



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

**Department: Library and Recreation**

**Prepared by: Paul Navazio, Finance Director  
Craig Veramay, Assistant Library and  
Recreation Director**

**City Manager Approval:** \_\_\_\_\_

**TOPIC: PROPOSED UPDATE TO MASTER FEE SCHEDULE - CHILDCARE**

**SUBJECT: RESOLUTION AUTHORIZING AN UPDATE TO THE MASTER FEE SCHEDULE TO ESTABLISH CHILDCARE PROGRAM RATES FOR THE 2024-25 SCHOOL YEAR**

**RECOMMENDATION:**

Adopt the resolution authorizing an update to the Master Fee Schedule to establish Childcare Program rates for the 2024-25 school year.

**BACKGROUND:**

The City’s Library and Recreation Department provides Childcare Program services, which are, in general, fully cost-covered through fees paid by program participants. The Childcare Program also provides subsidized services supported by State Childcare Grant funds allocated to the City for this purpose.

The City Council’s policy regarding the City’s childcare program is for the program to be fully self-sustaining financially, such that the program revenues are adequate to cover all programmatic expenditures.

In December 2022, following a comprehensive rate study, the City Council adopted [Resolution No. 15178](#) authorizing updates to its Master Fee Schedule to include fees charged for Childcare Program services to become effective in August 2023 for the 2023-24 school year. Furthermore, the adopted resolution authorizes annual fee increases, based on annual increases in the San Francisco-Oakland-Hayward All Urban Consumers’ Price Index (CPI-U), not to exceed 3.0% per year.

**ANALYSIS:**

The February-to-February increase in the referenced CPI index was 2.37%. This CPI-based adjustment is insufficient to maintain full-cost recovery for the City’s Childcare Program. Staff recommend that the City Council approve an increase to the Childcare Program fees for the 2024-25 school year by 9.0%, rounded up to the nearest whole dollar, as shown in Attachment 1 (Proposed Fiscal Year 2024-25 Childcare Program Fee Comparison). This level of increase is required in order to cover projected Fiscal Year 2024-25 program costs, as the collective bargaining agreement with the Service Employees International Union (SEIU), Local 1021, will significantly increase employee compensation in order to be competitive in the labor market and to recruit and retain the most talented childcare staff. Therefore, staff

---

**FOR CITY CLERK ONLY**

**Council Meeting:** \_\_\_\_\_

**Disposition:** \_\_\_\_\_

recommends Childcare Program rates be updated to cover increased employee compensation. The City Council will consider approval of the new agreement during its July 15, 2024, City Council meeting.

Additionally, the existing childcare program fee schedule currently includes several fee categories that are no longer in use. These fees are no longer required, and staff recommend the elimination of those fees, as shown in Attachment 1.

**FISCAL IMPACT:**

The City's Childcare Program currently generates fee-based revenues of approximately \$3.2 million. Applying a CPI-based (2.37%) rate adjustment would yield increased program revenues of approximately \$75,000. In contrast, Childcare Program costs are projected to increase by an estimated \$290,000 for Fical Year 2024-25. To cover this increased cost and maintain full-cost-recovery for the City's fee-based Childcare Program, fee adjustments of 9.0% are required for the 2024-25 school year. This fee increase is projected to yield increased program revenues of approximately \$288,000.

**OPTIONS:**

The City Council has the following options to consider on this matter:

1. Adopt the resolution authorizing the recommended 9.0% increase in Childcare Program fees for the 2024-25 school year.
2. Adopt a reduced rate adjustment for 2024-25 and allocate City General Fund resources to subsidize 2024-25 Childcare Program costs.
3. Direct staff to return with more information.
4. Take no action.

**RECOMMENDED ACTION:**

Adopt the resolution authorizing an update to the Master Fee Schedule to establish Childcare Program rates for the 2024-25 school year.

**ATTACHMENTS:**

1. Proposed 2024-25 Childcare Program Fee Comparison
2. Resolution amending the Master Fee Schedule to establish Childcare Program rates for the 2024-25 school year.
  - a. Exhibit A – Proposed 2024-25 Childcare Program Fees

Attachment 1 - Childcare Fee Comparison - Current and Proposed Fee Schedule Effective August 1, 2024				
PROPOSED Child Care Fees - Effective August 1, 2024				
Program Category	Unit of Measure	Fee Type	CURRENT FEES	PROPOSED FEE Effective August 1, 2024
<b>CHILDCARE REGULAR FEES</b>				
Full Day Program	Day	Regular Rate	\$61	\$66
Recreation Day	Day	Regular Rate	\$48	ELIMINATE
After School Day Rate	Day	Regular Rate	\$27	ELIMINATE
Minimum Day/K-Full	Day	Regular Rate	\$39	ELIMINATE
Minimum Day Conf/ * K-Full 8/23-9/07	Day	Regular Rate	\$50	ELIMINATE
K-Part/TK-Part	Day	Regular Rate	\$18	ELIMINATE
*K-Part 8/23-9/07	Day	Regular Rate	\$23	ELIMINATE
Preschool Tuition	Month	Regular Rate	\$1,595	\$1,739
Registration Fee	Annual	Regular Rate	\$77	\$84
Summer Kid's Camp	Week	Regular Rate	\$365	\$398
<b>CHILDCARE AFTERSCHOOL PROGRAM FEES - MILLER CREEK SCHOOL DISTRICT SITES</b>				
5 Days/wk	Month	Regular Rate	\$531	\$579
3 Days/wk	Month	Regular Rate	\$281	\$306
3 days/wk incl. Wed	Month	Regular Rate	\$345	\$376
Kindergarten Part Day (3 Days/Wk)	Month	Regular Rate	\$190	\$207
Kindergarten Part Day (4 Days/Wk)	Month	Regular Rate	\$242	\$264
Kindergarten Full Day (3 Days/Wk)	Month	Regular Rate	\$418	\$456
Kindergarten Full Day (5 Days/Wk)	Month	Regular Rate	\$717	\$782
<b>CHILDCARE AFTERSCHOOL PROGRAM FEES - SAN RAFAEL CITY SCHOOL DISTRICT SITES</b>				
5 Days/wk	Month	Regular Rate	\$547	\$596
3 Days/wk	Month	Regular Rate	\$302	\$329
3 days/wk incl. Wed	Month	Regular Rate	\$359	\$391
<b>CHILDCARE DROP IN FEES</b>				
Full Day Program	Day	Drop In Rate	\$66.00	ELIMINATE
Recreation Day	Day	Drop In Rate	\$53.00	ELIMINATE
After School Day Rate	Day	Drop In Rate	\$35.00	ELIMINATE
Minimum Day/K-Full	Day	Drop In Rate	\$44.00	ELIMINATE
Minimum Day Conf/ * K-Full 8/23-9/07	Day	Drop In Rate	\$55.00	ELIMINATE
K-Part/TK-Part	Day	Drop In Rate	\$23.00	ELIMINATE
*K-Part 8/23-9/07	Day	Drop In Rate	\$28.00	ELIMINATE

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL AUTHORIZING AN UPDATE TO THE MASTER FEE SCHEDULE TO ESTABLISH CHILDCARE PROGRAM RATES FOR THE 2024-25 SCHOOL YEAR**

**WHEREAS**, the City's Library and Recreation Department provides Childcare Program services which are, in general, fully cost-covered through fees paid by program participants; and

**WHEREAS**, in December 2022, following a comprehensive rate study, the City Council adopted Resolution No. 15178, a resolution authorizing updates to its Master Fee Schedule, to include fees charged for Childcare Program services to become effective in August 2023 for the 2023-24 school year; and

**WHEREAS**, Resolution No.15178 authorizes annual fee increases, based on annual increases in the San Francisco-Oakland-Hayward All Urban Consumers' Price Index (CPI-U), not to exceed 3.0% per year and

**WHEREAS**, an increase in Childcare Program fees of 9.0% is required in order to cover FY2024-25 program costs, particularly in light of new labor agreements with the collective bargaining group representing Childcare Program employees.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of San Rafael does hereby approve and authorize increases in Childcare Program fees for the 2024-25 school year of 9.0%, rounded to the nearest whole dollar, as reflected in Exhibit A attached hereto, to be effective August 1, 2024; and be it,

**FURTHER RESOLVED**, that the City Council authorizes staff to make modifications to the Childcare Program Fee Schedule, as may be required, to address changes in program offerings, provided that any fee modifications are consistent with the structure of the approved fees and support overall cost-recovery targets for the City's Childcare Program.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of said City on Monday, the 15<sup>th</sup> of July 2024, by the following vote, to wit:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

---

LINDSAY LARA, City Clerk

<b>Child Care Fees - Effective August 1, 2024</b>			
<b>Program Category</b>	<b>Unit of Measure</b>	<b>Fee Type</b>	<b>REGULR FEE</b>
<b>CHILDCARE REGULAR FEES</b>			
Full Day Program	Day	Regular Rate	\$66
Preschool Tuition	Month	Regular Rate	\$1,739
Registration Fee	Annual	Regular Rate	\$84
Summer Kid's Camp	Week	Regular Rate	\$398
<b>CHILDCARE AFTERSCHOOL PROGRAM FEES - MILLER CREEK SCHOOL DISTRICT SITES</b>			
5 Days/wk	Month	Regular Rate	\$579
3 Days/wk	Month	Regular Rate	\$306
3 days/wk incl. Wed	Month	Regular Rate	\$376
Kindergarten Part Day (3 Days/Wk)	Month	Regular Rate	\$207
Kindergarten Part Day (4 Days/Wk)	Month	Regular Rate	\$264
Kindergarten Full Day (3 Days/Wk)	Month	Regular Rate	\$456
Kindergarten Full Day (5 Days/Wk)	Month	Regular Rate	\$782
<b>CHILDCARE AFTERSCHOOL PROGRAM FEES - SAN RAFAEL CITY SCHOOL SITES</b>			
5 Days/wk	Month	Regular Rate	\$596
3 Days/wk	Month	Regular Rate	\$329
3 days/wk incl. Wed	Month	Regular Rate	\$391