



# Memorandum

TO: MAYOR & CITY COUNCIL

FROM: Councilmember Rocha

SUBJECT: SENIOR NUTRITION PROGRAM

DATE: October 6, 2014

Approved

*Don Rocha*

Date

*10/6/14*

## RECOMMENDATIONS:

Accept the staff report but defer action on Recommendation #2 until the following information can be presented to the Council:

1. Program cost for City-delivered cook on-site service at the 11 proposed centers, excluding any additional capital costs, with total compensation calculated to include the following considerations:
  - a. The total number employees necessary separated by current staff and additional staff
    - i. The current number of full and part time staff, their employee cost and current funding source
    - ii. The number of additional full and part time staff needed, their projected cost and funding source
  - b. The projected hourly rate for part and full time employees
2. Cost per-plate in 2010, identifying changes in the 2010 and 2014 program models and product type, and adjusted for inflation,
3. Projections and financial plans for participation growth to ensure proper scaling of the program.

## ANALYSIS

With this action, the Council finds itself in a very rare position; having the ability to weigh the pros and cons of a programmatic shift without concern for an impending deadline. While I have long been in support of bringing back a cook on-site model for our Senior Nutrition Program and am thankful for the County's increased investment, I am concerned by a lack of comparative information in the staff recommendation for the contractual amendment and the natural alternative of providing the service ourselves.

The staff recommendation only identifies the cost increases necessary for a catered cook on-site model provided by our current service provider and omits any comparative analysis to a City-provided cook on-site program. I completely understand why the Council made the difficult decision to outsource meal provision to a private contractor and don't care to debate the merits of that decision. Now that we're asking to change the service being provided, it would be prudent to ensure that we're paying the best price for this service. Regardless of whether the funding comes

from the County or our own budget, this program is delivered with public dollars and we need to ensure that those are spent wisely. Ultimately, I'm looking for information that will allow us to make an apples-to-apples comparison of what our program cost before it was eliminated, compared to what it would cost to provide today, compared to what Bateman's contract cost is.

When the program was eliminated in the 2010-2011 Fiscal Year, it cost the City roughly \$1.1M to operate a cook on-site program at 14 sites. Now that we're anticipating a contract amendment with Bateman for an increase to \$1.8M and \$1.9M in October of 2015 for cook on-site services at 11 centers, I think we need to understand how we're spending our dollars and take a second look at the options in front of us. I am very interested in ensuring that we include total compensation in our figures.

In 2010-11, the City employed 25.86 FTEs to run this program, and I would like to see a full breakdown on how many additional full and part time staff we would need to run SNP if the Council decides it's more prudent to bring the service in-house. As we all know, the total compensation cost is much lower for a part-time employee than a full-time employee, and I think it's important that our analysis realizes that difference. Also important is understanding how the level of service and type of food differs from 2010 to now, which is the intention of recommendation #2 above. I doubt that we're serving the same menu that we were serving four years ago, and I'd like to know how menu and other staffing or program changes (bingo, events, etc) may have changed the non-personal cost of SNP.

The current contract with Bateman isn't up until September 2015, leaving us plenty of time to make this decision. I have no interest in delaying this shift or making this decision at any certain time, which is why I don't offer a timeline. Staff should return when they've completed the work and the Council can make an informed decision at that time. Ultimately, staff may return to the Council with information proving that continuing to utilize Bateman for cook on-site services will be the highest and best use of our dollars. If that is the case, I will happily support amending their contract to shift to this model. However, I don't think the Council can make that decision until we have more information.