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MANAGER'S REPORT NO.	44
COUNCIL MEETING	94/07/25

TO: CITY MANAGER 1994 JULY 20

FROM: DIRECTOR PLANNING AND BUILDING OUR FILE: 17.811

SUBJECT: CLOSURE OF YMCA CHILD CARE CENTRES

PURPOSE: To provide background information on the proposed closure of three Burnaby child care centres operated by the YMCA.

RECOMMENDATION:

- 1. THAT the Mayor, on behalf of Council, write a letter to

Mr. William B. Stewart
President and C.E.O.
YMCA of Greater Vancouver
955 Burrard Street
Vancouver, B.C. V6Z 1Y2 and

Mr. Barry Gilson
Director, Facilities
British Columbia Automobile Association
4567 Canada Way
Burnaby, B.C. V5G 4T1

expressing the City's strong concern with the proposed closures of the BCAA/ YMCA Child Care Centre, Y's Care, and Toddler House.

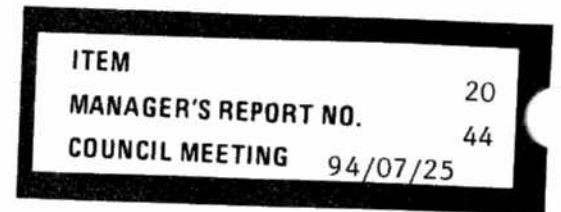
- 2. THAT a copy of this report be sent to the B.C. Government Employees Union.

REPORT

1.0 BACKGROUND

In 1994 May and June, Council received correspondence about the proposed closure of three Burnaby group day care centres run by the YMCA: the BCAA/ YMCA Child Care Centre, Y's Care, and Toddler House. At its meeting of 1994 July 11, Council asked for a staff report on the closures.

This report responds to that request.



2.0 BURNABY'S YMCA CHILD CARE OPERATION

The YMCA is the largest single provider of licensed child care services in Burnaby. It operates four group day care centres and seven out of school care centres in the city. The licensed capacity of its centres is 243, consisting of 54 infants and toddlers (aged up to 36 months), 49 3 - 5 year olds, and 140 school aged children (6 - 12 years). These totals account for 31.8% of the group day care infant and toddler spaces in Burnaby, 7.5% of the 3 - 5 year spaces, and 29% of the out of school care spaces. An inventory of the YMCA's Burnaby child care services is provided in Appendix 1, *attached*.

In 1993, Burnaby Family YMCA amalgamated with the YMCA of Greater Vancouver. Prior to the amalgamation, the Burnaby YMCA child care staff had been non-union. When the amalgamation occurred, staff at each of the city's YMCA child care centres voted on whether to seek union certification, bringing them in line with their Vancouver YMCA counterparts. The outcome of the vote was that staff at four of the YMCA's Burnaby group day care centres and two of its out of school care centres chose to become unionized. These employees joined the B.C. Government Employees Union and gained coverage from the BCGEU collective agreement.

3.0 CENTRE CLOSURES

As noted, three of the YMCA's four Burnaby group day care centres will be closing at the end of August:

BCAA/ YMCA Child Care Centre
4567 Canada Way

Licensed capacity: 8 children under 36 months, 24 children aged 30 months - 5 years

Opening date: 1992

Y's Care

4970 Canada Way

Licensed capacity: 12 children under 36 months

Opening date: 1985

Toddler House

1950 Bellwood Avenue

Licensed capacity: 22 children under 36 months

Opening date: 1993

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The YMCA also plans to close two additional group day care centres in Langley.

The closure of the BCAA centre was initiated by BCAA. The reason cited was that the centre was not benefiting the Association's employees to the extent originally hoped. In 1994 May, only five of the centre's 32 spaces were being used by BCAA employees. Foreseeing little if any increase in demand for the spaces from its employees, and being unwilling to continue supporting a service that primarily benefits the broader community, BCAA decided to close the centre.

The decision to close Y's Care and Toddler House was made by the YMCA, based on financial reasons. The YMCA projected that for 1994, Y's Care would have an operating deficit of nearly \$36,000, Toddler House would have a deficit of about \$24,000, and the BCAA Centre would have a deficit of over \$15,000. The YMCA acknowledged that in the past, it was willing to support losing centres with earnings from its financially viable operations. The YMCA indicated that the projected loss for the subject centres for 1994 was greater than the organization could handle, however.

A key reason cited for the centres' financial difficulties concerned staff salary increases. The largest single component of a child care centre's operating budget is devoted to salaries and benefits. The YMCA increased salaries for its Burnaby child care employees when the amalgamation occurred with the Greater Vancouver operation. Some centre employees received a further marginal increase after voting to join the BCGEU. The YMCA increased parent fees to help meet its increased revenue requirements. Nonetheless, given that the centres were still projected to have significant operating deficits, the YMCA decided to proceed with the closures. A YMCA spokesperson indicated that while the proposed closures were regrettable, they were necessary for improving the viability of other centres run by the organization. The spokesperson claimed that by supporting operations that faced ongoing financial losses, the YMCA would face difficulty in purchasing equipment and making necessary improvements to its other child care centres, thereby putting its overall child care operation in jeopardy.

In addition to the increased salary and benefit costs, two other factors have created challenges for the financial viability of the subject child care centres. First, each centre serves a high portion of infants and toddlers. As infants and toddlers require twice the staff per child as 3 - 5 year olds, the cost of providing care for that age group is high. Indeed, it is common practice for centres to subsidize their infant and toddler spaces with parent fees from their 3 to 5 year spaces. To ensure that the centres can operate on a financially viable basis and parent fees remain competitive, group day care centres typically accommodate twice the number of 3 - 5 year olds as infants and toddlers.

The second factor that has contributed to the financial challenges of the subject centres resulted from a directive, issued by the YMCA late last year, which prohibited the filling of any spaces which became vacant at the centres. As a result, the centres have not been able to operate at full capacity and have been constrained in their ability to improve their financial situations.

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4.0 PARENT AND EMPLOYEE CONCERNS

Parents with children in the affected child care centres, centre employees, and BCGEU officials are very concerned about the YMCA's closure announcement. Their concerns can be summarized as follows:

- **Loss of spaces** - If the centres close, 66 child care spaces would be lost, including 42 for infants and toddlers. The infant and toddler spaces represent about 25% of the group day care spaces for under 3 year olds in the city. As the greatest unmet demand for child care services in Burnaby is for children under 3, the potential loss of the subject infant and toddler spaces is of serious concern.
- **Loss of employment** - The three centres employ 17 child care workers. Unless they find work elsewhere, these people will face unemployment if the closures occur as planned.
- **Questionable need for closures** - Some parents and centre employees have raised questions about the need for closing the three centres. They have suggested that the administrative costs for the YMCA's child care services are excessive and questioned why the YMCA could not support the subject centres with revenues from other areas of its budget - especially when centres facing similar financial difficulties in Vancouver have been allowed to continue to operate. Some parents and staff also point to the fact that the YMCA had increased salaries for its child care staff before any unionization occurred, and that operating costs rose only marginally after union certification. Also, as noted, concern has been expressed that the centres' financial viability has been further jeopardized by the directive which prohibited the filling of any space vacancies in the subject operation in recent months.

5.0 POLICY CONCERNS

The announcement of the closures comes during a period in which the City has been making important strides to improve Burnaby's child care situation. Examples of recent City child care initiatives include:

- **Adopting a City Child Care Policy** - In 1993 November, City Council adopted the Burnaby Child Care Policy. Staff are currently working with the Child Care Resources Group, the Community Issues & Social Planning Committee's subcommittee on child care matters, to develop an implementation strategy for the Policy.

- **Developing the Edmonds Child Care Centre** - The City has been planning development of a 41 space group day care centre on land donated to the City by B.C. Hydro in the Edmonds area. The centre will be owned by the City and run under contract by a non-profit operator. It is expected to open in early 1995.
- **Allocating space in the Edmonds North Wing Community Resource Centre to St. Matthews Day Care Society** - St. Matthews Day Care Society is the third largest child care provider in Burnaby, after the YMCA and Simon Fraser University. The Society was given notice to vacate its premises at Glenwood School, effective 1994 June. Closure of the centre would have resulted in the loss of 96 spaces from Burnaby's licensed child care inventory. Council helped to prevent the closure by allocating space to St. Matthews in the Edmonds North Wing Community Resource Centre. The program is operating on a temporary basis in the Edmonds School facility and is hoping to be able to move into the Community Resource Centre by September.
- **Negotiating the inclusion of child care facilities in major development proposals** - The City has negotiated the inclusion of child care facilities in the rezoning process for a number of development proposals (e.g. Metrotown Centre, Eaton Centre, family housing complexes, second phase of B.C. Hydro Headquarters Complex development). Indeed, Toddler House, which is located in the Affordable Housing complex on Bellwood Avenue, was provided as a result of negotiations during the rezoning process for the Affordable Housing development.

Through these and other measures, the City has strived to improve Burnaby's child care situation. The potential closure of the three YMCA group day care centres would be regrettable. The loss of the BCAA Centre would be particularly difficult to accept. Irrespective of the reasons for the closure, the centre had been viewed as a positive example of a corporate child care initiative. Not only would the closure send out a potentially negative message regarding corporate child care efforts, it would result in the loss of a relatively new, fully equipped, and purpose built child care centre - a superior facility to those occupied by many of Burnaby's group day care programs.

6.0 FUTURE PROSPECTS

Staff have confirmed that BCAA and the YMCA are adamant about proceeding with the centre closures. As BCAA is no longer willing to accommodate a child care centre in its headquarters complex, the option of finding another operator to run the centre at that location is not feasible. Also, given the centre's projected financial losses and the YMCA's overall child care difficulties, the YMCA is not interested in finding alternative premises for the operation. The City has no recourse for requiring BCAA to maintain the

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centre - especially as the centre was provided voluntarily rather than as a condition of zoning approval. The BCGEU is exploring the possibility of finding another site for the BCAA child care program. Even if these efforts are successful, however, it is doubtful that an alternative location would be available by September 1, the date the present operation is scheduled to close.

Parents and staff from Y's Care are currently exploring the possibility of relocating that program to a church site nearby the centre's present location. They are also examining the option of forming a new non-profit society to run the centre. It should be noted that the parents of six of the eight children currently enrolled in Y's Care are City employees.

Affordable Housing Society, in whose apartment complex Toddler House is located, has been working with the centre's staff and parents to find another operator for the centre. Centre parents have agreed to serve as an interim sponsoring body from 1994 September to 1995 February, as necessary, to allow sufficient time for the operator selection to occur. Toddler House was provided as a communal facility as part of the rezoning of 1950 Bellwood. This space could not be used for any other purpose without Council approval or rezoning depending upon the use proposed.

7.0 CONCLUSION

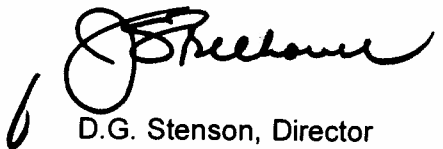
This report has responded to Council's request for information about the proposed closure of three group day care centres operated by the YMCA in Burnaby. If the closures occur as planned, Burnaby would face a serious loss of child care spaces. The loss would have a negative impact on centre employees, parents, and other child care centres in the city. Furthermore, the decision of BCAA to close the centre in its headquarters complex presents a blow to the City's efforts encourage corporations to develop child care facilities on their premises.

At the time of this writing, parents and employees from Y's Care and Toddler House are working to develop options for continuing the operation of those centres after the YMCA ceases its sponsorship in September. City staff believe these groups deserve to be commended for their commitment to the future of their centres and to Burnaby's child care situation in general. Staff will provide assistance as appropriate and necessary to help with these efforts. We will also offer any necessary assistance to help the BCAA centre to become established in an alternate location.

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In closing, it would appear that the YMCA and BCAA are adamant about their decisions to close the subject child care centres. Given the major impact of the decisions for Burnaby, it is recommended that the Mayor, on behalf of Council, write to officials at the YMCA and BCAA to express the City's strong concern with the proposed closures. It is further recommended that a copy of this report be sent to the B.C. Government Employees Union.


D.G. Stenson, Director
PLANNING AND BUILDING


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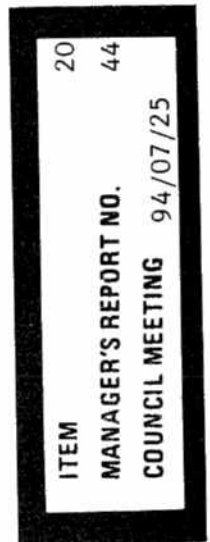
Attachment

cc: Director Administrative & Community Services
Medical Health Officer

APPENDIX 1

YMCA'S BURNABY CHILD CARE PROGRAMS

	<u>Licensed Capacity</u>
<u>Group Day Care</u> (under 36 months)	
BCAA/YMCA Child Care Centre	8
Y's Care	12
YMCA Metrotown Child Care Centre	12
YMCA's Toddler House	22
<u>Group Day Care</u> (30 months - 5 years)	
BCAA/YMCA Child Care Centre	24
YMCA Metrotown Child Care Centre	25
<u>Out of School Care</u>	
Cameron Out of School Care Centre	20
Capitol Hill Out of School Care Centre	20
Inman Out of School Care Centre	20
St. Nicolas Out of School Care Centre (Room A)	20
St. Nicolas Out of School Care Centre (Room B)	20
Stoney Creek Out of School Care Centre	20
YMCA Kids' Place	20
TOTAL LICENSED SPACES	243



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