

To: Members of the Uxbridge School Committee  
From: Janice Watt, Food Service Director  
Date: May 29, 2008  
Subject: Options for Food Service

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As you are aware, the Uxbridge Food Service Program has been experiencing serious financial losses over the past few years, due to the increasing costs of food, labor and benefits. As we look forward to 2008-09, a projected loss of -\$154,000 for the next year could be realized if action is not taken immediately.

While the concept of adding the food service program to the school budget was considered, it is not feasible, due to the school & town current financial situation.

Careful analysis of our numbers has shown a 10% per year decline in meals purchased over the past 2 years, which I believe directly correlates with the meal price; many families simply cannot afford to allow their child or children to purchase meals as frequently as they would like to.

Therefore, I recommend that we look to making cuts to our expenses instead of raising meal prices again, to at least maintain the current participation level of the food service program. The following page displays facts, figures & projections to assist in decision- making.

For instance, one service that could be eliminated with minimal impact to students is the breakfast program. We currently only feed an average of 55 student breakfasts per day, district-wide. The annual loss to offer this service is approximately \$10,000.

We can also save by reducing the number of choices being offered to students. With each school offering (5) choices daily, waste is inevitable. Streamlining the number of choices to include only the most popular items reduces the inventory that we are carrying and related labor costs to prepare these items.

The rising food costs are unavoidable. However, we participate in the largest purchasing collaborative in the state, comprised of 44 cities and towns, so I believe that we are getting the best possible pricing available for food and paper supplies.

Over the years, we have replaced necessary equipment as needed, funded through the Food Service budget. Most recently, we have been advised that the 20 year old UHS dish washing machine's wash tank is rusting out and cannot be fixed. Taft's machine may follow, as it was installed at the same time (1989 renovations). The replacement cost is estimated at \$22,000 per machine.

Finally, the yearly, double-digit cost increases of health and retirement benefits are becoming more difficult to keep pace with. Currently, we have 14 employees eligible for these benefits, which cost, on average, \$15,000 per year. To date, only 10 employees take them; should the remaining 4 choose to do so, that would put the program's financial status in deeper jeopardy. Most of these employees work under 6 hours a day for 180 days.

On the following page, you will find three options that we have created to assist you in making a recommendation for future success for the School Food Service Program.

# FOOD SERVICE OPTIONS FOR CONSIDERATION

## PROJECTIONS FOR 2008-09 SCHOOL YEAR

	STAFFING LEVELS	PROJECTED EXPENSES	PROJECTED REVENUE	PROJECTED NET GAIN/LOSS	DAILY LUNCH CHOICES
<b>CURRENT PROGRAM STATUS</b> 	13 Full time (over 20 hours) 11 Part time (under 20 hours)	Labor \$303,397 Food & Supplies \$357,193 Dish Machine –UHS \$22,000 Health Insurance/ Retirement \$159,092 \$841,682	Sales \$578,822 State/Fed <u>\$108,784</u> \$687,606	(\$154,076)	5 Taft 5 Whitin 5 UHS 1 ELC 2 OLV

A number of ideas, scenarios and concepts have been explored to arrive at the options listed below, while staying mindful of our mission:

*“The mission of the Uxbridge Public Schools’ Food Service is a commitment to contributing to a healthy school environment for our students by providing a variety of healthy, convenient and economical meals to ensure their readiness to learn”*

Below, please find details to assist you in making a decision on how to proceed forward with restoring the Food Service Program back to a positive financial status while working towards our mission.

*All scenarios below assume that breakfast program is discontinued. See cover sheet for explanation*

OPTION	STAFFING LEVELS	PROJECTED EXPENSES	PROJECTED REVENUE	NET GAIN/LOSS	LUNCH CHOICES
<b>1</b> RAISE LUNCH PRICE TO \$4.00	6 Full-time (over 20 hours) 6 Part-time (under 20 hours)	Labor \$184,320 Food & Supplies \$178,596 Dish Machine –UHS \$22,000 Health Insurance/ Retirement \$90,000 \$474,916	Sales 363,677 State/Fed <u>105,499</u> \$469,176	(\$ 5,740)	2 Taft 2 Whitin 2 UHS 1 ELC 1 OLV
<b>2</b> USE PREFERRED MEAL SYSTEM, DISTRICT-WIDE	0 Full-time 18 Part-time (under 20 hours)	Labor \$205,647 Food & Supplies \$219,528 Dish Machine –UHS N/A Health Insurance/ Retirement N/A \$425,175	Sales \$336,535 State/Fed <u>\$106,250</u> \$441,785	\$ 16,610	1 Taft 2 Whitin 2 UHS 1 ELC 1 OLV
<b>3</b> COMBINATION OF PREFERRED MEALS, NEW MANAGEMENT STRUCTURE & CURRENT SYSTEM	3 FT Site Managers (New mgmt. positions 37.5 hours per week) 15 Part-time (under 20 hours)	Labor \$259,504 Food & Supplies \$344,774 Dish Machine –UHS \$22,000 Health Insurance/ Retirement \$ 52,251 \$678,529	Sales \$578,822 State/Fed <u>\$108,784</u> \$687,606	\$ 9,077	2 Taft 3 Whitin 3 UHS 1 ELC 1 OLV

This option uses the Preferred Meal System @ Taft only, where meals shipped to ELC & OLV would take place. Whitin & UHS would not be using Preferred, but would limit the # of menu choices offered.

## PROS & CONS OF OPTIONS

### OPTION 1: RAISE LUNCH PRICE TO \$4.00

#### PROS:

- Smaller program to manage
- Largest number of full-time employees retained
- Use of well-equipped kitchens

#### CONS:

- Greatest # of employees laid off (12)
- Less meal choices
- Unaffordable to most families
- Reduced revenue
- Reduced meal counts=less reimbursements
- Higher meal price=higher level of expectation of quantity and quality of food
- Health benefits still substantial @ 90K
- Loss projected due to uncertainty of participation levels
- Equipment maintenance & purchases still required

### OPTION 2: USE PREFERRED MEALS, DISTRICT-WIDE

#### PROS:

- Meal price could be reduced
- Efficient and consistent system
- Elimination of styrofoam trays
- Equipment & service provided
- Outstanding food safety
- Ease in program administration
- Lower labor cost
- No health benefit cost

#### CONS:

- Total elimination of all FT staff
- Portion size too small for middle & high school students
- Nutritional integrity of program compromised
- Perception of quality may be difficult to overcome
- Meal counts would decrease=less reimbursements
- Possibility of students using lunch money to purchase snacks instead of meals
- Less flexibility & variety on menu
- Less fresh fruit, vegetables & whole grains
- Less revenue
- Under utilizing well-equipped kitchen facilities

### OPTION 3: COMBINATION OF PREFERRED MEALS (Taft only), NEW MANAGEMENT STRUCTURE & CURRENT SYSTEM

Current Management Structure: Food Service Director, Food Service Admin Assistant, Cook Manager & General Worker

Proposed Management Structure: Food Service Director, Site Managers, Cook & General Worker

This plan shifts some of the duties held by the Assistant to the Site Managers (ordering, catering, daily deposits, etc.) and replaces the Cook Manager assignments.

Currently, both the Cook Managers and the General Workers are in the same bargaining unit. This arrangement makes it difficult for good personnel management to happen, especially in the areas of discipline and employee evaluations.

The Site Manager position would be a full-time (37.5 hours per week), school year, non-union, salaried position.

This is the organizational model that most food service management companies utilize.

#### PROS:

- Largest retention of staff (18)
- Benefit costs significantly reduced
- No price increase required
- Appropriate organizational structure
- Elementary & satellite locations (ELC & OLV) best use of Preferred Meals, as most acceptable to younger students' tastes
- Conservative approach to trying Preferred Meals; easy to revert back if not working
- Offers the most meal choices of all options
- Able to maintain the current meal counts=reimbursement \$
- Able to offer foods students want @ Whitin & UHS: (main entrée, pizza & deli bar)
- Better management of personnel, food safety/sanitation, inventory, customer service & finances
- Utilizes well-equipped kitchens

#### CONS:

- 13 Full time staff would be reduced to part time
- Less menu choices for Taft & OLV