



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 10/01/02
AGENDA ITEM _____
WORK SESSION ITEM WS2

TO: Mayor and City Council
FROM: City Manager
SUBJECT: Spectrum Funding Request

Prior to the August recess, the City Council received a letter from the Executive Director of Spectrum noting that it's senior meals program, Senior Nutrition Activities Program (SNAP), was experiencing financial difficulties, and seeking financial support from the City. Councilmember Olden Henson requested this item appear on a worksession agenda for discussion by the Council.

During the summer, Spectrum has attempted to secure funding from the County and the cities in which SNAP operates. Spectrum reports that the County has agreed to provide about \$20,000, while the matter is still under review by a number of cities.

In recent correspondence the Director notes that cost-saving measures have been implemented, and that the projected deficit has been reduced from approximately \$177,000 to a little over \$81,000. Because a deficit is still projected, Spectrum continues to seek financial assistance from Hayward, in the amount of \$18,842.

While the service provided by Spectrum is important and the amount requested is relatively modest, I would caution the Council about the appropriateness of considering funding of social service agencies outside the normal budgetary cycle. To do so has the potential of establishing a new precedent, resulting in some unintended consequences. In addition, considering funding requests of this type outside of the usual process fails to place the request in the context of overall needs and priorities.

In the event the Council is receptive to providing some form of financial assistance to Spectrum, I suggest the Council entertain providing Spectrum a short term loan (for example, 18 months), contingent on Spectrum demonstrating the ability to repay the loan. If this option is acceptable, staff should be directed to meet with Spectrum to structure such a loan and return to Council at a later date with a formal agreement.

A handwritten signature in black ink, appearing to read "Jesús Armas", is written over a horizontal line.

Jesús Armas
City Manager

Attachment

September 6, 2002

TO: Jesus Armas, City Manager, City of Hayward

FROM: Richard Valle, Spectrum Community Services

RE: Senior Nutrition Activities Program (SNAP)



Enclosed is the budget that we have submitted to the Alameda County Social Services Agency department of Adult and Aging for the Spectrum Community Services Senior Nutrition Activities Program (SNAP).

We are pleased to report to you that our original projection of a \$177,156 deficit has been dramatically reduced to \$81,239.

Through significant lay-offs, work hour reductions, downsizing/re-structuring and attrition we have re-organized the entire agency without impacting on our services to our clients and with no reduction in service to our congregate meal sites in Central, Southern and Eastern Alameda County.

Given these reductions and with your help, we strongly believe that we can sustain the SNAP nutrition program for the balance of this fiscal year.

We are now officially requesting your financial assistance in helping Spectrum to supplement the amount of our deficit. We are sending this same request to all of the following jurisdictions where we have congregate meal sites for seniors:

- County of Alameda
- City of San Leandro
- City of Hayward
- City of Union City
- City of Fremont
- City of Newark
- City of Pleasanton
- City of Dublin (Meals on Wheels service only, no congregate meals)
- City of Livermore

Long Range:

Our long-range plan is to close our *production kitchens, sub-contract meal preparations*, while keeping the delivery of meals including the drivers, meal site coordinators and volunteer structure under our supervision. Ideally, we would like to make this transition before the end of this fiscal year.

We have initiated discussions with Valleycare Health System, New Haven Unified School District, St. Rose Hospital, SOS Meals On Wheels and Kidango about the preparation of our senior meals (approximately 500 meals per day). These institutions have large kitchens and have expressed an interest in preparing our congregate meals. We will keep your staff posted on our discussions.

Aside from the senior congregate meals, Spectrum will continue to operate the home-delivery meals on wheels program for the Tri-Valley area. These meals are prepared by Vallecure Health Systems in Pleasanton and delivered by our volunteers and paid staff to frail elderly residents in Dublin, Pleasanton and Livermore and Sunol (approximately 120 meals per day).

Specific Questions Addressed

- As promised effective September 3, the SNAP program reduced the raw food costs from \$2.06 per meal to \$1.80 per meal.**
- The budget projections that we submitted at the August meeting did not include the reduction in raw food, lay-offs, reductions in work hours and not back-filling open positions at Spectrum. Spectrum is now very lean but still operating all programs at full service levels.**
- This re-structuring has reduced the SNAP operating deficit by more than 50%.**
- We have provided you with a copy of the Congregate Nutrition Budget that has been submitted to Alameda County for their approval.**
- We are aware that some jurisdictions have discussed the possibility of bringing meal production “in-house”. We will do our best to help you if you believe this course of action is best for your respective seniors.**
- Lastly, we were asked to provide details about “in-kind” contributions made by jurisdictions. We have listed that information at the bottom of page 4a of 6 (Disclosure) in the Congregate Nutrition Budget.**

We appreciate the support that all of you have expressed for the operations of the senior nutrition program and your seniors.

**Mr. Armas
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September 6, 2002

Pending Decisions

How we fund the \$81,239 deficit has not been reconciled. Per the discussion at our August meeting with staff, we have waited until September to submit this information to you anticipating that you will carry the data forward to your respective governing board.

We hope that we have created a realistic picture of our operations and have demonstrated that Spectrum has cut, reduced, eliminated and done all we can internally to maintain this important nutritional program for seniors.

Please feel free to call me if you have questions or require clarification, my number is (510) 881-0300 ext. 212.

Spectrum Proposal

Deficit: \$81,239

If we allocated the deficit on a percentage based on the number of congregate meals served in each jurisdiction, and Alameda County provided a 25% subsidy for each jurisdiction, the breakdown would be as follows:

	%	\$ Amount	Subsidy	Total \$
• Unincorp. Areas (County)	2.71%	2,201	(550)	1,651
• <i>City of San Leandro</i>	28.16%	22,874	(5,718)	17,156
• <i>City of Hayward</i>	30.92%	25,122	(6,280)	18,842
• City of Union City	7.25%	5,886	(1,471)	4,414
• City of Fremont	4.92%	3,995	(999)	2,996
• City of Newark	2.87%	2,334	(583)	1,750
• City of Pleasanton	15.34%	12,464	(3,116)	9,348
• City of Livermore	7.83%	6,363	(1,591)	4,772
• Alameda County			20,310	20,310
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	100.00%	81,239	20,310	81,239
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Numbers are based on the meals served in FY 2001-02.