



Food Services Update

Update from Sept 2010 SAB Meeting

January 20, 2011

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Overview

- The purpose of this presentation is to answer 6 questions posed at the September 9, 2010 meeting with regard to Food Service Operations:
 1. Is the FSMC investing in the Lexington Warehouse?
 2. Can Food Services provide more scratch cooking?
 3. Can Food Services provide larger portions for students?
 4. What has Food Services/Chartwells-Thompson done with School Gardens in St. Louis?
 5. What have Food Services and Chartwells-Thompson done to improve food quality for the children of St. Louis?
 6. How would bringing all or a portion of the Food Service program back in-house...
 - a) Impact the District fiscally?
 - b) Impact the accomplishments achieved in service, quality, and profitability?



SLPS Food Service History

<u>Mid 1960's - 2003/04</u>	<u>2003/04-Current</u>	<u>Future Options Under Consideration</u>
<u>Elementary</u> <ul style="list-style-type: none">▶ Component meals assembled and stored at Lexington Warehouse and delivered to elementary schools by SLPS staff <u>Middle/High</u> <ul style="list-style-type: none">▶ Meals prepared and served on site by SLPS staff	<u>Elementary</u> <ul style="list-style-type: none">▶ Component meals prepared and sent by Preferred Meals to Lexington Warehouse for storage, then delivered to elementary schools by Preferred Meals employees (this is managed under agreement with FSMC) <u>Middle/High</u> <ul style="list-style-type: none">▶ Meals prepared and served on site by FSMC staff	<u>Elementary</u> <ul style="list-style-type: none">▶ Shift to prepared meals by either FSMC staff or SLPS staff <u>OR</u> <ul style="list-style-type: none">▶ Continue to serve component meals but move assembly, delivery, and service in-house with SLPS staff <u>Middle/High</u> <ul style="list-style-type: none">▶ Continue to prepare and serve meals on site but move in-house and prepare using SLPS staff



1. Is the FSMC investing in the Lexington Warehouse?

- ▶ No, the warehouse is currently being used as a distribution center for component meals for elementary schools
- ▶ Chartwells-Thompson has partnered with Preferred Meal Systems to add local warehouse staff and drivers to provide component meals to elementary schools, both SLPS and other Districts
- ▶ SLPS receives \$125K annually
 - Rent and storage \$79K
 - \$.01/meal to other Districts \$46K



2. Can Food Services provide more scratch cooking?

- ▶ Yes, in 2 ways
 - Convert from component meals to prepared meals for Elementary Schools
 - Continue to improve the quality (taste and nutrition) of the food prepared at middle and high schools



Proposed model for moving to prepared meals for Elementary Schools

- ▶ Recently invested in full production kitchen at Kottmeyer – start-up January 2011
- ▶ Invest in full production kitchens at 5 additional elementary schools
- ▶ Set up “hub and spoke” approach for remaining elementary schools
 - High school full production kitchens would serve as “hubs”
 - Hot, bulk food would be prepared in high school kitchens and delivered by truck to adjacent elementary schools (“spokes”)
 - Required investment:
 - Expand kitchens in 6 high school kitchens to prepare additional food
 - Make modifications to 37 elementary schools to be able to serve hot, prepared meals
 - Purchase or lease 10-12 delivery trucks



Elementary School Prepared Meals Proposed Investment Plan

Timing	Type of Kitchen	Elementary Schools*	Count	Estimated Investment Cost ** (\$MM)
Jan 2011	Full production kitchen	Kottmeyer	1	.2
Summer 2011	Full production kitchens	Adams, Lexington, Peabody, Hodgen	4	.6
	High School Hub - Central	Mallinckrodt, Mann, Mason, Mullanphy, Shaw, Sherman, Dewey, Oak Hill, Shenandoah, Jefferson, Kennard	11	2.7
Summer 2012	High School Hub - Vashon	Ames, Bryan Hill, Cole, Ashland, Clay, Columbia, Dunbar, Farragut, Henry	9	2.3
Summer 2013	High School Hubs- Roosevelt	Buder, Lyon, Meramec, Monroe, Woerner, Wilkinson, Woodward, Stix	8	2.1
	Trans & Law	Hickey, Herzog, Walbridge, Nance, Laclede	5	1.6
	McKinley	Sigel	1	.5
	Soldan	Ford, Hamilton, Cote Brilliante	3	.9
	Full production kitchen	Washington Montessori	1	.2

*Excludes Gateway which already has a full production kitchen

** Includes investment in high school hub kitchens, elementary school kitchens and purchase/lease of delivery trucks

43*

\$11.1MM



3. Can Food Services provide larger portions for students?

- ▶ SLPS is currently offering portion sizes recommended by the USDA, DESE (Missouri Eat Smart Guidelines), and Healthy Youth Partnership (SLPS Health and Wellness Policy)
- ▶ Impact of increasing portion sizes would be
 - Potential loss of \$12.5 million in revenue from Federal Government for Free & Reduced meals due to non-compliance with USDA guidelines
 - Increase in food costs – total would vary based on action taken

<u>Item</u>	<u>Increase</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Protein	1 oz.	\$.16–\$.25	\$203 – \$318K
Fruit or Vegetable	½ cup	\$.12–\$.18	\$153 – \$228K
Elementary Side Items	1 unit	\$.20	\$375K

4. What has Food Service/Chartwells–Thompson done with School Gardens in St. Louis?

- ▶ Partnering with Gateway Greening Garden Program on 22 school gardens
- ▶ Working on a grant to expand funding for gardens at 4 additional schools
- ▶ Participating in Farm to School Program connecting schools with local farms to purchase local produce served in school cafeterias
 - Goal is to serve one locally grown food item each week during growing season
- ▶ Intent of both programs is to teach children about the nutritious advantages of fresh, locally grown food as well as help children get balanced meals.





5. What has Food Services /Chartwells–Thompson done to improve food quality for the children of St. Louis?

WHAT'S IN*...

- Whole grains offered 3 days a week
- Fruit offered at every meal, fresh fruit twice per week
- Fresh vegetables twice per week at lunch
- Legumes at least once a week
- Locally grown produce
- Reduced fat cheese, dressings, and spreads
- Lower sugar, high fiber cereals
- Being a pork free district
- Only low fat (1-2%) and skim milk
- Fresh pizza with whole grain dough and low fat cheeses

WHAT'S OUT...

- Deep fried foods
- Artificial trans fats
- Salt packets, salty snacks, or MSG
- Sugar packets, donuts, and pastries
- Pork products

*New USDA Guidelines were issued this month which will require further changes to SLPS menus



6a. How would bringing all or a portion of the Food Service program back in house impact the District fiscally?

- ▶ Initial analysis indicates that the District could save an estimated \$.3 million annually if Food Service was brought back in house

<u>Chartwells's 2010-11 Budget (\$M)</u>		<u>SLPS Estimated Cost (\$M)</u>	<u>Variance (\$M)</u>
\$13.5	Revenue	\$13.5	\$0
6.8	Food Cost	6.8	0
3.3	Hourly Labor	3.9	.6
.9	Management Labor	1.3	.4
1.3	Semi-Variable	.9	(.4)
.7	Admin Fee	0	(.7)
<u>.2</u>	Mgmt Fee	<u>0</u>	<u>(.2)</u>
\$13.2	Total Cost	\$12.9	(\$.3)
\$.3	Gain or (Loss)	\$.6	\$.3



6b. How would bringing all or a portion of the Food Service program back in house impact the accomplishments achieved in service, quality, and profitability?

- ▶ Would need to rebuild food service expertise at SLPS
 - Workforce and operations management
 - Food procurement and inventory management
 - Menu preparation and culinary
 - Latest thinking in nutrition and food service management
 - Continued staff training
- ▶ Start-up risk due to transition
 - Revenue generation (collecting Free and Reduced applications)
 - Lower productivity
 - Need to train new staff
 - Meal quality and service
 - Management attention and resources
- ▶ Workforce considerations
 - District would be responsible for all workforce management/issues/claims



Recommended Next Steps

- ▶ Begin to transition elementary schools to full production kitchens and hub and spoke approach
 - Build kitchens at 4 additional elementary schools to be operational Fall 2011
 - Implement first “hub and spoke” approach to be operational Fall 2011
 - Address funding for remaining investment
- ▶ Maintain current portion sizes in compliance with USDA guidelines
- ▶ Continue to expand School Garden Program and provide fresher, more nutritional choices for breakfast, lunch, and vending