



Staff Report

Date: November 10, 2022

To: Mayor Kuhl and Council Members

From: Gretchen Castets, Recreation Manager

Subject: Recreation Department After School Extended Childcare Program Update

Recommendation:

It is recommended that the Town Council review the information provided regarding the Ross Recreation After School Extended Childcare program and provide direction to the Town Manager regarding the implementation of the pilot program.

Background and discussion:

On October 13, 2022, Councilmember McMillan requested more information on the financial history of the Recreation Department and whether there would be a surplus that the subsidy for the After School Extended Childcare program could be pulled from. The Town's consulting accountant put together a report that shows the estimated net revenue for the past six fiscal years:

Ross Recreation - Estimate of Net Revenue

	FYE17	FYE18	FYE19	FYE20	FYE21	FYE22
Revenue	\$ 727,429	\$ 770,963	\$ 790,270	\$ 574,576	\$ 353,233	\$ 731,092
Expenses other than Ross Common Maintenance	(802,384)	(755,945)	(768,863)	(620,195)	(467,158)	(618,302)
Net	(74,955)	15,017	21,407	(45,619)	(113,925)	112,790
Ross Common Maintenance (net of reimbursements)	(25,879)	(25,849)	(45,891)	(49,840)	(40,992)	(35,956)
Depreciation tennis courts, computer, Common improvements etc	(5,000)	(5,000)	(5,000)	(10,000)	(15,000)	(15,000)
Net revenue (loss)	\$ (105,834)	\$ (15,832)	\$ (29,484)	\$ (105,459)	\$ (169,917)	\$ 61,834

Notes:

- 1) Preschool revenue and expenses were backed out of FYE17 thru FYE19.
- 2) Attorney fees in FYE17 and FYE18 of \$89K for PERS claim Issue of prior employee and the preschool departure were backed out.
- 3) Ross Common maintenance expense is listed separately because some years it was recorded as a Public Works expense and other years as a Recreation expense and because there are reimbursements to account for from Ross School, Measure A Parks, and Ross Valley Sanitary District throughout the years. The expense above is shown net of these reimbursements.
- 4) Expenses do not include other possible allocations like Accounting, Audit, Attorney, Marin IT to mention some.

The report shows that last fiscal year (FYE 22), was the first year to show revenue exceeding expenses and the five years prior to that, show a net loss. This is an anomaly and is due to a unique circumstance whereby expenses such as staffing were kept low during the pandemic and related uncertainty regarding recovery and programming began increasing in FYE 22. As the post-pandemic recovery progresses, staff, marketing and other expenses will increase as the program load also increases. It is also important to note that the true cost of operating the programs is not reflected in the department's Estimate of Net Revenue. Routine expenses necessary to operating the programs such as accounting, legal services, and information technology services have not been allocated to the department. Staff does not anticipate that revenues will exceed expenses at the end of this fiscal year (FYE 23) and thus cannot be relied upon to subsidize the After School Extended Childcare program.

On October 13, 2022, the Town Council directed staff to implement a plan requiring Ross School families to make a pledge to attend a January thru the end of the school year pilot After School Extended Childcare program which included a non-refundable \$100 deposit. The pledge system was opened on the recreation website on October 17, 2022, and Interim Superintendent David Rice sent an email blast to all K-5th families encouraging them to pledge and provided a direct link to accomplish this. There was a two-week period for families to pledge and by the end of the period there were enough pledges submitted to meet the minimum of 10 students per weekday. If all the families that submitted pledges register their children for the entirety of the pilot program then no Town subsidy would be needed.

On October 31, 2022, registration opened for the After School Extended Childcare program and as of November 3, 2022 there are currently seven paid registrations (three for the 5-day option and four for the 2-day option). There are 13 pledges that have not yet officially registered. The pilot program is set to begin on January 4, 2023, when the school returns from winter break and is contingent on the successful hiring of two part-time recreation instructors to run the program. There is diligent effort being made to find qualified candidates for these positions. On November 10, 2022, staff will update the Town Council on the status of registrations for the program.

Fiscal, resource and timeline impacts:

There are currently seven participants registered and paid for the After School Extended Childcare program as of November 3, 2022. With seven participants, the Town subsidy that will be required to conduct the pilot program is approximately \$25,000. Registration will not close until a maximum number has been reached, which means that there is an opportunity for there to be more students participating in the program and potentially decreasing the amount that is needed to be subsidized.

Alternative actions:

None recommended.