



Food Services Advisory Committee Meeting
Minutes of Meeting

Date: Monday, November 16, 2020, 1:30pm
Location: Zoom Meeting
Attendees: UTM Andrea D., Sanjhana D., Angela D., Vicky J., Saher F., Susan S.,
Jessica H., Lee B., Sabrina C.
Students Hamza W., Hayden M.
UTMSU Lily P.

1. NEW BUSINESS

A. Current Year Forecast

- Andrea D. recounted to the Committee the current year's forecast
 - Andrea D. provided a brief overview of current operations and confirmed that food service operations were reduced from pre-COVID levels due to a significantly reduced student population
 - Andrea D. stated that provincial restrictions to support safe food service operations, remote learning, and the reduced student population on campus will result in lower projected food service revenue and associated cost of sales
 - Andrea D. noted that the ancillary was able to reduce a lot of expenditures through working remotely as well as from deferred construction projects and labour redeployment
 - Lee B. asked in terms of expenditures, whether the department was up to a full complement of staff
 - Andrea D. confirmed that the department did have a full complement of staff; no staff members were laid off, staff members were re-deployed, and no new hires were made in terms of usual summer of casuals hired to support conferences
 - Vicky J. added that the department additionally reduced expenditure by choosing not to fill vacancies created within the department, choosing instead to hire temporary staff – who have now been reassigned due to reduced business activity
 - Andrea D. showed that the ancillary is expected to have a operating shortfall, but noted that the shortfall will be covered by Fund Reserves and reminded the Committee that the ancillary is not (or will not be) subsidized by the University's operating budget
 - Lee B. questioned when the cost of sales dropped by 50% but revenue dropped by around 90% - which items, in cost of sales, do not change when selling less
 - Andrea D. replied that vending services has a different commission rate than food services, and vending sales will be projected to be less impacted relative to food services

- Andrea D. also remarked that there are other revenues that flow directly through the department without commission charged against them, and these revenues disproportionately impact the net contribution to the ancillary as a percentage; hence, cost of sales as a ratio is forecasted to be lower than historical

B. Next Year Budget

- Andrea D. reviewed the 2021-22 Hospitality Services Budget
 - The budget presented was previously reviewed by the Residence Student Dining Committee who had no objections to it
 - A 3% average meal plan rate increase has been proposed for 2021-22
 - UTM will not try to recoup the \$2M shortfall or any COVID-related losses for this year by putting it on the back of students through meal plan and price increases
 - Food cost inflation is forecasted to be 2.6% and, with forecasted increases to labour and other costs, food prices are forecasted to increase by just over 3%
 - UTM ranked in the lower half of the 2019-2020 CCUFSA Pricing Survey
 - Meal plan rates/budget comparison with other Institutions is currently unavailable
 - Revenue is expected to return to about 75% of pre-pandemic levels with limited revenue expected over the summer but significant return of on-campus services
 - Cost of sales are expected to return to slightly below pre-pandemic levels due to anticipated lower commission from the new food service contract
 - Expenses are expected to return to slightly below pre-pandemic levels due to return-to-campus and investment in equipment to support restarting several food service operations, offset somewhat by further deferred construction
 - Kaizen will process and present the data collected through community engagement to this Committee by the end of November
 - Expected to have another operating shortfall for 2021-22, but the shortfall will also be covered by Fund Reserves
 - Andrea D. reminded the Committee that Hospitality Services was previously forecasted to have a shortfall until 2023 and, even with the effects of the pandemic, the trend to return to breakeven after 2023 is still in place
 - Even with the financial challenges posed by the pandemic operating climate, the ancillary maintains its commitment to investing in sustainability initiatives, such as the container farm for next summer, the Ozzi System & Reusable Containers and the 100% plant-based food outlet

C. Other Updates/Questions

- Vicky J. stated to the Committee that Hospitality Services is taking a huge calculated risk in perusing an RFP during the pandemic because she believes that contractors will be looking for new business
- Vicky J also reminded the Committee that the new budget includes considerations for a lower commission as a result of the new food service contract
- Susan S. and Saher F. acknowledged the diligence and hard work of the department to ensure operations during these challenging times
- Lee B. stated the importance of good consultation from students and the Residence Student Dining Committee, thanking them for their participation

- Lee B. questioned how close to the bottom of the Fund Reserve the department was as a result of the current/anticipated shortfalls (3 consecutive years) and what could the possible negative outcomes be as a result of projected revenue not covering costs over the next 2 years
 - Andrea D. stated that, if there was a repeat of this year's shortfall over the next 4 years, then the ancillary would blow through its reserves
 - Andrea D. reminded the Committee that the ancillary has historically taken a conservative approach ensuring health reserves while keeping price increases to a minimum and while investing in the growth and upkeep of its programs over the years
 - Any surplus will be reinvested back into the Fund Reserve
- Hayden M. inquired after how long the tendering process is for the RFP
 - Vicky J. stated that Kaizen will present all the information collected to this Committee by the end of November
 - RFP will go out Jan 2021
 - Bids received by Feb 2021
 - Bid evaluation will include a scorecard process with short-listed interviews.
 - Once a prospective contractor is selected, a mandatory negotiation period of 30 days is initiated around May 2021
 - The new contract will begin on June 2021
- Lily P. raised a few points in regards to the projected increase in meal plan rates.
 - Considering the pandemic and so many students choosing not to be on-campus, not using their meal plan funds, there will be a lot of carryover funds for the next year – would the department be considering lowering meal plan rate or freezing the rates for the next year to accommodate the utilization of the carryover funds?
 - Currently residence students at UTM have to pay for a meal plan, looking at other institutions in the province, students who have a kitchen do not have to mandatorily have a meal plan – would UTM consider not making the meal plan mandatory for those residence students who have kitchens?
 - Andrea D. responded that the meal plan for next year has to reflect the purchasing power that is available, the forecasted 3% increase factors that in
 - The minimum plan is essentially reflective of the price increase, as it reflects the minimum tax-exempt plan that can be offered
 - The department will be reviewing the trends of this year and that of the winter, based on which decisions (in addition to any required policy adjustments) will be made on how to address the surplus carryover funds
 - Meal plan prices for the next year is independent of this process
 - Related discussions will take place with the Resident Student Dining Committee in the new year
 - Andrea D. reminded the Committee that the policy regarding making meal plans mandatory for residence students at UTM was made by the university when the meal plan was first created
 - Any changes to be made to that policy would require university Governance to get involved as it is part of a requirement of being in residence
- Andrea D. also reviewed other new programs that were launched in the fall
 - UTM students will soon be able to order food through DoorDash and make payments using Flex Dollars, making the only school in Canada about to do this, thanks to a recently signed agreement with Phood
 - i. A soft launch is planned for December
 - ii. A major communication push will follow

- Daily Blends, a specialty vending machine, launched Nov 10th in OPH with 24/7 access to vegetarian and vegan offerings
- The Committee had no objections to the Hospitality Services forecast and budget

NEXT MEETING: End of November 2020