



Agenda Statement

File #: 17-0521 **Version:** 1

Type: New Business **Status:** Passed

File created: 10/13/2017 **In control:** City Council

On agenda: 10/17/2017 **Final action:** 10/17/2017

Title: Approval to Fund an Additional FY2017 Community Service Organization Grant to Connecting Ties, Inc. in the Amount of \$64,000 for the Purposes of Assisting Stepping Stones Learning Center with Establishment of a Non-Profit Daycare in Valdez

Sponsors:

Indexes:

Code sections:

Attachments: 1. Stepping Stones Daycare (NonProfit) Handout, 2. Stepping Stones Learning Center - Expenses and Income

| Date | Ver. | Action By | Action | Result |
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| 10/17/2017 | 1 | City Council | | |

ITEM TITLE:

Approval to Fund an Additional FY2017 Community Service Organization Grant to Connecting Ties, Inc. in the Amount of \$64,000 for the Purposes of Assisting Stepping Stones Learning Center with Establishment of a Non-Profit Daycare in Valdez

SUBMITTED BY: Elke Doom, City Manager

FISCAL NOTES:

Expenditure Required: \$64,000
Unencumbered Balance: \$175,861.54
Funding Source: 350-0202-55000; Council Contingency Reserve

RECOMMENDATION:

N/A

SUMMARY STATEMENT:

During the City Council work session on October 12th, Mayor Knight asked City Council to hear a presentation from Ms. Michelle Baker, current Stepping Stones Administrator, regarding daycare needs in Valdez. Ms. Baker explained the current for-profit Stepping Stones Daycare will be closing October 31st, which will leave many Valdez families without options for daycare.

Ms. Baker explained she and a group of other Valdez residents began exploring the option of opening a non-profit daycare facility in Valdez to fill the void. Ms. Baker will serve as the new

daycare's executive director and the daycare's board of directors has also been established. The group is now incorporated. They have secured a State of Alaska business license. They have identified a potential location for the new daycare (Wilson Brothers Building on Richardson Highway) and are negotiating with the owner to secure the facility.

Ms. Baker explained they are also working with the State of Alaska Child Care Program Licensing department to complete the licensing process, although any inspection will be contingent on securing a facility for the daycare. Mayor Knight has been assisting with this process.

Ms. Baker explained her board of directors is currently seeking non-profit status. Until that time, they have arranged with Connecting Ties, Inc. to fall under that organization's 501(c)(3) status.

Following the City Council work session on October 12th, Council directed City Administration to meet with Ms. Baker and representatives from Stepping Stones Learning Center and Connecting Ties on October 13th. The purpose of the meeting was to discuss and explore how the City could legitimately financially assist Stepping Stones Learning Center with establishment of a non-profit daycare.

Because the daycare would need to open in 2017, the determination was made that a retroactive FY2017 CSO grant would be the best mechanism to accomplish provision of financial assistance. As directed by Council, the grant would be funded out of Council Contingency Reserve. Because only non-profits are eligible for CSO grants and because Stepping Stones would be operating under Connecting Ties' 501(c)(3) status, the grant must be provided through Connecting Ties.

Stepping Stones is now requesting \$64,000 total for the retroactive FY2017 CSO grant. This includes \$25,000 for start-up costs plus \$3,000 in assistance per month beginning December 2017 through the end of CY2018. The grant would be provided to Connecting Ties in one lump sum. Connecting Ties would then hold the grant money and provide appropriate installments to Stepping Stones Learning Center, if and when appropriate.

Connecting Ties' attorney directed this process would be feasible only under the following contingency conditions. If these contingency conditions are not met, Connecting Ties will return the funds for Stepping Stones' CSO grant to the City of Valdez. Any funds not used for authenticated costs associated with the establishment of the daycare will be returned to the City of Valdez.

1. Stepping Stones must first secure an appropriate daycare facility that meets Alaska childcare standards. Reports from any facility inspections conducted by the State of Alaska Childcare Program must be submitted to Connecting Ties.
2. Stepping Stones must secure appropriate liability and other insurances appropriate for the daycare facility. Proof of insurance must be submitted to Connecting Ties.
3. Stepping Stones must provide documentation of all employees and payroll information to Connecting Ties.
4. Stepping Stones must provide proof of appropriate equipment and supplies for the daycare facility to Connecting Ties.
5. Stepping Stones must provide proof they have met all State of Alaska Childcare program licensing requirements to Connecting Ties.

Connecting Ties will provide the City Finance Department with regular updates on the status of the

CSO grant.

The City Manager is currently working with the City attorney to determine any additional liability concerns or City agreements which need be in place with Connecting Ties and/or Stepping Stones Learning Center prior to provision of grant funding. An update will be provided during the meeting.