

**CITY OF HAMILTON**

**COMMUNITY SERVICES DEPARTMENT  
Culture & Recreation Division**

<b>Report to:</b> Chair and Members Community Services Committee	<b>Submitted by:</b> Joe-Anne Priel General Manager Community Services
<b>Date:</b> June 1, 2006	<b>Prepared by:</b> William E. Fenwick 905-546-2424 x 4610

**SUBJECT: Healthy Nutritional Environments in City Recreational Facilities  
(CS06015) (City Wide)**

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**RECOMMENDATION:**

- (a) That the phased-in approach to a “Healthy Food is an Easy Choice” program (as shown on page 3 of Report CS06015); whereby there is an increase of 25% to 50% healthy food products by 2007, be approved.
- (b) That Option 3 – Food Services In-House Production and Delivery System (as shown on page 6 of Report CS06015) be approved.
- (c) That Outstanding Business Item “F” respecting Creating a Healthy Nutritional Environment in City recreational facilities be identified as completed and removed from the Community Services Outstanding Business List.

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Joe-Anne Priel  
General Manager  
Community Services Department

**EXECUTIVE SUMMARY:**

City recreation facilities can play an important role in promoting and providing nutritious food choices to Hamilton residents. In 2006 and 2007, these facilities will increase the number of healthy food choices offered in vending machines, at concession stands, and in cafeterias without a decrease in gross sales.

In order to create a healthy nutritional environment in City recreation facilities staff will use Canada’s Food Guide to Healthy Eating as the basis for healthy food choices. Further, staff will implement and monitor the acceptance of a healthy food choice

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program in City recreation facilities modelled after the Ontario Eat Smart! Workplace Cafeteria Program and the City of Ottawa's healthy vending machine program, FUEL TO XCELL.

**BACKGROUND:**

Council at its meeting on October 12, 2004, directed staff to review and report back on City initiatives to provide healthier foods in City facilities.

Obesity is passing smoking as the number one leading preventable cause of death. In 2003, 35% of adult Hamiltonians were overweight and 18% were obese. Less than half of the adults were considered normal weight. In 2004, 58.6% of Ontario adults age 18 and older, and 27% of Ontario children were overweight or obese.<sup>1</sup>

Of particular concern, is the increase over the past 25 years in the percentage of Canadian children and adolescents who are overweight and obese. Most notable was the increase among 12 to 17 year olds, whose rates for overweight/obesity more than doubled and whose rates for obesity tripled.

As stated in the Chief Medical Officer of Health's Report for 2004 **Healthy Weight, Healthy Lives**, "it is critical that all sectors of the community become part of a comprehensive, province-wide effort to change all the factors that contribute to unhealthy weight and to act now to create communities that promote both healthy eating and regular physical activity".

Several programs, policies and working groups have been put in place in Ontario and Hamilton to assist communities to make more healthy food choices. These include the Ministry of Education Policy/Program Memorandum No. 135 (PPM 135), **HEALTHY FOODS AND BEVERAGES IN ELEMENTARY SCHOOL VENDING MACHINES**<sup>2</sup>, providing specific nutrition guidelines for the food and beverage choices available in elementary school vending machines, the Ontario Eat Smart Worksite Cafeteria Program (<http://eatsmart.web.ca>), City of Ottawa's healthy vending machine program, FUEL TO XCELL<sup>3</sup>, and the Healthy Eating Environments in Hamilton Schools (HEEHS) Action Group.

City recreational facilities, where families are already active, can also play an important role in promoting and providing nutritious foods. New trends and global momentum have identified that healthy eating, as part of a healthy lifestyle, is important to today's consumers. The City of Hamilton Community Services must promote, support and provide healthy food choices in our community while remaining fiscally responsible. It is

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<sup>1</sup> Nutrition: Findings from the Canadian Community Health Survey, Issue No. 1, Measured Obesity – Overweight Canadian Children and Adolescents, Measured Obesity – Adult Obesity in Canada: Measured Height and Weight

<sup>2</sup> Ontario Ministry of Education. October 2004. *Policy/Program Memorandum No. 135: Healthy Foods and Beverages in Elementary School Vending Machines*. Available at: <http://www.edu.gov.on.ca/extra/eng/ppm/135.html>

<sup>3</sup> FUEL TO XCELL Healthy Vending Machine Program, Ottawa Public Health, December 2004

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the intent of the Community Services Department, through the Culture and Recreation Division, to introduce a "Healthy Food is an Easy Choice" campaign.

**ANALYSIS/RATIONALE:**

The Culture and Recreation Division currently offers a variety of food services to a wide base of customers, including: 16 snack bars in arena settings, three restaurants (at two golf courses and one at Coach House), one Sackville Hill Seniors Centre cafeteria and over 120 vending machines throughout the city.

Traditionally, the Culture and Recreation food service operation has been provided as a value added food service with a positive financial return to the department. Each food service retail section (golf, hockey arenas, vending machines and cafeterias) has its own selling environment which inherently offers different challenges for food service delivery. The vending machines, provide mainly pre-packaged goods such as chips, chocolate bars and cold drinks. The arena snack bar operation provides these same products with some additional specialized items such as hot dogs, bagels, nachos and french fries. Regardless of items sold, the snack bars continue to achieve a complete purchase in three minutes or less. The ability to provide a larger menu, with more healthy food choices, has been limited due to lack of space, equipment and preparation time. However, the two golf courses and Sackville Hill Senior Centre have been designed to provide a full service menu which enables staff to offer a better menu selection including healthier food choices.

Staff is recommending a phased in approach to a "Healthy Food is an Easy Choice" program whereby there is an increase of 25% to 50% healthy food products by 2007. The rationale for a phased in approach is as follows:

- Initially customers may desire traditional products they are accustomed to and require time to adjust.
- Availability of vending products that meet nutritional guidelines is somewhat limited due to size requirements and Canadian labelling requirements (i.e. English and French).
- Provides necessary time required to develop a communications campaign to promote the healthy changes in our food services.
- Lastly, the phased-in approach enables staff the opportunity to monitor customer acceptance and economic feasibility, while increasing healthy food choices over what is presently available.

The following is the proposed plan for 2006 and 2007 for City recreational facilities. It is the goal of the plan to make healthy eating choices easier.

Vending Services:

- In 2006, milk vending machines will be introduced to ensure that 40% of choices available for sale are healthier choices (e.g. water, juice, and milk products).

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- In 2006, snack vending machines will offer at least 25% to 30% more healthy food choices (e.g. baked chips, mixed grains and nuts).
- Healthy food choices for vending machines will be identified with criteria from FUEL TO XCELL<sup>3</sup>. The criteria will dictate acceptable calorie, fat, fibre, added sugar and sodium content. Appendix 'A' attached to Report CSO6015 provides product examples from the FUEL TO XCELL<sup>3</sup> Healthy Vending Machine Program. In addition to the many healthy vending choices this report also recommends other healthier items that can be prepared and sold in a snack bar or restaurant setting.
- In 2007, all vending machines will have 50% healthy food choices.
- In order to implement the above commitment, the City of Hamilton will re-tender all vending services to ensure the above percentage targets are met. Currently all vending contracts have not been renewed and remain open-ended for this purpose. The tendering process will include criteria with mandatory requirements that will ensure all successful proponents meet these criteria in the evaluation scoring process. Failure to comply with such requirements will disqualify proponents.

Snack Bars and Cafeteria/Restaurants:

- In 2006, a 25% to 35% increase in healthy food choices will be made available in all city owned concessions. This will mean that 10 to 12 new healthy food products will be introduced. It is staff's intent to monitor this situation to determine the success rate and acceptance level of the general public.
- Canada's Food Guide to Healthy Eating will be used to make selections for snack bars.
- The food choices at the Sackville Hill cafeteria will be improved in order to achieve the nutrition and food safety standards of the Ontario Eat Smart Workplace Cafeteria Program.
- The City golf courses and Dundurn Coach House restaurant will continue to offer menu choices that maintain their commitment to healthy food choices that comply with the Canada's Food Guide to Healthy Eating.

Marketing:

In creating a marketing strategy, one of the key features is that in most cases people are purchasing food and beverages because of the convenient location. Although there is this captive audience at the City's recreation and cultural sites, a change in consumer behaviour towards making healthier choices will require a coordinated campaign focusing on convenience, price, service, brand, consistent quality as well as nutrition. A "Healthy Choice is an Easy Choice" campaign will educate consumers about the healthy choices and the benefits of these choices.

Community Services will implement:

- A competitive price structure for all new healthy food choices in snack bars and vending systems; this will be supported by manufacturers' rebates and promotional items to introduce customers to new products.

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- A point-of-sale marketing plan to encourage patrons to make healthy food choices (e.g. product incentives, taste tests, new graphic menus, signage to promote new healthy food campaign).
- The FUEL TO XCELL<sup>3</sup> Healthy Vending Machine Program for all Culture and Recreation vending systems which includes promotional materials e.g. banners for the vending machines. The criteria for this plan will be implemented in the tender proposal at no cost to the City Of Hamilton.
- Media and public relations strategies to highlight to the community the progressive healthy eating policies at the City's recreational facilities. Hamilton's Culture and Recreation Guide will also be used to raise community awareness.
- The Eat Smart designation, where applicable, with the assistance of Public Health Services, accessing materials and resources provided by the provincial government.

**ALTERNATIVES FOR CONSIDERATION:**

Another option would be to implement 100% healthy food choice options in 2007. This would have a greater nutritional impact on the customers but could also have a negative financial impact due to resistance by the consumer to change which could result in decreased sales.

Continuing with the current menu will negate Council's desire to provide healthier food and drink choices in City recreational facilities.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial:

Based on the results of the FUEL TO XCELL<sup>3</sup> Healthy Vending Machine Program, it is anticipated that future vending sales will not be affected by proposed changes to improve the nutritional quality of food and beverage offered in city-operated vending services since the experience in Ottawa is that the suppliers adjust to the new demand and supply of healthy food choices offered.

Pending the outcome of the tender process, there may be some one-time additional costs required for enhanced refrigeration for the healthy food products in the 17 retail snack bars. Future beverage tenders/proposals will include requirements to allow inclusion of healthy food products to be displayed in corporate product coolers that are supplied free of charge to the City. Should submissions from proponents not allow this, staff will need to identify and purchase this refrigeration. The initial cost of this one-time investment could be \$50,000 to \$75,000 and will be included in the 2007 capital budget, if required.

Fresh salads and sandwiches are some of the new products to be introduced in the concessions. Currently there are no suppliers who are willing to supply these products two to three times per week to all City facilities without surcharging for minimum orders

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and delivery charges. The food distribution handling costs would result in an increased expenditure of \$1,600 per month or \$19,200 annually.

The cost for point-of-sale marketing materials and the communications campaign is estimated at \$5,000 and will be covered through current operating budgets.

Staffing Options for Providing Healthy Food Choices to Snack Bar Operations:

**Option 1: *Outside Supplier Delivers to All Sites (least viable)***

This option would see the elimination of staff and avoiding the costs of acquiring a delivery vehicle. However, problems with receiving the product at the arenas would be imminent due to part-time scheduling. To rectify this problem, additional staff would have to be scheduled twice per week to receive deliveries. This would increase our labour costs by about \$10,000 per year (2hours/week, for 16 locations, 28 week program @ \$12.00/hr).

This plan would cost about \$30,000 per year (labour costs and food distribution costs for fresh salads and sandwiches). To recapture this increase, we would have to pass the cost to the consumer and this would make the selling pricing point unattractive. Product spoilage and wastage would increase significantly which would incur additional costs to the operation.

**Option 2: *Outside Supplier to Deliver To One Central Site (viable option)***

An outside supplier would drop off large shipments of product two times per week. This product would be stored in a central refrigerated kitchen such as Sackville Hill Senior Centre. The cost of product would be slightly discounted due to volume purchases and large drop shipments. The Food Services division would hire a part-time staff to deliver this product throughout the city. In order to comply with the food safety standards of Public Health Services, Culture and Recreation Division would have to rent and or lease a refrigerated van. The associated cost with this plan is about \$14,000 per annum (\$9,000 for the vehicle and \$5,000 for part-time staff wages).

Problems with delivery and receiving would be resolved due to the fact that all deliveries would be made when snack bars are open. Additional labour costs to receive deliveries would be avoided. As in the above option, the approximate \$14,000 per annum cost would be charged to all venues which in turn would pass the cost to the consumer.

**Option 3: *Food Services In-House Production and Delivery System (most viable):***

As an alternative to the above two options, staff is proposing that a new in-house production and delivery system be implemented. Sackville would prepare and assemble the food products as required for delivery on a weekly basis. Labour hours and food costs could be seen as an increase to Sackville's budget however, this cost is eliminated by Sackville charging for products produced. Sackville would charge for these products at cost plus a marginal mark up (10% to 15% above cost) just like any

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other supplier. No additional costs would be incurred to Sackville's budget and could potentially create a positive revenue stream. The in-house production system would be more adaptable to weekly fluctuations in supply and demand and remain competitive with outside suppliers. The associated costs with the rental/lease of the refrigerated vehicle and labour charges would be the same as Option 2 at about \$14,000 per annum. All costs would be allocated to the venues which in turn would be absorbed by the consumer. A cost for spoilage and wastage would likely be the same as Option 2. Staff recommends this option as the most effective and cost efficient with the best possible result in controlling cost, delivery, and inventory.

Legal:

There are no legal implications associated with Report CS06015.

**POLICIES AFFECTING PROPOSAL:**

Policies and procedures guiding the tendering process for food services need to be expanded to include criteria for selecting healthier choices for vending machines, concessions/snack bars and cafeterias.

**RELEVANT CONSULTATION:**

The Healthy Lifestyles and Youth Branch staff in Public Health Services were consulted in the preparation of Report CS06015.

Community Services Department, Marketing and Information Services staff were consulted in the preparation of Report CS06015.

Other Municipalities (City of Mississauga, City of Brampton and City of Toronto) and Ottawa Public Health were also consulted in terms of current initiatives and information.

**CITY STRATEGIC COMMITMENT:**

By evaluating the "**Triple Bottom Line**", (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Evaluate the implications of your recommendations by indicating and completing the sections below. Consider both short-term and long-term implications.

**Community Well-Being is enhanced.**       **Yes**     **No**

Opportunities for healthy eating while participating in physical activity are supported and enhanced by offering healthier food choices in vending machines, at concession stands and cafeterias in city recreation facilities.

**Environmental Well-Being is enhanced.**       **Yes**     **No**

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Human health and safety are protected. This program will help to address the current concerns of increased obesity by promoting a supportive environment for both healthy eating and physical activity.

**Economic Well-Being is enhanced.**  Yes  No

Investment in a healthy community by lowering obesity rates in Hamilton will reduce health care costs.

**Does the option you are recommending create value across all three bottom lines?**

Yes  No

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**  Yes  No

A City that supports a healthy lifestyle, creates an environment that supports high performance in public servants and helps to make Hamilton a City of choice to eat, work, live, and play.



**Examples of Healthy Snacks and Beverages from the  
FUEL TO XCELL Healthy Vending Machine Program**

**Table A-1**

<b>Product Category</b>	<b>DISTRIBUTOR/ BRAND</b>
<b>Nuts, Seeds And Legumes Snacks</b>	
Trail Mix, Salted	Generic
Mixed Nuts, Unsalted	Generic
Roasted Soy "Nuts"	Generic
<b>Milk-Based Products</b>	
2% Milk In A Gable Carton	Generic
Milk To Go - Vanilla	Dairyland
Creamy Raspberry Milk	Danone
Mozzarella Cheese String	Black Diamond
<b>Vegetable – and Fruit-Based Products</b>	
Orange Juice	Minute Maid
<b>General Products*</b>	
Baked Lays Chips	Frito Lay
Rolled Gold Pretzels	Frito Lay
Low Fat Salt & Vinegar Popcorn	Kernels

**Note:**

The above are only illustrative in nature. Appearance in this list does not constitute an endorsement by Hamilton Public Health Services.

Data has been derived from product labelling and/or consumer information line queries. All attempts have been made to obtain up-to-date data. Users should verify nutrition facts on vended packages.