

June 20, 2017

Dear City Council members,

The June 20<sup>th</sup> Staff report on Budget Planning Discussions FY2017-18 and FY2018-19 is a document that has taken a cavalier approach to balancing the budget by proposing elimination of 47 FTEs in a City that currently has 150 FTEs. The table below provides a break-down of the positions in a more meaningful manner:

	<b>Total # in Membership</b>	<b>Positions Currently Occupied Proposed to be Eliminated</b>	<b>Positions Currently Vacant and Proposed to be Frozen</b>	<b>Total Positions to be Eliminated</b>
SEIU	67	39	1	40
CAMP	28	4	2	6
Police Union	33	1	0	1
<b>Grand Total</b>				<b>47</b>

In FY17-18, of the \$1.8 million proposed cut only \$70,000 come from non-personnel costs; the remaining cost saving efforts come from laying off City staff. The bulk of the staff proposed to be laid off are SEIU members providing dispatch and other police services and child care services. Dispatch related services have been placed on the chopping block as they can purportedly save \$1.1 million over two years, but no analysis has been included regarding feasibility of contracting out or even a preliminary cost benefit analysis.

Elimination of the Emeryville Child Development Center (ECDC) needs to be seen in the following context. While it is true that cities typically do not provide child care services, Emeryville has chosen to do so in recent years to promote families in the community, along with improving the school district and developing family friendly housing. Affordable child care service is a necessary infrastructure in the vision of making Emeryville attractive to families. Child care is also the infrastructure for job seekers and employees. Attached to this letter is a summary of comments made by teachers of the Center that provide an additional perspective to the operation of the facility.

We propose that the budget be balanced, not on the backs of the most vulnerable and cost-effective staff members, but on sound policy decisions.

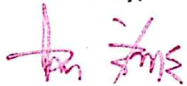
Doing three things can balance the budget without any staff cuts<sup>1</sup> –

- Reallocate the Residual Tax Increment (“boomerang funds”) by another 25% or \$1.3 M in 2017/2018 from capital Investments. Reducing Residual Tax Increment contributions to capital improvements will balance the pace of development with available staffing. This will allow the City’s investment in hiring 16 positions last year to benefit the City, rather than throwing away the investment in people that was so carefully made in 2017.
- Include the interest on the City’s investments (\$400,000 per year) in the list of revenue sources, as has been done in past years. Much of this interest is generated by the Economic Uncertainty Reserve, and the City is not drawing on that reserve; therefore, the interest will continue to accrue.
- Use the PERS reserve to address current PERS impacts on the current budget. That is the purpose of this reserve.

Together these changes balance the budget in FY 17-18 and meet the goal to retain staff, while we consider revenue generating strategies for FY 18/19. Further, they validate the investment of time, energy, and resources spent in hiring staff to meet long standing community commitments such as the Art Center’s development, and new commitments such as supporting small business.

SEIU is committed to working with Management to find innovative methods to balance the budget and prepare for future costs related to CalPers. However, this initial proposal by upper Management lacks finely tuned policy options, provides no creative solution to the problems, and takes on unassessed risks in outsourcing and reduced staff levels, while attempting to balance the budget on the backs of the lowest paid staff members.

Sincerely,



Miroo Desai  
SEIU Emeryville Chapter President

Attachments:

Summary Comments from Teachers of ECDC  
Letter from State Licensing Board

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<sup>1</sup> With exception of the third highest paid employee, the Assistant City Manager (ASM) position, which cannot possibly be critical to City operations as the current ASM has been working from southern California for the past year.



## TEACHER COMMENTS FROM ECDC

### Program integrity and quality of care:

1. One of ECDC's biggest hurdles in delivering a quality program is the City itself. The City's micromanaging and lack of communication with the Center slows down important functions of the Center until we are in crisis. They then make knee-jerk decisions that end up causing more harm than good.

For example, while Tanya Harris was serving as director, she kept saying that we needed more staff, but the City never approved new positions, so we were forced to use the Child Care Careers (CCC) temp service costing the Center tens of thousands of dollars. As soon as Tanya left and Pedro Jimenez, Community Services Manager, was in charge, he was able to add 7 provisional full-time positions so we could hire our part-time employees as full time. Once Susan Stevenson and Lois Porter stabilized the center, Pedro notified everyone that there would only be 5 permanent positions and had everyone re-apply and interview for the jobs. Rather than changing the two extra people back to part-time, the city fired them out-right, leaving us once again with a shortage of staff. As a result, Lois Porter (Consultant Manager), Susan Stevenson (Consultant Manager), and Samantha Golden (Administrative Assistant) have been called upon consistently to help cover classrooms, taking them away from their other duties.

2. Rather than hiring qualified management and allowing them time to make a meaningful impact, the City has repeatedly hired non-qualified managers and then removed them like a revolving door. The Center has been getting new management almost every year. Every time the city fires the leadership, the Center is thrown into chaos felt by staff and the families. How are staff members expected to execute a successful program without proper support and leadership? If it weren't for the incredible tenacity and hard work of the teachers, ECDC would be a shell of what it is today. Instead of recognizing the teachers' hard work, the City constantly points to citations received as a way to tear the program down.

3. At least one Type A citation received during FY15-16 was a direct result of the lack of stable management. According to guidelines set by Child Protective Services and Community Care Licensing (CCL), Tanya Harris and Lynne Martin correctly reported the incident last year that led to their suspension. However, without a proper understanding of the system, the City Manager Carolyn Lehr left the Center without leadership. Upon a visit from Child Care Licensing (CCL), Pedro and Assistant City Manager Cindy Montero met with the analyst and falsely supported the claim that the incident was not reported in a timely manner. ECDC received a Type A citation for that.

4. Our families love our service and we provide a great service to the community. Closing the Center would be incredibly rash and it would be a short-term solution to a larger problem. 30 out of 80 current students have been at the center for 2+ years. Additionally, of the remaining

students who have been here less than 2 years, 8 are siblings of former students, and 8 are children/relatives of current and former employees.

ECDC also serves as a vital service for residents and employees of Emeryville. There are currently 31 children who are residents of Emeryville attending ECDC and 27 children with parents who work in Emeryville; 9 of said families both live AND work in Emeryville.

5. We recently conducted a satisfaction survey and of the 30+ responses we received, 5 families said they were "satisfied" and the remaining responses were "very satisfied". Not one respondent said they were not satisfied.

6. After putting us on probation last year, the State Community Care Licensing put us back in good standing due to the excellent leadership of Lois Porter and Susan Stevenson. (Letter Attached)

7. Prior to 2005, ECDC, Senior Center, and Recreation were autonomous operations run by their respective managers. Melinda Chin was the first Community Services director, hired by John Flores. The Center can run much more efficiently and effectively if it is left to someone who is educated and experienced in the Early Childhood Development field, as Lois and Susan are, and allowed to operate independently. Before merging all the departments, ECDC had only one director for over 20 years, and ran itself without these problems.

#### **Cost Reductions:**

1. We have been voicing concern over the quality of the cleaning service for years. The center is not adequately cleaned. We pay a lot of money for the contract with the cleaners for sub-par service and we could save a lot of money with a different service. ECDC has received several Type B citations from Community Care Licensing for lack of cleanliness because of the deficient cleaning services rendered.

2. We spend over \$100,000 a year on a meal program; that cost could be significantly reduced if we provided breakfast and snack only and parents supplied their own lunch.

3. In FY 15-16 the center spent \$162,056 on supplies; so far in FY 16-17 we've only spent \$105,420. That is a savings of \$56,636 or a **35% decrease in spending**. This shows that with proper management we can trim down our costs by a large margin.

4. Last year in the absence of proper management, the Center racked up a lot of bills from Childcare Careers (the temp staffing agency). During FY 15-16 we spent \$48,078 with Childcare Careers. FY 16-17 we've spent **ZERO**. This is literally since Susan started here in July 2016 as a consultant (the last invoice was from June 2016) and immediately worked out the staffing so we didn't need to hire temps.

**Proposed plan:**

If we increase the infant/toddler tuition to \$1900/month (2% increase) and increase preschool tuition to \$1500/month (10% increase) the center will bring in \$1,550,000 taking into account our subsidized contract and resident discount (FY 15-16 was \$1,080,313; FY 16-17 projected \$1,117,794).

This marginal increase in fees would allow ECDC to cover its staffing costs with a surplus of about \$350,000. Based on FY 15-16 and 16-17 budget spending of approximately \$2 million per year, the Center would need less than \$300,000 subsidy from the city.

Further, if the city instituted a sliding scale for reduced tuition for low-income families and gave the center the \$171,000 (amount of state contract), we would be able to increase our teacher-child ratio according to Title 22 preschool regulations thereby decreasing our dependence on part-time staff. Switching to Title 22 from Title 5 would also allow us to reassess our meal program which would tens of thousands of dollars per year.





WILL LIGHTBOURNE  
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
COMMUNITY CARE LICENSING DIVISION

CCLD Regional Office  
1515 CLAY STREET, SUITE 1102  
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EDMUND G. BROWN JR.  
GOVERNOR

May 03, 2017

EMERYVILLE CHILD DEVELOPMENT CENTER – 010213812  
1220 53RD ST.  
EMERYVILLE, CA 94608

Dear Mr. Jimenez,

This letter is to summarize the Informal Conference held in this office on March 30, 2017. Present at the meeting were: Ann Robinson – Licensing Program Manager, Belinda Devall – Licensing Program Analyst, Pedro Jimenez – Community Services Director, Susan Stevenson – Consultant and Lois Porter – Contracted Director.

This meeting was called to reflect on the changes that have been implemented since our Noncompliance Conference on April 26, 2016. You were placed on increase inspections to aid in maintaining compliance with the regulations that govern over your facility.

During the meeting the following issues were discussed:

**Staffing:** ECDC currently has Lois Porter as the Director of the facility. She is responsible for the operation of the center with compliance of the regulations and communication with the Department. The consistency of having a permanent Director has shown that the staff has the correct leadership in place to address the issues and concerns that could affect the health and safety of children in care. Since the arrival of Lois, she has successfully organized the facility by setting goals and a vision for how children are to be adequately cared for which has set the tone for the entire organization.

**Training:** ECDC has worked with licensing on addressing serious concerns of violations that were occurring at the facility. Susan Stevenson and Lois Porter have reached out to their assigned analyst requesting training for staff as well as outside agents to build morale and provide proven theories and practices in building a positive classroom atmosphere. All parties present today agree that training should continue to be provided for the staff to continue to stride for a safe and healthful environment.

**Unusual Incidents:** ECDC consultants evaluated the weaknesses and strengths of the facility. Based on their evaluation and past history of the facility, they have implemented several best

practices and techniques to improve quality of the program for young children and, at the same time, help teacher be more effective in their work. The Department has noticed a vast improvement in the quality of care by the facility continuing using the tools that have been provided on best practices to meet the needs of children in care.

**CCL Recommendation:** Staff management, which is crucial to the success of a program, must be maintained to continue success of the facility's mission and strategic plan. Upon review of your facility visits and improvement since our noncompliance meeting, the Department is recommending the facility will no longer be placed on required visits. Please continue on implementing the best practices and adhering to the regulations that are governing over your facility. Your assigned analyst will continue to be a tool and resource for your continued success in maintaining a consistent record of compliance.

If the facility receive any further violations that are an immediate risk to the health and safety of children in care, your facility may result in an administrative action against the license. If you have any questions regarding interpretation of licensing regulations, please contact your analyst, Belinda Devall, at 510-725-7107. She is always available for consultation.

Sincerely,

A handwritten signature in blue ink that reads "Ann Robinson". The signature is written in a cursive, flowing style.

Ann Robinson  
Licensing Program Manager