

Food Service Contract Subcommittee Meeting Minutes  
February 24, 2009

In attendance: Andrew McQuaide, Bob Petit, Terri Serra Brian Stanley, Aramark Representatives Tom Hoagland and Dennis Gomez, Superintendent Barry Ricci and School Committee Clerk Donna Sieczkiewicz.

I. Meeting Call to Order

Andrew McQuaide called the meeting of the Food Service Contract Subcommittee, which was held in the Administration Building Conference Room, to order at 4:02 PM.

II. Approval of Minutes of July 8, 2008

Brian Stanley questioned positive point #3 which referenced "macro on data". Bob Petit and Tom Hoagland explained that a "macro" is a better picture of data. This will be clarified in the minutes.

Bob Petit made a motion, seconded by Terri Serra and it was VOTED: To approve the minutes of July 8, 2008 as amended. In favor: Unanimous.

III. Discussion of Food Service Program

Brian Stanley distributed a projection of where Aramark expects we will be. We were encouraged to go with the State program which has not yet been implemented across the state. Staying with the old contract would have resulted in a significant deficit unless we raised prices. We are far from the point where we wanted to be. Implementing this program across the State is a mandate in the Governor's supplemental budget. Perhaps we will see more efficiencies then. We are at significantly less so far this year and steps are in place to negate this loss.

Tom Hoagland and Dennis Gomez explained that assumptions were made when the contract was started. High food costs and changes in the menu which have resulted in discontent have contributed to this deficit. The economic climate has changed dramatically. Surveys were sent out with students and they are compiling the data. They have a multi-point plan of action. POS System has been implemented in all schools with Richmond being the most challenging. They will introduce a second line at Richmond School to move the lines faster. We are trying to urge parents to take advantage of free and reduced benefits. The revenue on this is better for us. We are only getting 74.5% of those identified getting free or reduced lunch each day. They will try to run a promotion in March and are trying to make the menu more attractive to kids. We are working to get them to try new items. They have instituted a price increase on a la carte items and will identify the best sellers to reduce waste. They are also looking at staff reductions. Bob Petit questioned the free and reduced lunch to which Tom explained that this is paid for by the federal government. Money is sent electronically to the state and then we are reimbursed within a month. Free and reduced lunches are processed through the POS system so only the system knows which students qualify. Bob Petit questioned the mandate for free breakfast to which Dennis replied that there is a senate bill that mandates breakfast free for all students which would be paid for by the District. The Superintendent noted that this will hurt us. Dennis added that this is in the government's supplemental budget as is the transportation mandate. We are hoping to get 8 to 10 more districts on board before the mandates go through. Even if it is not mandated, we will still promote the statewide plan. Bob questioned if Aramark figured in less for those students who would not buy low fat, nutritional lunches to which Dennis replied that they did budget for this but did not think it would be that great an impact.

Dennis then reviewed the projection sheet which shows a \$64,848.00 deficit. Andrew McQuaide questioned what the District's responsibility was to which Brian Stanley responded that Aramark is responsible for the first \$12,500.00 and the District is responsible for the rest.

Hopefully we won't be there at the end of the school year. Bob Petit asked if they were projecting a positive of \$3,000 by the end of the year. This would be the plan. Andrew McQuaide stated that, according to actuals, we are at a \$52,000.00 shortfall – that is pretty significant to which Dennis replied that is why we wanted to show you a full year projection. Andrew questioned if the District has been in this position before to which Brian Stanley answered “last year”. We ended up at a \$74,000.00 loss on the books but because Aramark realized that their staff had some fault in this, they covered more than they were obligated to and we ate about \$15,000.00 of the loss. Andrew then noted that at the July 8<sup>th</sup> meeting, we were told we could anticipate a positive operating result of \$8,300.00; we are now \$5,000.00 less than what you projected we would finish at last year. How confident are you? Dennis replied that they are very confident that they will meet what they have projected in this plan. If we don't get where we want, we will make up the difference up to our contractual agreement guarantee (up to \$8,300). If we break even, we will cover up to \$8,300.00. Andrew McQuaide asked what the maximum loss could be to which Dennis answered they are projecting no loss. We projected a gain of \$8,300.00 plus – we will cover this up to our management fee. Andrew requested a hard copy of their action plan. He asked what the District could do to assist them. Dennis stated that Barry and Brian have been great – very supportive. Tom Hoagland noted that we need to get more free and reduced lunch applicants. No one will know who qualifies. Brian Stanley added that Aramark was able to help supply the entire District with the POS system at no cost to us. Chariho received \$32,000.00 instead of the \$19,000 that was earmarked. Dennis commented that they are pushing vendors to make food that tastes better. We are not the only District in this situation. We are on a mandate for nutrition – set amounts of sodium, fat, etc. for each meal. Andrew McQuaide requested a copy of the contract along with the action plan to which Dennis replied that he had it in PDF file and will send it to Brian to distribute.

#### IV. Adjourn

Bob Petit made a motion, seconded by Terri Serra and it was VOTED: To adjourn at 4:49 PM.

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Donna J. Sieczkiewicz, Clerk