



**MEQUON-THIENSVILLE SCHOOL DISTRICT
BOARD OF EDUCATION**

EXECUTIVE SUMMARY

<u>Subject:</u> Action to Approve Food Service Contract Extension with ARAMARK for 2011-12	<u>Category:</u> <input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion <input type="checkbox"/> Information
<u>Attachments:</u> 2011-12 ARAMARK Budget	<u>Date for Consideration:</u> July 18, 2011

Background

The District contracts with ARAMARK for the operation of the school lunch program. The main goal of the school lunch program is to offer nutritious meals at a reasonable cost without tax or budget subsidy from the district. Under their leadership, we continue to operate a successful lunch program which meets those goals.

The purpose of this memo is to seek approval to renew the contract with ARAMARK for 2011-12 for the management and operation of our school lunch program.

Attached is the proposed food service budget for 2011-12 from ARAMARK. Highlights of upcoming contract and program goals for 2011-12 are listed below:

Highlights:

- Our lunch program offers a wide variety of options to students K-12. Elementary students have average of five entre options daily. Students at 6-12 level have significantly more due to facilities available.
- ARAMARK personnel continue to be active participants on district Wellness Committee. A “calorie counter” was developed by ARAMARK this year that assists parents and students in calculating the nutritional value of lunches they pick.
- The lunch program generates a profit annually. There is no tax subsidy or budget transfer required to maintain this program. ARAMARK proposed budget for 2011-12 estimates \$73,330 return to the district.
- Surplus funds in the food service must be used only for the school lunch program. Generally, funds are used to maintain and replace capital equipment. However, due to the success of the program financially, we have been more aggressive with charging allowable costs to this area such as pest control, waste management, and direct custodial charges. This has helped the district budget situation.
- Goals for 2011-12 will be: 1) maintain and improve food quality and healthy offerings for students; 2) enhance communication with parents on healthy choice options; and 3) reduce administrative program costs to help balance declining enrollment and loss of program revenues.

- Emphasis on nutritional information and education will feature “point of purchase” icons on menus to identify healthy choices with whole grains, best caloric choice and vegetarian options. In addition, the nutritional calculator will be expanded to include more menu offerings.
- For 2011-12, the district will share a food service director with Cedarburg School District reducing half of the overall costs of program administration.
- No price increase planned for 2011-12.

Strengths	Needs Improvement
<ul style="list-style-type: none"> • Food service program continues to be self-sufficient generating annual profit. • Lunch program requires no tax levy or general budget support. • No price increase for reimbursable meal for 2011-12. • Wide variety of offerings available K-12. • Low administrative costs due to shared services for food service manager. 	<ul style="list-style-type: none"> • Loss in program participation anticipated due to declining enrollment. • Shared services, increased catering and reduced administrative costs will need to be focus to maintain program quality and variety in lieu of raising prices.

Recommendation

It is recommended the Mequon-Thiensville School District renew the contract for operation of the school district lunch program with ARAMARK for the 2011-12 school year.

Submitted By: Gail Grieger	
Board of Education Action:	<input type="checkbox"/> Approve <input type="checkbox"/> Reject <input type="checkbox"/> Research/Report Back

MEQUON - THIENSVILLE SCHOOL DISTRICT
 PROJECTED BUDGET
 School Year 2011-2012

Number of Service Days - Client 179
 One

Forecasted Meals to be Served	518,844
CLIENT SALES	
Breakfast (Paid & Reduced)	\$19,197
Ala Carte - Breakfast	\$27,663
Lunch (Paid & Reduced)	\$618,884
Ala Carte - Lunch/Adult/Vending/Milk	\$448,912
Special Events	\$24,000
TOTAL SALES	\$1,138,656
REIMBURSEMENTS	
Brkfst & Lunch Federal & State	\$213,519
TOTAL REIMBURSEMENTS	\$212,593
TOTAL CLIENT INCOME	\$1,351,249
FOOD COST	
FCST CPM COST	\$0.88
ARAMARK LABOR	\$644,585
Support: St. Matthis Credit Admin and Director	-\$2,025
	\$642,560
DIRECT EXPENSES	
Paper Supplies	\$36,319
Cleaning Supplies	\$12,977
Insurance	\$31,397
Replacements/Equipment	\$5,000
Office Supplies	\$2,400
Laundry/Uniforms	\$3,000
Promotions/Advertising	\$2,500
Training	\$1,000
Delivery/Shipping	\$2,800
Technology & Support Charge	\$9,768
Other Miscellaneous Direct Expenses	\$12,000
TOTAL EXPENSES	\$119,161
ADMIN FEE 0.08493	\$44,065
MGMT FEE 0.02997	\$15,550
TOTAL ARAMARK FEES	\$59,615
TOTAL OPERATING COST & EXPENSE	\$1,277,919
DISTRICT SURPLUS / (DEFICIT)	\$73,330