

# Agenda

## PUBLIC SERVICES COMMITTEE MEETING

Tuesday, October 01, 2019

1:00 PM

City Hall, Boardroom 2-1

### 1. SENIORS SERVICES OPERATING MODEL

*The Administrative Committee supported the recommendation - September 18, 2019.*

[Adoption](#)

Notes:
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### 2. 2019-2022 COMMUNITY DEVELOPMENT AND CORPORATE ASSET MANAGEMENT CAPITAL BUDGET AMENDMENT

*The Administrative Committee supported the recommendation - September 18, 2019.*

[Adoption](#)

Notes:
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### 3. MOTION TO CLOSE MEETING TO THE PUBLIC

Notes:
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<b>IN-CAMERA:</b> Public Services Division Items (FOIP s. 24)
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## Adjournment

## SENIORS SERVICES OPERATING MODEL

SEPTEMBER 18, 2019

### ISSUE:

As a component of the Seniors Centre Development Project, City Council directed management to examine alternative models, along with the associated costs, for operation of the seniors centre. Management is seeking a governance and operating model of the Veiner and Strathcona centres that best achieves:

1. Fiscal Responsibility – short and long term sustainability
  - a. minimize municipal financial contribution
  - b. maximize utilization of community resources – facilities and programming
2. Community Safety and Vibrancy – build vibrancy and a high quality of life
  - a. Be nimble and adaptive to a growing and changing demographic
  - b. Provide choice and quality in programs and services
  - c. Achieve a targeted level of community utilization

### RECOMMENDATION:

It is recommended through the Administrative Committee and the Public Services Committee that City Council approves:

1. Transition to a multi-service model for seniors services that includes existing activities as well as expanded service offerings.
2. Conduct a comprehensive community evaluation to identify the desired service offerings best suited to meet the community’s seniors demographic now and into the future.
3. Issue a Request for Proposal to determine if a proponent is better able to meet the identified service offerings through an independent governance and operating model of the City owned Veiner and Strathcona centres.

### COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

KR 1.3: Where more efficient or effective, explore alternative models for delivery of internal and external City services, including but not limited to not-for-profit and contracted service delivery.

Community Safety and Vibrancy

KR 4.4: Improve the efficacy of the community’s social safety net by reviewing the City’s facilitation, funding and direct service provision of social services, including the distribution of Family and Community Support Services funds.

### KEY RISKS:

#### Health, Safety and Environmental Impact:

N/A

#### Financial Impact:

Funding Request:	No	
Budgeted Item:	No	
Funding Explanation:	Costs for the community consultation and RFP will be paid for through the existing Community Development operating budget.	
Budget Amendment Form?	No	

The annual operating expense for the Seniors Centre is \$1.42M. Transitioning to a multi-service model delivered by the City would increase operating costs, the level of which would be determined by the magnitude of the service level change. The increased costs would be at least partially offset by anticipated additional revenue earned through increased attendance and sales. A net operating cost increase is not incorporated into the approved 2019-2022 budget.

Moving operation of seniors services to an Not-For-Pofit (NFP) model could have the potential to reduce the City's annual tax contribution to seniors services and free up additional Family and Community Support Services (FCSS) funding for distribution in the community. The level of tax savings would be dependant on the scope of the contract, including level of services to be provided.

Moving to a hybrid model in which food services are contracted out could have the potential to reduce the City's annual contribution to senior services. This amount would be reduced if a multi-service model was introduced.

**Legal / Policy Impact:** N/A

**Public Implications:**

The community at large expects that the City will meet current needs and trends for seniors services by providing facilities, programming and services important to the well-being of seniors.

The community also expects the City to prudently manage taxpayer dollars and operate in an efficient and effective manner.

The City has 25,795 people over the age of 50 (38% of total population) and 11,440 people over the age of 65 (17% of total population). Current paid membership at the Seniors Centre is 1,087 members or 4% of the population over the age of 50 and is declining. Demographic forecasts over the next 25 years show the 50+ age category growing to comprise roughly 50% of the City population.

As this demographic grows in the community, it is necessary to be positioned well to adapt to changes in needs. Provincially, a shift towards increased focus on wellness, lifelong learning and transitional supports for stages of life is occurring.

**Public engagement – RFP development:**

The City's Public Participation Policy aligns itself with the International Association for Public Participation (IAP2) framework. Development and implementation of a public engagement plan at the "consult" level will support staff to develop an RFP that is informed by public feedback, as well as financial information, operating requirements and research from other communities.

**BACKGROUND:**

At the August 2, 2016 meeting, City Council directed staff to examine alternative models, along with associated operating costs, as part of the Seniors Centre Development Project.

Community Development staff conducted several activities related to data collection and research involving operation of seniors services and centres throughout Alberta. These activities included site visits and interviews with representatives from six seniors centres, interviews with Community Development staff and interviews with provincial representatives.

The primary purpose of data collection was to focus on operating models, including governance and operations, facility ownership, financial support, revenue sources, staffing, etc. Data was also collected on the number, type and kind of programs and services offered as it quickly became evident that the service model adopted in Medicine Hat differed greatly from the service model in place in other communities. Financial comparators are detailed in Attachment 1.

The research indicates other municipalities have moved away from the provision of direct service, with service typically being provided by NFPs. Building ownership varies (City, NFP, leased). The research also demonstrated that over the past couple of decades, service models have changed from club-based activity to a multi-service model, which enables an increased number and type of services to seniors, while still allowing for historical activities.

In addition to offering greater choice for seniors, other benefits provided by a multi-service model include:

- Expanded reach into the community
- Greater opportunity for spontaneous use
- Better ability to respond to emerging trends and community needs
- New opportunities to partner with agencies and businesses to provide services
- Increased revenue generating opportunities
- Improved standards of quality and credibility

The City's Recreation Master Plan describes a need for spontaneous use opportunities. Spontaneous use opportunities are often unstructured and require little to no advance or ongoing commitment. From a seniors services perspective, a multi-service model could allow for such spontaneous uses as:

- Learning opportunities: drop-in or short-term classes (computers, languages), demonstrations (cooking, mobility aids), workshops and speakers
- Wellness opportunities: fitness classes, support groups, foot care clinics and hearing screening
- Recreation opportunities: karaoke, movies and live performances
- Professional consultation: access to travel, legal, financial and tax supports

With the key findings and the data collected, staff have identified four potential operating models:

- City operated
- NFP operated
- Contract to a private company
- A hybrid of City and contracted services

Given the ineligibility of a private company to access relevant funding grants, it is unlikely a private company would be a viable option for full operation of seniors services. A hybrid solution with contracting out of food services may be a viable option; however, the successful proponent would likely need to secure income from outside sources to be profitable. An NFP operator would require a multi-service environment because such a model enables increased opportunities for revenue generation. Each model includes opportunity for, and reliance on, volunteers.

The research also suggested ongoing advocacy for future funding frameworks to support multi-service models with a focus on wellness, lifelong learning and transitional supports for stages of life. Service providers are likely to be expected to be flexible enough to meet emerging trends and needs, a requirement likely better suited to an NFP.

The overall analysis leads to the following observations:

- A multi-service model would allow for the continuation of existing activities and provide opportunity to expand services, increase utilization, and optimize the use of facilities and resources. An NFP may be well equipped to deliver a diverse range of services and adapt quickly to changing needs of a shifting demographic.
- Alternative models have increased opportunities to obtain revenues through areas such as grants, sponsorship, donations, or leveraging capacity in program or services. Maximizing other revenue areas could reduce financial support required from the municipal tax base. While an NFP or hybrid arrangement each offers potential savings, the NFP option provides the greatest opportunity. City oversight of operations and service levels through contractual agreement and management in either arrangement is critical to manage public expectations, meet service expectations and assure quality.
- Other preventive community programming needs can be met through the redirection of FCSS funding (37% of FCSS funding is currently directed toward seniors). This opportunity is only available if senior services are supplemented by additional revenue streams or if expenses are decreased.

A better understanding of services desired by current and future seniors will help the City plan for the future, including service levels and governance and operation of the seniors centre. Similarly, a better understanding of what NFP service providers have to offer, and the financial implications of each proposal, will help the City assess the potential for an NFP model for senior services in our community. These proposals would then be evaluated against City-operated and hybrid-operated models to understand which model provides the most benefit to seniors and the community. The City would continue to retain ownership and maintenance of the facilities regardless of the operating model.

**OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

1. City to maintain delivery of seniors services at the current service level. This is not recommended at this time as an opportunity exists to increase service levels for seniors and/or realize tax savings and/or distribute additional FCSS dollars to the broader community. Community consultation and market survey through RFP of potential service providers will help inform decisions on future services and operating model, and promote community awareness and acceptance.
2. City to move to another service level or operating model. This is not recommended at this time as community consultation and market survey through RFP of potential service providers will help inform a decision on future services and operating model. Specifically:
  - Move to a NFP model. This is not recommended at this time as community consultation is required to understand the desired service offerings best suited to meet the community’s seniors demographic now and into the future. It also needs to be determined if a suitable NFP proponent exists and is capable of delivering the desired services.
  - Move to a hybrid model in which City maintains delivery of the bulk of seniors services and contracts out food services. This is not recommended as moving to an NFP model may generate a greater tax savings, better service the community, increase utilization, and free up FCSS dollars for broader community needs. A market survey through RFP of potential service providers will help inform a future decision on operating model.

**IMPLEMENTATION PLAN:**

1. Consult the public to better understand what senior services and programs are desired by the community
2. Use input gathered through consultation to shape the RFP, which will include but not be limited to:
  - A. Scope of work
  - B. Service requirements
  - C. City contributions
  - D. NFP accountabilities
3. Issue RFP
4. Evaluate responses against City and hybrid models
5. Staff to bring recommendation to Council

<b>PREPARED BY &amp; DATE:</b>	Carrie Wall, Superintendent, Operations Support Leah Prestayko, General Manager of Community Development	September 11, 2019
<b>APPROVED BY &amp; DATE:</b>	Brian Mastel, Commissioner of Public Services	
<b>ATTACHMENTS:</b>	Attachment #1 – Preliminary Pro Forma	

## PRELIMINARY PRO FORMA

<b>Delivery Model</b>	<b>City Historic</b>	<b>City Multi</b>	<b>NFP Multi</b>
<b>Revenues</b>			
Food Services	316,400	316,400	0
Memberships	112,000	112,000	0
Facility Rentals & Other	22,000	42,000	0
<b>Total</b>	<b>450,400</b>	<b>470,400</b>	<b>-</b>
<b>Expenses</b>			
Direct Salaries & Benefits	643,951	743,951	45,567
General Operating	370,638	370,638	0
MOW Operating Grant	0	0	30,000
Interdepartmental	409,969	409,969	218,742
<b>Total</b>	<b>1,424,558</b>	<b>1,524,558</b>	<b>294,309</b>
<b>COST TO CITY BEFORE FCSS</b>	<b>-974,158</b>	<b>-1,054,158</b>	<b>-294,309</b>
<b>FCSS GRANT</b>	598,000	598,000	264,309
<b>NET COST TO CITY</b>	<b>-376,158</b>	<b>-456,158</b>	<b>-30,000</b>
<b>TAX (SAVINGS) / INCREASE with FCSS REDISTRIBUTION</b>	<b>0</b>	<b>80,000</b>	<b>-346,158</b>
	<b>0</b>	<b>80,000</b>	<b>-406,158</b>

## REVENUE COMPARISONS

<b>REVENUES</b>	<b>Earned Revenue to Total Revenue*</b>	<b>FCSS to Total Revenue</b>	<b>Other Grants (not FCSS) to Total Revenue</b>	<b>City Funded (via taxes) to Total Revenue</b>	<b>Donations / Sponsorship to Total Revenue</b>	<b>Bingos / Casinos to Total Revenue</b>
CMH	25%	42%	0%	33%	0%	0%
City A	64%	14%	7%	0%	2%	13%
City B	49%	20%	8%	0%	7%	15%
City C	41%	16%	24%	14%	1%	4%
City D	45%	30%	5%	0%	8%	11%

\* Earned revenue includes food services, facility rentals, advertising, memberships, fees for programs / services and special events.

## 2019-2022 COMMUNITY DEVELOPMENT AND CORPORATE ASSET MANAGEMENT CAPITAL BUDGET AMENDMENT

SEPTEMBER 18, 2019

### ISSUE:

Capital Budget amendment to reflect increase of funding from Heritage Canada's Canadian Cultural Spaces Fund received for the approved 2017-2018 budget cycle and 2019-2022 budget cycle.

### RECOMMENDATION:

It is recommended, through the Administrative Committee and the Public Services Committee that City Council approves the following Capital Budget increases due to grant funding received:

1. Culture Specialized Equipment Replacement Program: increase of \$193,000 to a total of \$493,000.
2. Corporate Asset Management (CAM) Facilities Management Infrastructure Rehabilitation Program: increase of \$92,863 to a total of \$2,042,863.

### COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

Community Development has been successful in obtaining grant funding through the Canadian Cultural Spaces Fund for specialized equipment replacement of stage backdrop lights, spotlights, floodlights, house lights and other incandescent fixtures. The LED replacements will use between 80% and 97% less power, leading to a reduction in the theatre's utilities charges.

The grant funding will also be utilized in construction and renovation related to moving cultural artifacts from the Marshall Avenue location to the former Municipal Works Administration building. Removal of the artifacts will allow for the decommissioning and demolition of the Marshall Avenue facility.

### KEY RISKS:

**Health, Safety and Environmental Impact:** N/A

**Financial Impact:**

Funding Request:	No	
Budgeted Item:	Yes	Funding Source: Government Grants
Funding Explanation:	Canadian Cultural Spaces Fund grants received in the amount of \$285,863.	
Budget Amendment Form?	Yes	

No additional funding requested from the City. This change only reflects the increased funding that was obtained through grants.

Estimated savings from the LED replacements are expected to be \$130,000 over the 20-year lifespan of the lights. The replacements will also reduce the need to rent lighting equipment required to meet expectations of performers and renters. Approximately \$30,000 has been spent since 2017 on such rentals.

**Legal / Policy Impact:** N/A

**Public Implications:**

Specialized Equipment LED Lights and Controls – This project improves the quality of lighting with the benefit of reduced operating costs while being more environmentally friendly. The more advanced lighting systems, including LED lights, are expected and often required by performers and industry at a facility of our size and caliber.

Collections Off-Site Storage Facility Renovation and Relocation – The project will ensure the safekeeping of artifacts held in trust by the City of Medicine Hat.

**BACKGROUND:**

This budget amendment includes two projects. The following provides an overview of each:

- **Culture Specialized Equipment Replacement Program - Upgrade Lights at Esplanade Arts and Heritage Centre**

The lighting and control upgrade will help reduce the energy consumption of the Esplanade as well as provide the community and artists with modernized lighting fixtures and control equipment. \$118,000 is designated for lighting fixtures and \$75,000 for the controller.

- **CAM Facilities Management Infrastructure Rehabilitation Program - Collections Off-Site Storage Facility Renovation and Relocation**

The current off-site storage location, Marshall Ave, has been scheduled for demotion due to poor and deteriorating conditions. The identified replacement location, former Municipal Works Administration building, offers far superior environmental controls, safety and pest control allowing for greater preservation of the artifacts. The funding from the Canadian Cultural Spaces Fund grant will be used for shelving and renovation costs.

**OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:**

Do not utilize the additional funding. This option is not recommended as the projects benefit the community.

**IMPLEMENTATION PLAN:**

Subject to City Council approval, the budgets will be adjusted to reflect the actual grant funding and the projects will proceed.

<b>PREPARED BY &amp; DATE:</b>	Candice Horne, Operations Support Assistance, Community Development Kristen Young, Municipal Accountant, Public Services	August 30, 2019
<b>REVIEWED BY &amp; DATE:</b>	Leah Prestayko General Manager, Community Development	
<b>APPROVED BY &amp; DATE:</b>	Brian Mastel Commissioner of Public Services	
<b>ATTACHMENTS:</b>	Attachment #1 – Budget Amendment	

**MUNICIPAL SERVICES**  
**Tangible Capital Asset and Operating Budget Amendment**

ATTACHMENT #1

Amendment Description: Canadian Cultural Spaces Fund Grant

TCA Location: Various

Expected Life: Various

Is this a new TCA? Yes

If Not a new TCA, Indicate Betterment Type: 3

For Use by Finance Only
Reviewed By:
<b>Kristen Young</b>
Review Date:
Aug 29 2019
Corporate Services Commissioner:

1. Enhances Service Potential; 2. Lowers Operating Costs; 3. Extends Asset's Useful Life; 4. Improves Output Quality; 5. Replacement

Amended Capital Budget	2018	2019
<b>Original Budget Amount:</b>		
Culture Specialized Equipment Replacement	300,000	
CAM FM Infrastructure Rehabilitation Program		1,950,000
<b>Amended Increase (Decrease):</b>		
Culture Specialized Equipment Replacement		193,000
CAM FM Infrastructure Rehabilitation Program		92,863
<b>Total Budget</b>	<b>300,000</b>	<b>\$2,235,863</b>
<b>Capital Financing Source(s) for Amendment Amount</b>		
<b>Original Source &amp; Amount</b>		
Culture Specialized Equipment Replacement - Gas Tax Fund	300,000	
CAM FM Infrastructure Rehabilitation Program - Internal Loan		1,950,000
<b>Amended Source &amp; Amount</b>		
<b>Increase (Decrease):</b>		
Government Grant- Canada Cultural Spaces Fund Grant		193,000
Government Grant- Canada Cultural Spaces Fund Grant		92,863
<b>New Financing Arrangement</b>		
<b>Term:</b>		
<b>Interest Rate:</b>		

JF  
Sept 1, 19

Amended Operating Budget	2018	2019	Annual Impact When Project is Fully Operational
<b>Expenses:</b>			
Salaries & Benefits			
Other Costs			
Interest			
Amortization	0	14,293	28,586
<b>Total Expenses</b>	<b>0</b>	<b>14,293</b>	<b>28,586</b>
<b>Manpower Impact:</b>			
PEP			
FTE			
<b>Funding (eg. Third Party):</b>			
<b>Total Funding</b>	<b>0</b>	<b>0</b>	
<b>Net Operating Change</b>	<b>0</b>	<b>14,293</b>	<b>28,586</b>
<b>Cash Flow:</b>			
Less Amortization		14,293	28,586
Principal Repayment			
<b>Net Cash Requirement</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>