

Budget & Finance Committee – Meeting Notes
Thursday, May 28th, 2009 – 9:00AM

Attending: Board Members Burke (via phone), Garrity, Wetmore, Liu; Administrators Duncan, Mikos and Petrizzo; Guest Bill Gerichter – Food Service Consultant.

Food Service Update

Bill Gerichter provided us with an update on the Food Service program. He is projecting an end of year surplus of \$42k to \$48k. This is well in excess of the minimum guarantee by Chartwells of a \$25k surplus. Bill did indicate that Chartwells pointed out that there are several pieces of equipment that will need replacement, such as 2 deep fryers @ \$13k each and other repairs to the walk-in freezer and refrigerator which could cost up to \$35k. Essentially, the message here is that the food service program has provided quality food to the students and staff and managed to produce a profit that can be utilized to make capital improvements to the food service program. All-in-all, a successful year. We also discussed how the financials of Chartwells are audited and we confirmed that Chartwells auditors provide us with a SAS 70 Report (Type 2). This report enables our auditors to rely on the financial statements provided by Chartwells. Additionally Bill Gerichter informed us that Chartwells is lowering the guaranteed minimum surplus for next year from \$25k down to \$20k. This is reflective of higher costs and operating expenses driven mainly by the contractual increase obligations of Chartwells to their employees. Also, as part of Chartwells's guaranteed \$20k minimum surplus for next year, they proposed minimal menu price increases for the 2009/2010 school year. The proposed increases are at the High School and W.R. Satz including both the 12oz and 16oz coffees.

Additionally, Chartwells indicated that they would like the flexibility to price several offerings at a range instead of a fixed price based on the variability of the ingredients. These offerings include; Premium Entrees/offerings, 8" hot and toasty sub, prepared large salad, fruit & yogurt parfait – large and the large 12oz fresh fruit cup. The associated \$ increases are indicated on the attachment. There are no proposed price increases at Indian Hill or Village School.

The issue of price increases for the 2009/2010 school year was discussed at length and the results will be included in the minutes of the June 18, 2009 meeting.

Energy Savings Update

Michael indicated that the month of March 2009 is demonstrating an energy savings of about 25% versus March 2008 expenses. The firm, Energy Educators, Inc. has projected a savings for us of about 20% for the remaining months of this fiscal year. This will be closely monitored as we continue to reap the cost savings benefits of this program.

Next meeting

The next meeting was set for June 18th, 2009 at 9AM.

Respectfully submitted:
Gerald E. Burke