



**DATE:** April 22, 2014

**CATEGORY:** Consent

**DEPT.:** City Manager's Office

**TITLE:** **Increase Appropriations in the Child-Care Commitment Reserve**

### **RECOMMENDATION**

Increase appropriations \$10,000 in the Child-Care Commitment Reserve. (Five votes required)

### **BACKGROUND**

In Fiscal Year 2012-13, the City issued a Request for Proposals (RFP) for a Child-Care Center Operator. After an extensive RFP process, Learning Links Preschool was chosen to replace Children's Creative Learning Center (CCLC) and operate the City of Mountain View Child-Care Center (Center), commencing operations on February 24, 2014. With the facility transition, many small maintenance projects were required to provide Learning Links with a fresh facility that meets operational needs and safety standards. The City invested approximately \$10,000 into facility maintenance in the form of new paint in the common areas, new locks, new window treatments, alarms for the exterior gates were installed on the infant and toddler play yard, and repairs to appliances were made. On the playground, dirt was refilled and the storage shed was moved. No funding was established in the Fiscal Year 2013-14 budget to complete Child-Care Center facility maintenance activities.

### **ANALYSIS**

The Center was built using a combination of City funds and a Packard Foundation Program-Related Investment low-interest loan (Packard loan). The Packard loan provided for annual payments which matched the operator's rent for the Center and a balloon payment is due in Year 8 (2016). The Child-Care Commitment Reserve (Reserve) was set up to account for rent payments from the Center operator, debt payment for the Packard loan, and to accumulate funds for the balloon payment. Operator rental payments received from Learning Links will be deposited into this Reserve through the term of their contract. The balloon payment of \$1,560,680 is due

January 2016. The balance in the Reserve is estimated to be \$1,570,000 by the end of the current fiscal year.

Facilities Division operating funds were used to complete the unanticipated maintenance activities on the Child-Care Center. These activities were not anticipated and needed to be completed quickly to ensure minimal program impact at the Center.

Staff is requesting City Council increase appropriations \$10,000 in the Reserve to pay for the unanticipated facility maintenance costs related to the child-care transition.

### **FISCAL IMPACT**

The Reserve has sufficient funding for the \$10,000 facility maintenance costs for the Center transition and the balance needed for the balloon payment due in January 2016.

### **ALTERNATIVES**

1. Identify another funding source for the child-care maintenance expenses.
2. Absorb costs in the Facilities Division operating budget by deferring regular maintenance projects at City Hall, Police Administration, and the Library planned by Facilities for Fiscal Year 2013-14.
3. Provide other direction.

**PUBLIC NOTICING** – Agenda posting.

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