

**AGENDA
FINANCE & PERSONNEL COMMITTEE
CITY HALL COUNCIL CHAMBERS
MONDAY, JULY 10th, 2023
3:30 PM**

Go to: www.zoom.com
Meeting ID: 978 6396 1227
Call-in only: 312 626-6799, enter meeting number

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF THE AGENDA**
- 4. APPROVAL OF MINUTES OF JUNE 12th, 2023 MEETING**
- 5. PUBLIC PARTICIPATION**
- 6. DISCUSSION REGARDING CREDIT CARD STATEMENT (JUNE, 2023)**
- 7. DISCUSSION REGARDING BANK STATEMENTS (JUNE, 2023)**
- 8. DISCUSSION AND MOTION TO SUPPORT A COMMUNITY DEVELOPMENT BLOCK GRANT COMMUNITY FACILITIES GRANT IN BENEFIT OF SUNSHINE DAYCARE AND ENTERING INTO A SUBRECIPIENT AGREEMENT WITH SUNSHINE DAYCARE**

City Manager Summary: The intention of this proposal is substantially identify the need and shortage of infant – two year old child care in the City of Maquoketa and recognize the City's obligation to spend American Rescue Plan Act (ARPA) funds in a manner that is effective for the City.

First, the City approved a contractual services agreement with FEH Design payable out of the City's ARPA fund in order to begin design improvements for the facility. The objective of this was to actually increase care capacity and protect the facility from closing due to increasingly problematic capital improvement needs. The FEH Design agreement in the amount of \$8,500 was on Resolution 2023-64. FEH Design has already delivered their final report for the benefit of the City and Sunshine Daycare.

The full report is attached. FEH Design separated improvements in required, urgent, and recommended categories. The report is well detailed, includes architectural renderings, and evidences problems with many photos.

The purpose behind the FEH Design report was for Sunshine Daycare to have a final plan for their future fundraising plans as well as for the City to have a design proposal related to applying for a substantial Community Development Block Grant (CDBG) under the

Community Facilities section. As of June 2023, funds were still available through IEDA to apply. Funds are exhaustible so timeliness of application is important.

A minimum 20% local match is required to make an application. The grant award maximum is \$600,000. This proposal requests Council consideration for committing \$120,000 in ARPA funds to improve Sunshine Daycare. This has been previously planned in our ARPA reporting and considered with the Finance and Personnel Committee as we begin to discuss how to close out the City’s remaining \$554,742 in ARPA funds.

American Rescue Plan Act Fund - 323				
	2021-2022	2022-2023	2023-2024	2024-2025
ARP Funds Revenue	\$ 447,821	\$ 447,821	\$ -	\$ -
Total Revenue	\$ 447,821	\$ 447,821	\$ -	\$ -
Emergency Repairs	\$ 261,236	\$ -	\$ -	\$ -
Equipment	\$ 79,664	\$ -	\$ -	\$ -
Capital Projects	\$ -	\$ -	\$ 247,821	\$ 306,921
Total Expenses	\$ 340,900	\$ -	\$ 247,821	\$ 306,921
Net Revenue/Expenditures	\$ 106,921	\$ 447,821	\$ (247,821)	\$ (306,921)
Ending Fund Balance	\$ 106,921	\$ 554,742	\$ 306,921	\$ -
<u>East Water Tower Capital Improvement</u> - \$80,312 will be needed from the ARPA Fund in order to supplement shortcomings in the City’s Water Capital Fund plan. The amount is dependent on the project cost and final needs for engineering inspection				
<u>Support for child-care initiatives</u> - \$219,367 (\$65,000 FY23-24; \$154,367 FY24-25) overall proposed for the City of Maquoketa in order to expand the infant to two-year old care infrastructure in order to attract & retain families in the City.				
<u>Police Vehicle Purchase & Support</u> - \$80,000 (\$40,000 FY23-24; \$40,000 FY24-25) overall proposed to help supplement the need to equip the Police Department with modern vehicles.				
<u>Stormwater Levee Construction Costs</u> - \$175,063 (\$62,509 FY23-24; \$112,554 FY24-25) expected in Cost overruns for the levee construction.				

Among other required improvements, successful execution of this grant and construction would deliver an entirely rehabilitated classroom. This is governed by State code related to daycare regulation. A new classroom would deliver at least 19 openings. This increases Sunshine’s capacity minimum by 21% and allows them to generate more revenue thus creating a more sustainable business model and freedom to flex care as needed to residents in need.

Sunshine Daycare is the single largest child care facility in the City. City Staff and JCEA interviewed multiple child care facilities and each had unique characteristics. Despite recent attempts at fundraising, Sunshine Daycare still is in a difficult financial position and their financial need is evident by the aged and deteriorating structure that continues to go unaddressed due to lack of funds after payroll and utility expenses. A closure of Sunshine Daycare would be catastrophic to the City.

Depending on age, Sunshine Daycare has several waitlist variables as of July 7, 2023:

Infant Age: 21 on the waitlist

1 year old: 6 on the waitlist

Toddlers: 7 on the waitlist

2 year old: 11 on the waitlist

*****Approximate waitlist time for the above ages is around 6-9 months.*****

3 year old: 3 on the waitlist

4 year old: 3 on the waitlist

School aged: 4 on the waitlist

As of this writing 55 children remain waitlisted. This project, if successful, will immediately have return on investment given the 19 child increase. Even among the City's "in-home providers", the demand for care is extraordinary with one even providing feedback that she receives 6 calls a week seeking openings for infant – two year olds. Without solutions, the City risks losing residents.

Somewhat related to this proposal, City Staff and Jackson County Economic Alliance have been surveying area employers related to workforce housing needs. Aside from workers, the chief complaint and concern of private employers is child care. Specifically, this has been stated by Family Dollar Distribution, Plastics Unlimited, and Jackson County Regional Health Center. Where are prospective employees supposed to take their children? Without options, a family and an employer lose an available worker. Because of restricted family finances due to job losses, the City loses economic impact. Further, Meadow Park subdivision is expected to build out homes on 30 parcels. Where are these prospective residents supposed to put children if they have them? This is a circular and universal problem that cannot be left unaddressed if Maquoketa wishes to retain its current population level or even grow by the next Census in 2030. This issue is not unique to Maquoketa as child care facilities struggle to keep up with the market demands across the country.

If the City is successful in a CDBG application, the \$8,500 already spent out of ARPA for FEH Design services will be reimbursable. All other expenses related to the grant and construction will be subject to the 20% local match similar to the City's current CDBG projects (Wastewater Plant, Innovate 120, and YMCA). A subrecipient agreement with Sunshine Daycare will be required in order for the City Council to move forward. City Staff will require Sunshine Daycare to obtain alternative financing for any Change Order additions to the project that would otherwise cause an increase in the City's financial liability, meaning the City's commitment is steadfast at \$120,000.

Committee support is recommended.

A few example photos from the report are on the appendix. Please explore the full report for more information.

9. OTHER BUSINESS

10.ADJOURN

Appendix



SITE / FLOOR PLAN - PROPOSED CONCEPT



FRONT ELEVATION - EXISTING



FRONT ELEVATION - PROPOSED CONCEPT