

***I
T
E
M***

d)

***T
W
O***



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager 

DATE: August 21, 2013

SUBJECT: A DISCUSSION REGARDING MEALS DISTRIBUTED BY LITTLE HAVANA ACTIVITIES & NUTRITION CENTERS AND BUDGETARY RESOURCES TO KEEP FUNDING SOCIAL PROGRAMS.

BACKGROUND

At its July 25, 2013 meeting the Finance and Citywide Projects Committee directed the Administration to explore options to address the elder meals lost to sequester budget cuts. As a reminder, these are the meals lost at each site:

Site	Lost Capacity
Rebecca Towers	15
Council Towers South	10
Stella Maris	3
South Shore Community Center	20
Federation Towers	10

The Committee directed the Administration to provide interim funding to Little Havana Activities & Nutrition Center (Little Havana) and Jewish Community Services of South Florida (JCS) at a rate of \$3.00 and \$5.62 per meal, respectively. On August, 8, 2013, the City received correspondence from Little Havana declining the interim funding as it did not cover the actual cost of meals provided. JCS executed its Letter of Grant Agreement on August 9, 2013 accepting the interim funding.

In response to the Committee's directive to explore ways to safeguard elder meals, staff evaluated a variety of options and met extensively with the City's two congregate meal site providers, Little Havana Activities & Nutrition Center and Jewish Community Services of South Florida, as well as the Alliance for Aging, the Area Agency on Aging tasked with distributing *Older American Act* funds for our City.

In addition, at the Mayor's urging, staff met with Ms. Lynette Sobel of the Fertile Earth Foundation regarding its food reclamation efforts and the feasibility of incorporating this resource to address the sequester cuts.

Attached, you will find a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for the following strategies:

- Existing reimbursement rate
- Partial reimbursement rate (overhead offset)
- Food reclamation
- Food vouchers
- City operation of program

In conducting the analyses, staff was mindful of the core purpose of the congregate meals program which is disease prevention and health promotion through the provision of nutritious meals while adhering to the *Dietary Guidelines for Americans (9)* published by the Secretaries of Health and Human Services and Agriculture and the Recommended Daily Allowances (RDA) established by the Food and Nutrition Board.

As a reminder, the *Older Americans Act* created the congregate meals program to achieve these nutritional goals while also serving as a means of preventing frail, elder persons from becoming socially isolated and providing a response framework by which to identify, engage and serve elder residents who may need greater intervention services to ensure their health and independent living. It is also important to note that by virtue of its intent, congregate meal site programs serve elder residents facing physical, social, economic and cultural barriers that must be addressed in the provision of services including accessibility, assistance with meal delivery and locations easily accessible by the population served.

ANALYSIS

Meal site providers must adhere to the standards delineated in the *Older Americans Act Nutrition Programs Toolkit* created by the National Resource Center on Nutrition, Physical Activity & Aging. The Toolkit delineates standards for each of the following but not limited to:

- Meal Service
- Menu & Nutrient Requirements
- Food Safety & Sanitation
- Food Service Operations
- Nutrition & Health Promotion Services
- Site Administration
- Personnel Requirements
- Reporting & Fiscal Management

At a minimum, nutrition programs must ensure that they conform to nutrition standards and menu policies as well as:

1. Provide at least one hot or other appropriate meal per day, five (5) or more days a week;
2. Provide meals in congregate settings, including adult day care facilities and multi-generational meal sites; and
3. Include nutrition education services and other appropriate nutrition services for older individuals. (Part C, Subpart 1, Section 331)

In addition to strict dietary guidelines, congregate meal providers must:

- Enter into contracts that limit the amount of time meals must spend in transit before they are consumed; and
- Comply with applicable provisions of State or local laws regarding the safe and sanitary handling of food, equipment, and supplies used in the storage, preparation, service and delivery of meals to an older individual. (Section 339)

The Alliance for Aging, through the *Older Americans Act*, provides a reimbursement for meals served by both Providers. Providers leverage this reimbursement amount with United States Department of Agriculture (USDA) commodities program contributions as well as a minimum required match of 10%.

In completing the SWOT analysis, staff ensured that the core factors delineated above form the basis for each strategy's review.

Funding the Sequester Gap Utilizing the Current Reimbursement Rate

Given the many federal standards that must be met, providing the meal site providers with a uniform reimbursement rate of \$5.62 is the most viable option that ensures uninterrupted service while ensuring the full leverage of tangential resources and the continued delivery of nutritious meals to the community's elderly.

The uniform reimbursement rate still falls short of the actual delivery cost for meals for both providers but affords full compliance with the *Older Americans Act* and provision of the meals as required by Federal law.

Funding Only the Food Cost

Both Providers have said that they must comply with *Older American Act* standards in order to maintain their certifications. They cannot serve food that does not meet the Federal standards nor can they create an environment in which clients are served food that does not meet the nutritional and programming standards of the *Older American Act*. In short, they cannot serve food without also supplying the tangential services such as screening, insurance, staffing, transportation, etc. as required by their meal site designations.

Both Providers have advised Administration that they cannot accept funding that does not, at a minimum, meet the *Older Americans Act* reimbursement rate (\$5.62 per meal).

Food Reclamation

The Fertile Earth Foundation currently reclaims food from restaurants and hotels for animal consumption. While the Foundation has said that it is willing to reclaim food for human consumption, significant investment must be made to create the necessary and required infrastructure to safely recapture and redistribute food for people including:

- Refrigerated truck (to pick-up and deliver reclaimed food maintained at a safe storage temperature)
- Food reclamation containers (refrigerated receptacles – usually with storage trays -- that maintain food at a constant temperature)

In addition to the infrastructure to collect food, heating and food service equipment must be acquired for the points of distribution. None of the existing meal sites have this capacity as both congregate meal site Providers contract for catered food and do no food preparation on site.

Furthermore, both Little Havana Activities & Nutrition Center and Jewish Community Services of South Florida have said they cannot accept reclaimed food for distribution to their elder clients because of Federal guidelines. Therefore, if the existing meal sites are not used, distribution points and site management would have to be created adding significant cost to this service option.

As it stands, the Fertile Earth Foundation would also need to more aggressively market its efforts in hopes of securing additional donation sites from which to reclaim food. This marketing effort will also increase operational costs without necessarily translating into a fixed amount of food that can be relied upon for distribution.

Finally, food reclamation does not address either nutritional or religious requirements.

Food Vouchers

Food vouchers, pre-loaded credit cards that enable elders to purchase up to a fixed amount of food at local, participating restaurants and grocery stores, offer some benefits:

- Allows elder residents choice
- Promotes use of local businesses
- Fixes the expenses per meal

Unfortunately, this approach promotes social isolation, requires elder residents to provide their own transportation, and still requires another entity to screen client eligibility and distribute food vouchers. Furthermore, it does not ensure that elder residents eat nutritious meals or access tangential services that promote good health.

City Operation of Meal Program

While the City has several facilities that can be tailored to serve meals, it would require a significant investment in equipment, staffing (including training) and procurement. Since

the City is bound by its Living Wage Ordinance, the staffing cost alone is greater than those incurred by either Little Havana or JCS. More so, aside from the initial capital investment and ongoing staffing and food costs, the City would not be able to provide the additional tangential support services (transportation, social work, etc.) without additional increased cost.

Regardless of the cost, the City would require several weeks to create the infrastructure to start a meal program creating a significant gap in services. As a reminder, there are currently five municipalities operating congregate meal programs on their own. Among these cities:

- Hialeah
- Hialeah Gardens
- Miami Springs
- Sweetwater
- West Miami

However, each of these municipalities must augment Alliance for Aging funds with other resources. In Hialeah, the municipal leverage or cash match exceeds \$1 million. Hialeah Gardens leverages more than \$200,000. Both cities use the General Fund as leverage match and independently pursue additional funds through grants and other appropriations.

CONCLUSION

The Administration recommends, if the intent is to maintain the availability of elder meals at the May 16, 2013 level, that funding be awarded at the uniform rate of \$5.62 per meal which is the amount lost as a result of sequester cuts. The total budgetary impact to the General Fund for FY 2013/14 would be \$84,749.60.

JLM/KGB/MLR

F:\Neig\Homeless\CHILDREN\ALL\Finance Committee\August Finance Meeting Elder Meals.Docx

SWOT Analysis of Elder Meal Options (Strengths, Weaknesses, Opportunities & Threats)

Full Reimbursement Rate	Food Only Reimbursement	Food Reclamation	Meal Vouchers	City-Managed Program
(S) Capacity, resources and infrastructure to provide full service	(S) Leverages provider resources	(S) Minimizes food waste	(S) Affords independent choice	(S) The City has park facilities throughout the City that can be tailored for use
(S) Proven experience and success with program goals and objectives	(S) Proven experience and success with program goals and objectives	(S) Leverages cost among a variety of community members	(S) Supports local business	(W) Infrastructure including space, staff and procurement would need to be created
(S) Sites are known and trusted by residents	(S) Sites are known and trusted by residents	(W) Quantity collected is unpredictable and not known in advance	(S) Encourages community integration	(W) Process to mobilize operations could take months because of procurement and training requirements
(S) Providers leverage funds with the Alliance for Aging, USDA and private sources	(W) Creates disincentive for providers to grow capacity	(W) Nutritional value is unknown	(W) Requires extensive community networking to identify participating restaurants	(W) Requires integrated transportation services support
(S) Ensures access to health, nutrition and independent living supports for elder clients	(W) Increases the proportional share of overhead expenses that Provider must now absorb jeopardizing the overall number that can be served	(W) Requires significant investment in vehicles and food storage equipment	(W) Provides weak control of nutritional content unless proscribed	(W) City's Living Wage increases overall staffing costs
(S) Provide structured programming and socialization to prevent client isolation and health diminishment	(W) Creates environment in which clients cannot equitably access support services (i.e. those receiving only meal support may not access social workers, etc.)	(W) Does not address who will serve meals and where (<i>current providers cannot serve food that does not meet required nutritional and safety standards</i>)	(W) Does not leverage USDA and other funds	(W) Service would need to be centralized (1 location) to minimize cost
(S) Transportation services are provided for those needed help to get to meal site	(O) Limits the loss of service capacity created by sequester cuts	(W) Drivers and food service costs are separate and offset savings	(W) Adversely impacts elders with limited transportation/mobility	(W) Does not provide for additional social work support services
(S) Space is provided as in-kind or at a very reduced rate in locations where elder residents congregate	(T) If federal cuts continue, provider capacity may be jeopardized altogether	(W) Cultural and religious factors cannot be adequately addressed	(W) Further promotes the isolation of elder, vulnerable residents	(O) Creates an opportunity to leverage Recreational programming and facilities to new group of users
(W) Supplanting of funds may lead to long-term reliance on City resources	(T) Transportation services may be impacted limiting access for some elder residents relying on provider-transportation	(W) Does not leverage USDA and other funds	(W) Client screening & voucher distribution needs to be provided	
(O) Sites have service capacity greater than the funding gap enabling growth w/other sources		(O) May be used to address the	(O) Encourages restaurants to participate and offer their own nutritious meal alternative	
(T) Continued federal cuts further undermine the program's stability		(O) Encourages broader community participation in addressing hunger	(T) Subject to the participation of independent restaurants	
		(T) Relies on volunteer participation by hotels/ restaurants		
		(T) Participating restaurants/ hotels are subject to peak seasons		
Initial Cost Incurrence None (infrastructure exists)	Initial Cost Incurrence None to City (Infrastructure exists but funding gaps must be met by Providers jeopardizing acceptance of City funding)	Initial Cost Incurrence Extensive (Trucks, food receptacles, staffing, training and sites would be needed)	Initial Cost Incurrence None (but participating restaurants would have to be engaged)	Initial Cost Incurrence Extensive (Trucks, food receptacles, staffing, training and sites would be needed)
Ongoing Cost Incurrence \$5.62 p/meal \$ 84,749.60	Ongoing Cost Incurrence \$5.62 (JCS)/ \$3.00 (LHANC) p/meal \$ 43,836 (LHANC) cannot accept reduced reimbursement)	Ongoing Cost Incurrence (Fuel, staffing, space) Unknown	Ongoing Cost Incurrence \$5.00 (estimated) \$75,400	Ongoing Cost Incurrence¹ Staffing + Meal Costs (\$57,902 + \$42,240) \$100,142

1- City estimate for staffing of 4 P/T workers @ 4 hours per day at \$2.80 p/meal

2- All estimates based on 58 meals per/day (the sequester gap as of May 16, 2013)