REPORT TO COUNCIL
City of Sacramento

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CONSENT
May 23, 2006

Honorable Mayor and
Members of the City Council

Subject: 4th "R" Child Care Program Expansion to Heron School

Location/Council District: 5151 Banfield Drive, Council District 1

Recommendation: Adopt a Resolution: 1) Authorizing the City Manager to sign all agreements and documents, including any extensions or amendments thereto, with the Natomas Unified School District for the development and use of a 4th "R" child care facility at Heron School; 2) Establishing a new Capital Improvement Program (CIP) (PN: LX82) for the construction of a 4th "R" child care facility at Heron School; 3) Transferring $425,000 from the 4th "R" Fund (474) to CIP LX82; and 4) Increasing the Parks and Recreation Department revenue and expenditure budgets by $156,252 for 3.75 FTE to staff the 4th "R" program at the Heron School.

Contact: David Mitchell, Program Manager, 808-6076

Presenter: N/A

Department: Parks and Recreation

Division: Recreation and Human Services

Organization No: 4733

Summary:

The Natomas Unified School District has agreed to construct and allow the operation of a 4th "R" child care facility on the grounds of Heron School, a kindergarten through eighth grade public school now under construction. Collected parent fees in the 4th "R" Fund (474) will be used to fund the construction cost of $425,000 and a staffing increase of 3.75 FTE to operate the facility. Two contracts with the District require approval - one for the construction of the facility and one for the long-term operation of the program.

Committee/Commission Action: None with this item.

Background Information:

The 4th "R" Child Care program, operated by the Department of Parks and Recreation, continues to grow with the population of Sacramento, and provides a consistently high quality and valuable service to 2,700 Sacramento families. In operation since 1986 and celebrating its 20th anniversary, 4th "R" currently operates on 25 elementary school campuses, and installs child care facilities through agreements between the City of Sacramento and various school districts. Funding for installation and improvements is covered through child care program fees and occasionally by grants or loans from the State of California. 4th "R" facilities are owned by the City rather than leased from a school district because the cost of owning the facilities is two-thirds the cost of leasing over the life of the facility.

Heron School is scheduled to open in August 2006. The Natomas Unified School District has asked the 4th "R" program to operate a school-age child care facility on the grounds of the school. The program will operate in two classrooms located in a building that will be constructed by the District this summer. The District will manage all aspects of the construction of the 4th "R" building. Under the terms of the agreement that has been negotiated with the District, the City will pay the District $297,500 when the agreement is executed, and the remainder, approximately $127,500, when construction is complete and a written notice of completion and copies of paid invoices are received.

Two agreements with the Natomas Unified School District are recommended for approval and are on file in the City Clerk's Office. One agreement covers the construction of the facility and expires when the construction is complete. The other agreement covers the use and operation of the facility and runs for a minimum of thirty years, which is the expected usable life of the facility.

Financial Considerations:

The 4th "R" child care program is a fee-based, self-sufficient program. No General Fund dollars are used in the delivery or administration of the program. Funding for the construction of the child care facility at Heron School will come from the 4th "R" Fund (474) and from the additional fees generated at the site. The funds for the additional 3.75 full-time equivalent (FTE) staff needed to operate the facility, estimated at $133,252, and for supplies, estimated at $23,000, will be recouped from the fees charged to the parents whose children are served by the child care facility.

Environmental Considerations:

There are no environmental considerations with this report.

Policy Considerations:

This report is consistent with the City's strategic plan to achieve sustainability and enhance livability.

Emerging Small Business Development (ESBD):

There are no ESBD considerations with this report.

Approved by: _____
Robert G. Overstreet II
Parks and Recreation Director

Recommendation Approved:

Cassandra H.B. Jennings
for RAY KERRIDGE
City Manager

Table of Contents:

Pg	1-3	Report
Pg	4-5	Resolution

RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING THE CITY MANAGER TO SIGN ALL AGREEMENTS AND DOCUMENTS WITH THE NATOMAS UNIFIED SCHOOL DISTRICT FOR THE DEVELOPMENT AND USE OF A 4TH "R" FACILITY AT HERON SCHOOL; ESTABLISHING A NEW CAPITAL IMPROVEMENT PROGRAM (CIP) (PN: LX82); TRANFERRING $425,000 FROM THE 4TH "R" FUND (474) TO CIP LX82; AND INCREASING THE PARKS AND RECREATION OPERATING BUDGET BY $156,252 FOR 3.75 FTE TO STAFF THE FACILITY

BACKGROUND

A. The Natomas Unified School District has agreed to construct and allow the operation of a 4th "R" child care facility on the grounds of Heron School, a kindergarten through eighth grade public school now under construction and scheduled to open in August 2006.

B. The District is constructing several classroom buildings on the campus, and will manage all aspects of the construction of the 4th "R" building at the same time.

C. Two agreements with the District have been negotiated. One agreement covers the construction of the facility and expires when the construction is complete. The other agreement covers the use and operation of the facility and runs for a minimum of thirty years, which is the expected usable life of the facility.

D. Under the terms of the construction agreement, the City will pay the District $297,500 of the total $425,000 when the agreement is executed, and the remainder, approximately $127,500, when construction is complete and a written notice of completion and copies of paid invoices are received.

E. The 4th "R" child care program is a fee-based, self-sufficient program. No General Fund dollars are used in the delivery or administration of the program. Funding for the construction, new staff and supplies will come from the 4th "R" Fund (474) and from the additional fees generated at the site.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1 The City Manager is authorized to sign all agreements and documents, including any extensions or amendments thereto, with the Natomas Unified School District related to the development and use of a 4th "R" child care facility at Heron School.

Section 2 A new Capital Improvement Program (CIP) (PN: LX82) is established for the construction of a 4th "R" child care facility at Heron School.

Section 3 $425,000 is transferred from the 4th "R" Fund (474) to CIP LX82.

Section 4 Parks and Recreation Department revenue and expenditure budgets are increased by $156,252 for 3.75 FTE to staff the 4th "R" program at Heron School, as follows:

Program Coordinator	1.00 FTE
Program Developer	1.00 FTE
Recreation Aide	1.75 FTE
Total	3.75 FTE

Labor	474-450-4733-41xx	$133,252
Services & Supplies	474-450-4733-42xx	$ 23,000
Total		$156,252