickup, turf maintenance and snow clearing. Costs of these various services have been taken into consideration with respect to the monthly rental income.

The lease commenced on September 1st, 2007 for a five year period ending August 31 2012. The lease payments per square footage are \$5.25 in the year 2007, \$5.50 per square foot in the year 2008; \$5.75 per square foot in the year 2009, \$6.00 per square foot in the year 2010 and \$6.25 per square foot in the year 2011 plus applicable taxes.

Staff met with representatives of Family Day Care Services in November of 2010 where information explaining the transformational changes taking place in the early learning and care sector was discussed.

Due to the Ontario Provincial Government implementation of province wide full day school for children ages four and five in September 2011 Family Day Care Services enrollments will be significantly impacted at all of their sites.

Additionally Family Day Care Services reports challenges the organization is facing in the local area are:

- Implementation of full day learning at the local school of E.G. Sands.
- The impact of 3 religious schools in the immediate area.
- The changing demographic within the community resulting in fewer children to draw upon.
- Since opening the enrollment at the centre has decreased 50%.
- The wait list is very small.
- To meet licensing requirements in April 2011 they anticipate additional costs of \$10,000.00 to \$15,000.00 for work to meet provincial health and safety guidelines for child care services.
- In addition to terminating operations at Garnet A. Williams Community Centre Family Daycare will be ceasing operations at three other sites located within York Region in June 2011.

As a result of the circumstances presently facing Family Day Care Services they are requesting The City to dissolve the lease agreement at the end of June 2011.

Staff has met with Family Day Care Services to discuss the terms of the lease. Family Day Care Services has advised that they have incurred a significant operating loss at the end of November 2010 at the Garnet A. Williams Community Centre site and are projecting further significant operating losses at the end of their fiscal year of March 2011.

Relationship to Vaughan Vision 2020 / Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 2020, the project will provide:

- STRATEGIC GOAL:
Service Excellence - Providing service excellence to citizens.
- STRATEGIC OBJECTIVE:
Pursue Excellence in Service delivery - To deliver a high quality of services within approved service standards to all City stakeholders e.g. staff, citizens and businesses.

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated.

Regional Implications

N/A

Conclusion

Staff recommend early termination of the lease with Family Day Care Services at Garnet A. Williams Community Centre on June 30 2011 and commence with the RFP process to source a daycare provider to take over the facilities.

Attachments

None.

Report prepared by:

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Respectfully submitted,

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Commissioner of Community Services