



UNIVERSITY OF  
**TORONTO**  
MISSISSAUGA

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# Food Service Advisory Committee

## Minutes of Meeting

Date: Wednesday, November 9, 11:30am  
Room: Deerfield Hall, Room 2085  
Attendees: V. Jezierski, P. Donoghue, L. Bailey, A. De Lorenzis, A. De Vito, B. Spilchuk, S. Weiditch, J. Latocha, E. Kim, S. Coccagna  
Regrets; P. Desrochers, L. Barber, N. Alideeb, M. Hopkins,

### 1. **BUSINESS ARISING**

#### **Starbucks Pricing Issue**

- A. De Vito addressed the Starbucks pricing discrepancies that were reported by S. Weiditch at the previous meeting
  - A. De Vito explained that Starbucks had given Chartwells their non-traditional pricing along with the menu boards for posting
  - A. De Vito presented a receipt from Starbucks at UTM and compared it to a receipt with like items from an off-campus Starbucks to confirm that the price discrepancies were corrected around the October reading week
  - V. Jezierski stated that Starbucks typically provides its campus locations with resort pricing, but she reminded the Committee UTM's contract with Chartwells stipulates that all branded concept pricing on campus must match street pricing

#### **Food Service Budget**

- A. De Vito presented a high level overview of the food service ancillary forecast for 2016-17
  - A. De Vito stated that revenue was forecasted to be higher than budgeted this year due to a higher proportion of resident students selecting larger meal plans and due to the replacement of non-performing outlets with more successful concepts (e.g. Bento)
  - A. De Vito explained that the higher revenue will translate to higher cost of sales (portion of revenue that goes to UTM's food service and vending contractors) and a higher contribution margin (portion of revenue that goes to the UTM)

- A. De Vito also stated that overall food service expenses would be lower than budgeted due to unexpected staff vacancies and the subsequent delays in filling the vacancies
  - A. De Vito concluded the forecast by stating that the resultant operating result would be higher than budgeted
  - A. De Vito reiterated that any positive operating results are reinvested into the program through construction and operating reserves
- A. De Vito presented a high level overview of the food service ancillary budget for 2017-18
  - A. De Vito stated that budgeted revenue was expected to slightly increase due to inflation and enrolment increases
  - A. De Vito explained that the higher budgeted revenue will again result in higher budgeted cost of sales and a higher budgeted contribution margin
  - A. De Vito also indicated that budgeted food service expenses would increase due to a return to full staffing levels and due to increase expenses to support the planning and design of the Davis Building Food Court
  - A. De Vito concluded the budget by stating that the resultant operating result is budgeted to be decrease but still be positive
- A. De Vito provided specific costs associated with the planned capital investments for the upcoming construction projects (Starbucks renovation, Davis Building Food Court, and North 2 Café) and with the new contracts that would be put in place (new commerce management system, new vending services contract, new food service contract) over the next 5 years
- A. De Vito continued by stating that the food service ancillary has planned for these investments and, after 5 years, with the expected levelling off of enrolment the food service ancillary is well-poised to be in a break-even scenario at that time
- P. Donoghue asked for an update on the status of the catering RFSQ that was referenced last meeting
  - A. De Vito responded that the RFSQ document was finalized and in Procurement's hands to be posted imminently
  - **UPDATE: The catering RFSQ was posted to Merx on November 10<sup>th</sup>**
- A. De Vito reviewed the proposed changes to the meal plans
  - The current meal plans have 4 Group A selections (first-year) and 3 Group B selections (upper-year), each with a basic and flex amount
  - The proposed meal plans will have 2 Group A selections and 2 Group B selections, each with a basic amount and a choice of 3 flex amounts
  - The basic accounts associated with the current plans have a 50% overhead component to them – 50% of the basic account is removed up front, 50% of the basic account is left on the TCard, so students only pay 50% of the purchase price
  - The proposed meal plans will not have an overhead component (as per the recommendations from the November 2<sup>nd</sup> Resident Student Dining

- Committee Meeting) – the full value of the basic account will be placed on the TCard, and students will pay the full purchase price
- The current basic minimum commitment is \$3,209 – any residual basic amounts over the minimum commitment is eligible for carryover for the following school year
  - The proposed basic minimum commitment is \$1,950, significantly increasing the amount of basic carryover eligibility
- A. De Vito provided an apples-to-apples comparison between the current and proposed meal plan rates
    - A. De Vito explained that, in order to do an apples-to-apples comparison of the current and proposed meal plan rates, the Committee should focus on the minimum required meal plans (since the purchase of a larger meal plan amount is to the prerogative of the student) and the basic amounts of those meal plans (since there are 3 proposed flex amounts to choose from per plan)
    - S. Weiditch asked for an explanation of what basic and flex meant, which was provided by A. De Vito
    - A. De Vito showed that the current minimum required meal plan for first-year students has a basic amount of \$3,209, whereas the proposed minimum required meal plan for first-year students has a basic amount of \$3,375 – a 3.6% increase, which compares to the predicted food CPI increase for 2017 of 3.6% (Trading Economics)
    - A. De Vito showed that the current minimum required meal plan for upper-year students has a basic amount of \$1,809, whereas the proposed minimum required meal plan for upper-year students has a basic amount of \$1,950– a 7.8% increase
    - A. De Vito cautioned that only 10% of the 1,300 meal plan students would likely be impacted by this increase since only about 130 students select the smallest B plan
    - The increase of the upper-year minimum basic amount is required to meet the Canada Revenue Agency’s definition of a tax-exempt meal plan (10 meals per week x average cheque for the school year)
    - A. De Vito confirmed that the proposed meal plan rates for 2017-18 were presented to, and endorsed by, the Resident Student Dining Committee in their meeting on November 2<sup>nd</sup>
    - P. Donoghue stated that the most notable change is that the meal plans will be simplified for everyone
    - A. De Vito clarified that forecasting the average cheque for 2017 is a function of applying an inflationary price adjustment (the expected food CPI increase for 2017 is 3.6%) to the 2016 average cheque (which is a reflection of the current purchasing habits of students)
    - A. De Vito showed that, assigning a 3.6% meal plan rate increase to other declining balance universities in Ontario, UTM’s meal plan rates ranked extremely favourable (lowest upper-year minimum meal plan rate, second lowest in first-year minimum meal plan rate)

- A De Vito also mentioned that a lot of the self-op schools are experiencing significant upward pressure on price, particularly due to rising labour costs, which pushes meal plan rates up to maintain purchasing power of the meal plans for students, and which also leads to closures of locations and reductions in operating hours
- V. Jezierski added that UTM is constantly monitoring price points on campus to ensure there are always food items at a variety of price points
- A. De Vito pointed out that, despite the rapid growth of UTM, UTM has maintained rankings in the lower half of the province in terms of meal plan rates and food prices, and yet the campus is still able to build quality food service facilities to accommodate the campus growth and is still able to maintain a viable operation
- L. Bailey asked if there was an alternative to a declining balance meal plan model
  - A. De Vito responded that there are hybrids, but the main alternative is a board plan, which is essentially a 100% overhead model where the students pay for a certain number of meals per week, all of the meal plan funds are removed upfront, and the students swipe to access the dining hall each meal period
  - A. De Vito added that, if a meal is missed, the value of that meal is lost to the students
  - L. Bailey asked if the board plan model is what is being used for most of the campuses downtown
  - A. De Vito affirmed this, and added that the board plan model is used by campuses that have a main dining hall to ensure that they are bringing in guaranteed revenue by forcing students to use their establishment
  - V. Jezierski and A. Delorenzis explained that other universities who have declining balance meal plans with overhead models do not always offer the students the best level of value, using Western as an example
    - Overhead is removed upfront, and the students pay overhead-adjusted prices in the dining hall associated with their residence only
    - Students pay full, unadjusted prices, outside of their dining halls
- L. Bailey asked if there were upcoming labour negotiations with the union the represents Chartwells' staff that would affect prices going forward
  - V. Jezierski confirmed that the current CBA doesn't expire for 3 years, but, even so, the new CBA would not have any effect on food prices at UTM
  - **UPDATE: V. Jezierski also confirmed that Chartwells' contract with its union expires on September 28<sup>th</sup>, 2018**
  - A. De Vito added that UTM only gets paid commission by Chartwells, and a new CBA would not impact the commission that Chartwells' is contractual obligated to pay us

- L. Bailey asked how many people were on the Resident Student Dining Committee
  - A. De Vito responded that the 7 students on the Resident Student Dining Committee represent a cross-section of first-year and upper-year students as well as a cross-section of the various residence communities
  - V. Jezierski and A. De Vito added that the Resident Student Dining Committee has excellent contribution from students this year and is very action-oriented, where students can see tangible impact of the decisions made on that committee

## 2. NEW BUSINESS

### **Davis Building Reconstruction Project**

- A. De Vito presented the most recent conceptual drawings for the proposed food court and other proposed food-related changes as part of the Davis Building Reconstruction Project
  - The food court will contain 9 food service concepts plus On the Go items and will be located where the Registrar's Office used to be – Booster Juice and Subway will be located separately in the space that currently sits in front of the existing Pizza Pizza
  - The green space between the Davis Building and the RAWC will also be enclosed to accommodate the food court and to maximize the natural lighting that will come through the front of the Davis Building
  - The renovated area will include 909 mixed-use seats (845 interior, 64 exterior) – currently, the Meeting Place and TFC contain approximately 500 seats
  - The outdoor space adjacent to Tim Hortons will also be enclosed to accommodate seating and to provide a covered outdoor space adjacent to the Spigel patio
- V. Jezierski mentioned that UTM will have to consider a temporary location for the Subway to accommodate construction
- V. Jezierski also indicated that concepts identified for the new food court are place holders for now – actually concepts that will go into the space will depend on brands Chartwells has partnerships
- P. Donoghue added that the food court is part of a revitalization of the entire Meeting Place – a space where the community gathers
- L. Bailey asked how the windows overlooking the Spigel patio area from the Faculty Club would be affected by the enclosure of the outside space adjacent to Tim Hortons
  - P. Donoghue stated that the windows would not be blocked – natural light that comes into the enclosed space will also be accessed by the Faculty Club windows
- P. Donoghue also mentioned that the front entrance of the Davis Building would be renovated as part of the project, and that a conceptual drawing of the entrance will be included when the conceptual drawings were presented to the Project Committee

- P. Donoghue reiterated that the renovation of the space above the current TFC was part of the Davis Building Reconstruction Project that was introduced over 10 years ago, but got pushed back as other priorities arose
  - P. Donoghue stated that it is now an appropriate time to move the next phases of the project forward
- P. Donoghue outlined the next steps for the Davis Building Reconstruction Project
  - A formal Project Committee will be established, which will include members of the Food Services Advisory Committee
  - The scheduled Committee meeting for November 23<sup>rd</sup> will be earmarked for the first Project Committee meeting
  - Subsequent Project Committee meetings will be bi-weekly or even weekly to keep the project moving forward and to ensure the project gets through the most recent governance cycle
- P. Donoghue stated that the Campus Affairs Committee is aware that that project is in the pipeline, and he estimates that the project will take 7-9 months to work through the governance cycle
- L. Bailey opined that the project will generate excitement on campus and asked if the conceptual drawings could be made public
  - P. Donoghue confirmed that the Project Committee will manage the communication around the project to the community
  - P. Donoghue reminded the Committee that the current architect was hired to provide conceptual drawings and cost estimates to move the project through the process, and he cautioned that the conceptual drawings could change, particularly if a new architect is hired once the project is approved to move into the construction phase

### **3. OTHER BUSINESS**

- S. Weiditch asked if Grad Students could get 7% discount instead of 5% with their Campus Value Plans
  - V. Jezierski mentioned that the 5% Campus Value Plan discount is jointly funded by Chartwells (2.5%) and Hospitality & Retail Services (2.5%) as part of the food services contract
  - V. Jezierski also indicated that there had been discussions in the past to move the discount to 10%, but Chartwells was unwilling
  - V. Jezierski committed to reviewing the Campus Value Plan program when the contract comes due to determine if an increase on the 5% discount could be included in the new contract
- S. Weiditch felt that her and her friend had food poisoning from eating from fusion 5
  - V. Jezierski and P. Donoghue reminded the Committee that anyone who feels like they became sick from something they ate on campus should notify Hospitality & Retail Services
    - Once the issue is reported, Chartwells will commence an internal investigation of the issue, and Region of Peel Health Inspection

will also complete an investigation to determine if there was a food safety that may have caused an illness

- V. Jezierski cautioned that, for there to be food poisoning, many people would be affected at the same time