

# Report estimates severance and other administrative costs to shutdown Sarnia childcare centre <sup>[1]</sup>

**Author:** Morden, Paul

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## EXCERPTS:

Lambton County councillors are being asked to authorize spending up to \$1.4-million on employee severance payments and other costs, if a decision is made to close the Coronation Park Day Nursery in Sarnia.

A report prepared by the county's administration is going to council's standing committee meetings Wednesday recommending the more than 40-year-old county operated day care centre close Sept. 1 because of a 10% drop in Lambton's child care funding from the province.

Senior staff also prepared an in-camera report that outlines legal, real estate and human resources issues, including the need to move quickly on a decision because of labour relations concerns.

CUPE Local 2926 represent 38 of the 40 workers at the centre, and the current collective agreement expires at the end of December.

The in-camera report says the county will not be in a legal position to close the centre after notice has been given to bargain a new contract with the union.

"Accordingly," it states, "if a decision to close CPDN (Coronation Park Day Nursery) is not made in May or June of 2014, said decision cannot be re-examined until late 2015 at the earliest."

The report estimates severance costs will be \$32,400 per staff member.

Career counselling and other support for the employees could cost another estimated \$100,000.

The union contract also calls for benefits to continue for three months after layoffs. That's expected to cost another \$11,100, the report states.

Severance and other costs for two managers at the centre are estimated at \$182,000.

The \$1 million to \$1.4 million estimate is based on the experiences in Windsor and Peel Region where public day care centres were closed in recent years.

The report notes that when Coronation Park day care was built in 1972, the provincial government paid the full cost, and the province has indicated it may be entitled to some or all of the proceeds if the property was sold after it closes.

The building sits on more than one acre of property but the report says county staff haven't taken any steps to determine its market value.

The report says the centre has provided excellent service but its cost structure is approximately double what other comparable day care centres, "making closure of the facility a financially responsible decision."

-reprinted from the Sarnia Observer

**Region:** Ontario <sup>[2]</sup>

**Tags:** funding <sup>[3]</sup>

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