



UNIVERSITY OF
TORONTO
MISSISSAUGA

Food Service Advisory Committee

Minutes of Meeting

Date: Thursday, August 7th, 2014 – 10:00am
Room: Davis Building, Room 3214
Attendees: V. Jezierski, P. Donoghue, A. Maughn, E. Agbeyege, A. De Vito, L. Seto, P. Desrochers, C. Nuttall, H. Havili, A. de Lorenzis
Regrets: D. Ball
Guests: E. Morano (Kaizen), D. Purcell (Kaizen)

1. ADMINISTRATIVE

- V. Jezierski welcomed everyone to the meeting and introduced the Kaizen Consultants, E. Morano and D. Purcell

2. FOOD SERVICE CONSULTANT PRESENTATION OF PHASE One – SELF-OP FEASIBILITY STUDY

- **Project Overview & Timeline**
 - Kaizen presented an overview and timeline for Phase One, which included Kaizen's research and assessment into the feasibility of self-operation for UTM's food services and Kaizen's resultant recommendations
- **Overview of Current Operations**
 - Kaizen showed a comparison of UTM's food service operations against several industry standards
 - The research of the current food service landscape at the UTM shows that there is a balance of branded concepts, customized program offerings, and grab-and-go features
 - Research also shows that the food service locations are clustered in key areas on campus
 - UTM has strong brand drivers on campus
 - Research has shown that the top three branded drivers on campuses nationwide are Tim Hortons, Subway, and Booster Juice

- UTM is working within or above industry standards on the following:
 - national brand drivers
 - ethnic diversity
 - healthy eating
 - dietary requirements (vegetarian, vegan, gluten-free, diets of conscience)
 - food trucks
 - breakfast offerings
 - sustainable practices
 - dining venues
 - off-campus partnerships
- Retail Pricing Comparisons – Nationally Branded Concepts are at street pricing on the UTM campus
- In comparison to other Canadian Universities (CCUFSA) benchmarks, UTM product pricing is at or below market value at UTM
- Meal plan offerings and parameters are comparable to other Ontario Universities
 - Kaizen added that some universities price their meal plans strategically low because they know that students will rebuy (top-up) their meal plans at some point during the school year
- UTM is among the top tier of Canadian Universities in terms of customer capture rate even though UTM has a lower resident population compared to other universities
 - Kaizen noted that the high capture rate is likely related to the campus setting of UTM where comparable food services are not easy to get to off-campus
- P. Donoghue asked what ‘within industry standards’ means
 - Kaizen clarified that ‘within industry standards’ refers to comparisons with similar universities within Ontario
- In reference to UTM’s mandate to fund all capital investment in food services, P. Donoghue asked if it is unusual for universities to control all investment in this regard
 - Kaizen responded that it is a standard that is getting more popular with institutions, and he believes that it is in the university’s best interest to control all the investments in facilities on campus
- **Self-Operation versus Contract Management Analysis**
 - Kaizen presented the factors that the UTM would need to consider if deciding to move into a self-operated food service model
 - Hospitality Services currently provides oversight and contract management, not hands-on management of the food service operations

- The organizational structure of Hospitality & Retail Services would have to expand if a Self-Operation was put into place on campus, and an additional staff of 150 to 200 unionized employees to run the food service locations
 - Kaizen used collective bargaining information for similar positions at UTSC and St. George to determine what the incremental labour rates would be for the UTM if it moved to a self-operated food service model
 - Kaizen speculated that hourly rates for food service employees at the UTM would increase by \$5/hour or more in a self-operated food service environment
 - Kaizen also stated that the many articles in the collective agreements for employees at the UofT in similar roles were more liberal, which may cause operational issues for the UTM in a self-operated environment
 - Kaizen referred to the fact that many of the salaried employees that the UTM would need to add to support a self-operated food service model (e.g. chefs, managers, etc.) would also be unionized in the UofT's current labour environment
 - Kaizen also stated that a nutritionist/dietician would likely need to be added to Hospitality and Retail Services organizational structure to support a self-op program
 - Kaizen hypothesized that the increase in incremental labour would be the main contributor to making the transition to self-op an unsustainable initiative for the UTM
 - Kaizen also stated that several self-op schools who have such high relative labour commitments are having to take the following measures to ensure positive contribution:
 - price increases
 - franchise prices that are higher than street prices
 - significant reductions in hours of operation, particularly during low demand periods (e.g. summer)
 - closing operations
- Added administrative overhead would be needed to support the revenue stream, labour expense, food, beverage and supply purchases, and multiple franchise agreements
- All marketing programs and menus, currently supplied by the food service contractor, would need to be the responsibility of the UTM to supply in a self-op model
- Hospitality and Retail Services would also need to directly employ human resources employees and a maintenance employee as well as increase their financial staff
- Financial projections show a positive contribution to capital reserves if UTM were to operate within contracted model, and loss if UTM were to become self-operated
 - Kaizen cautioned that he believed the UTM's current commission structure to be unsustainable as well

- Kaizen asked the question that, for either scenario, the UTM needs to define what it wants to be the best in – balancing priorities versus cost implications
 - In Kaizen’s opinion, one factor that the UTM needs to consider is that the UTM is one of the most ethnically diverse campuses in Ontario but, in Kaizen’s experience, typically customers do not necessarily eat the food of their ethnic background
- Paul Donoghue suggested that consultation and engagement of UTM population start as soon as possible
- **ACTION – A follow-up work meeting of the Food Service Advisory Committee will be arranged in the next 2 weeks to address any questions that may arise after the presentation of the results of the feasibility study**
- Kaizen will work on a plan for engagement on campus
- Any questions with regards to the presentation should be directed to Vicky Jezierski at vicky.jezierski@utoronto.ca and be discussed at the next meeting
- H. Havili asked if the incremental labour variance that Kaizen stated would a factor in the UTM moving to self-op could be reduced
 - Kaizen took existing rates and job classifications from St. George and UTSC collective agreements that would be applied to the food service staff under a self-op model, so the labour variance based on current conditions could not be reduced
- H. Havili asked how the quality of service would be impacted in a self-op or contract setting
 - Kaizen suggested that, if the food services operation is running a deficit as result of the increased financial pressures in a self-op setting, the quality of service would suffer – hours of operation would have to be reduced or locations would close at different times of the year
 - Financial viability would impact the quality of service
 - Kaizen recommended that service and quality scorecards/guidelines be included in the next food service contract if this model was chosen by the UTM
- V. Jezierski asked if there is a point where the self-op option might be feasible at a later date or if another study should be taken in a few years
 - Kaizen opined that the collective agreement in place now with employees would always be a hindrance
 - Kaizen also stated that revenue in a self-op model must be increased order to cover the incremental labour expenses
 - Kaizen suggested that there may be thresholds in sales and productivity per labour hour that might dictate when a self-op model would work – Kaizen will do some research on this topic and present at the next meeting

4. NEXT MEETING - to be determined