



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Angel Rios, Jr.

SUBJECT: SENIOR NUTRITION PROGRAM

DATE: May 27, 2016

Approved

Date

5/27/16

BACKGROUND

The purpose of this Manager's Budget Addendum is to provide information on the 2016-2017 Senior Nutrition Program. The Department of Parks, Recreation and Neighborhood Services (PRNS) strives to provide an integrated network of services to meet the needs of older adults living in San José. Through collaborative partnerships with Santa Clara County and Compass Group USA, Inc. (Bateman), the City's provider of citywide senior nutrition services, the Senior Nutrition Program provides daily congregate meals with the intention of serving nutritious lunches that support dietary requirements, reducing isolation, increasing social participation, and providing exposure to wrap-around services among adults 60 and older.

ANALYSIS

The significant population growth in persons over the age of 60 and the increasing demand for lunches served by the City's Senior Nutrition Program have created a need to increase the program's budget in order to maintain service levels in the current and upcoming fiscal years.

2015-2016 Budget Adjustment

In partnership with the County of Santa Clara, PRNS developed a budget that allowed for an average of 860 meals to be served daily in 2015-2016. Since February 2016, the program has experienced higher than expected daily demand for meals, at an average of 920 meals per day. This higher level of service through the end of 2015-2016 is projected to cost approximately \$94,000, of which \$55,000 from the County of Santa Clara will be recognized in the 2015-2016 Year-End Clean-Up process; the City's share of \$39,000 will be absorbed within the PRNS Non-Personal/Equipment budget. This action will raise the 2015-2016 Senior Nutrition Program budget to \$2,153,000, up from \$2,059,000 at the beginning of the year. The Administration will request an action in June to increase the contract authority for the agreement with Bateman. The County will provide \$1,428,000 of the new total, and the City will pay the remaining \$725,000.

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2016-2017 Budget Adjustment

Maintaining the higher service level of 920 daily meals in 2016-2017, given the expected cost of the City's 2016-2017 agreement with Bateman, will require a total program budget of \$2,281,000. The 2016-2017 funding budgeted in the City (\$684,000) and agreed upon by the County (\$1,461,000) leaves a funding shortfall of \$136,000. To bridge this funding gap and also maintain the historical cost-sharing ratio (1/3 City-funded, 2/3 County-funded) for the program's overall budget, the City and County must increase their investments in this program. The Administration will bring forward a clean-up action as part of the 2015-2016 Year-End Clean-Up process to increase the PRNS Department's Non-Personal/Equipment budget by \$76,000 by reallocating savings from the Personal Services appropriation. A separate action will be proposed in the Recommended Amendments to the 2016-2017 Proposed Operating and Capital Budgets Manager's Budget Addendum to rebudget these funds to 2016-2017.

As of the date of this Manager's Budget Addendum, the County has agreed to contribute \$1,461,000 towards the program's 2016-2017 budget. To conform to the historical cost-sharing ratio, the City will ask the County to increase its contribution by \$60,000 for FY 2016-2017. City staff has requested a meeting with County staff during the first week of June to discuss the County's additional proportionate share. If the County is unable to increase its contribution in conformity with the historical cost-sharing ratio obligation, the City will have to consider alternative solutions that could include reducing nutrition services across all 13 City-operated nutrition sites, or identifying additional funding to maintain the higher service level.

PRNS will continue to maintain a close partnership with the County and work collaboratively to ensure that older adults continue to receive proper nutritional services through the Senior Nutrition Program.

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office and the City Attorney's Office.

/s/

ANGEL RIOS, JR.
Director, Parks, Recreation and
Neighborhood Services