

Food Service Spring Town Hall 2016: FY 2016

Academic Year: 2016-2017

Who are we?

- UHDS manages most food service locations on campus
 - 2 all-you-care-to eat residential restaurants
 - Fresh Food Company
 - Cougar Woods
 - 30+ retail locations
 - Student Center South Food Court
 - Student Center Satellite
 - Stadium Parking Garage
 - Multiple Convenience Store Locations
 - 14 Food Trucks
 - Multiple Locations across campus
 - Full-service Catering Department
 - Provide In-kind Catering Funds for departments and student organizations
 - Meal Plan Scholarships
 - Provide at least 20 scholarships per academic year
 - Food Insecurities
 - Working with campus to address the needs of campus population with food insecurities
- UHDS is a contracted partner under Auxiliary Services
 - Self Supported from program revenue
 - No state funding
 - Cannot use other University funds
 - Can enter into debt service

Program Senior Management

UH Dining Services

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www.uh.edu/af-auxiliary-services/

www.univofhouston.campusdish.com

Auxiliary Services Cash Flow - Dining

University of Houston					
Master Food Service					
Financial Comparison					
	Actuals	Projected	FY2016 Assumptions	Break Even Analysis FY2016	
Revenue:	2015	2016			
In Kind (scholarships/catering)	\$ 170,000	175,000	Aramark contribution - per contract	175,000	Aramark contribution - per contract
Maintenance/Replacement Funds	250,000	250,000	Aramark contribution - per contract	125,000	Aramark contribution - per contract
Lease	1,093,000	1,126,000	Fixed amount per contract	1,126,000	Fixed amount per contract
Capital	250,000	0	Fixed amount per contract	250,000	Fixed amount per contract
Commission	1,951,305	2,009,844	Actual rates from FY15. FY16 was increased by 3%	4,047,424	based on FY15 actuals
Total Contract Revenue	3,714,305	3,560,844		5,723,424	
Expenses:					
In Kind (scholarships/catering)	(170,000)	(175,000)	Aramark contribution - per contract	(175,000)	Aramark contribution - per contract
Utilities	(705,831)	(739,407)	Calculated on FY15 actuals-3% increase	(739,407)	Calculated on FY15 actuals-3% increase
On-Campus Dining Maintenance & Equipment (FAMIS)	(1,230,984)	(1,267,913)	Calculated on FY15 actuals-3% increase	(1,267,913)	Calculated on FY15 actuals-3% increase
On-Campus Dining Maintenance Support (SLA)	(794,811)	(200,000)	Calculated on removing contracted custodial from UH	(200,000)	Calculated on removing contracted custodial
Dining Rent - SC Locations	(43,497)	(43,497)	Fixed amount per contract	(41,393)	Fixed amount per contract
Salaries	(996,597)	(1,026,495)	Calculated on FY15 actuals-3% increase	(1,026,495)	Calculated on FY15 actuals-3% increase
Capital Investment (Earmarked for brand refreshes/facility)	(250,000)	0	Fixed amount per contract	(250,000)	Fixed amount per contract
Total Operating Expenses	(4,191,719)	(3,452,312)		(3,700,208)	
Debt Service:					
Calhoun Lofts	(55,000)	(55,000)		(55,000)	
SC Project - Pro forma	(400,000)	(400,000)		(400,000)	
Stadium Garage (Food Service Contribution)	(150,000)	(150,000)		(150,000)	
Fresh Food Company - Actual	(875,464)	(875,464)		(875,464)	
Cougar Woods - Actual	(542,752)	(542,752)		(542,752)	
Total Debt Service	(2,023,216)	(2,023,216)		(2,023,216)	
Net Cash Flow	(2,500,630)	(1,914,684)		0	

Challenges

- Operating costs continue to rise (CPI, wages, rent, social responsibility, etc.)
- Existing program does not generate enough revenue to be self supporting.
 - 54.4% is subsidized from other Auxiliary Services programs
- Quadrangle to go offline in Dec. 2017 (800 beds ~24 months)
- Current condition of SC Satellite
- Request for more and/or new retail locations, e.g. Law Center, Vietnamese Sandwich Shop
- Expansion of service for religious, vegan, and other dietary restrictions
- Upkeep of equipment and facilities

The Future of the Program

- Enrollment projected to continue to rise at about 3% per year
- Increased number of retail locations on campus causing increase of debt service
- Quadrangle to go offline in Dec. 2017
- Upgrades to the SC Satellite
- Capacity of Fresh Food Company
- Increase of visitors on campus
- MarketMATCH in Spring 2016
- Increase usage will continue to contribute to wear and tear

FSAC-Food Service Advisory Committee

Works with various constituent groups in a proactive way, to ensure there is support for future food service offerings, operational plans, and new program. In addition advises on items which could affect satisfaction and the quality of service being offered.

FSAC Members 2015/2016

- Shane Smith (Chair), SGA
- Tanzeem Chowdhury, SGA
- Jason Wipf, SC Policy Board
- Murietta Flores, SC Policy Board
- Mark Laney, Staff Council
- Terence Turner, Staff Council
- Swati Basu, Faculty Senate
- Lars Grabow, Faculty Senate
- Taylor Archer (Vice Chair), RHA
- Henri Jreji, RHA
- Jamison Carson, At-Large General
- Hejal Soni, At-Large Residential
- Kayla Fischer, At-Large Residential

Meal Plan Structure Goals

- PROGRAM
 - Financially sustainable
 - Affordable
- COMMITTEE
 - Lower point of entry
 - Fewer unused meals
 - Bulk discounting
 - Shift from board to declining balance
 - Commuters to bear more

Continuing the Dining Vision

Accomplishments of 2015-2016

- Extended hours at the Student Center on nights and weekends
- Fresh Food Company will be open for lunch during Spring Break
- Food truck program continues to grow with new trucks added to the rotation and new late night pad
- Extended breakfast at Fresh Food Company during the week
- New Cougar Xpress location at Law Center to open in late Spring 2016
- New Halal and Kosher snacks added at Calhoun Lofts, Cougar Village and SC Cougar Xpress marts
- Continued enhancements to the SC Satellite Starbucks
- Partnership with Campus Kitchens
- Partnership with Urban Experience Program to address food insecurity on campus
- Increased number of student employees
- Increased [Voice of the Consumer](#) score by 40 points

Continuing the Dining Vision

Looking ahead..

- New meal plan options for residential and commuter students
- Continue to enhance residential menus to meet student requests
- Continue to enhance the nutritional program
- Expanding religious offerings
- Growing campus partnerships
- Introduction of Tapingo- Online ordering system
- New meal swipe donation program



Meal Plan Structure Discussion

Based on:

- Student Feedback
- FSAC Committee feedback
- FSAC Subcommittee feedback
- SGA Proposal
- Need for fewer unused meals
- Competitive research
- Financial Analysis
- Building a new sustainable program

Key Research Findings

- Desire for lower point of entry for residential students
- Opportunity for students to give back
- Additional Cougar Cash with meal plans
- Decrease the number of commuter plans

Meal Plan Proposal

Key Changes:

- Fewer plans overall
- Tiered plan pricing
- Board rates address inflation
- Unrestricted guest pass usage on Cougar Choice plans
- Cougar Cash discount removed
- Increased Door Rates
 - Breakfast: \$7.50
 - Lunch: \$8.50
 - Dinner: \$9.50

Residential Pricing

Plan Name	Number of Meals	Cougar Cash	* Board Rate	Total Price	Cost/Meal
Shasta Pass Unlimited	Unlimited	\$100	\$1,850	\$1,950	\$5.18
Cougar Choice 225	225/semester	\$225	\$1,550	\$1,775	\$6.89
Cougar Choice 150	150/semester	\$500	\$1,150	\$1,650	\$7.67
Cougar Cash 1650	NA	\$1,650	NA	\$1,650	NA

* Does not include taxes

Commuter/Voluntary Residents

Plan	Number of Meals	Cougar Cash	* Board Rate	Total Price	Cost/Meal
Block 100	100/ semester	\$250	\$750	\$1,000	\$7.50
Block 50	50/semester	\$100	\$400	\$500	\$8.00
Cougar Cash 1000	NA	\$1,000	NA	\$1,000	NA
Cougar Cash 500	NA	\$500	NA	\$500	NA
Cougar Cash 250	NA	\$250	NA	\$250	NA

* Does not include taxes

Plan	Meals	Cougar Cash	Board Rate	Total Price	Cost/Meal
Shasta Pass Unlimited	Unlimited	\$100	\$1,850	\$1,950	\$5.18
Cougar Choice 225	225/semester	\$225	\$1,550	\$1,775	\$6.89
Cougar Choice 150	150/semester	\$500	\$1,150	\$1,650	\$7.67
Cougar Cash 1650	NA	\$1,650	NA	\$1,650	NA
Block 100	100/semester	\$250	\$750	\$1,000	\$7.50
Block 50	50/semester	\$100	\$400	\$500	\$8.00
Cougar Cash 1000	NA	\$1,000	NA	\$1,000	NA
Cougar Cash 500	NA	\$500	NA	\$500	NA
Cougar Cash 250	NA	\$250	NA	\$250	NA

QUESTIONS?



96% Current Occupancy

Occupancy increased from 78% in 2013 to 94% in 2014.

Even with added beds we are at 96% in Fall 2015.

ODR 2015: 7368 Bookings

297 more than last fall and 2611 more than in 2009

Fall 09	Fall 10	Fall 11	Fall 12	Fall 13	Fall 14	Fall 15
4757	5729	5750	5845	6256	7071	7368

Numbers are from occupancy the week following the Official Day of Record with the University.

Good Stuff!

The 4 year graduation rate for FTIC residents that started in 2010 was 3.5% higher than commuters!

The retention rate for last year's FTIC residents rose by 1.6% to 84.8%, double the increase from the previous year, which was a 0.8% increase, and the year before that, at a 0.3% increase!

Average Cumulative GPA for all residence hall students was 2.97. We will keep working to make it higher.

SHRL STUDENT STAFF GPAs averaged well over a 3.0!

Student Housing Rate Increase Process

Market Research

- C.H.O. informal rate survey
 - 36 regional Universities reported (18 in Texas)
- Residence hall comparison with schools in Texas
- Partnership property & local apartment research

Student Housing & Residential Life Advisory Board

- Student leaders (nominated by SGA, RHA, and RA Staff)
- Staff members (appointed by Staff Council)
- Faculty members (appointed by Faculty Senate)

Vice President of Student Affairs & Enrollment Services

Town Hall Meetings

Board of Regents

Why Rates Go Up

Student Housing & Residential Life is self supporting. Housing does not receive state funding and typically relies *only* on housing fees as revenue.

It is typical that housing rates increase on average between 3 and 5 percent a year...

- **O**peration costs
- **F**acility repairs and improvements
- **P**rogram Improvements
- **D**ebt Service

Why Our UH Rates Need To Go Up

No state funding. Housing fees are only source of revenue.

- Operation costs:
 - Security Services: \$400,000.00 increased this year and increases to \$800,000.00 next year
 - Possible preparation for minimum wage increase for student workers.
 - Anticipated university merit increases/Staffing needs.
 - Meal plan costs may increase, which will increase our operating cost for RAs, RLCs, and FIRs.
 - Our custodial contract is going out to bid this year. This potentially means higher costs.
- Facility repairs/improvements: **Deferred maintenance in “vintage” buildings and unexpected emergency repairs.** *Facilities Management costs difficult to predict.*
 - SHRL and FPC to create a plan to address deficiencies in older buildings. Project budget increased from 500k to 1M. FPC have given the indication that more funds will be needed going forward.
 - Plant Ops has provided SHRL with a planned preventative maintenance program, which requires full funding.
 - As new buildings are going on year 3, yearly room turnover costs are expected to increase with room wear and tear. For example, appliances in Bayou Oaks and Calhoun Lofts have become increasingly more problematic.
 - **Furniture and flooring in Bayou Oaks is a projected 1.4 million dollar project.**
 - **Cougar Village I: unexpected building envelop issue expected to be \$200,000.00 to \$600,000.00.**

Why Our UH Rates Need To Go Up

No state funding. Housing fees are only source of revenue.

- I.T. Cost Increases
 - IT staffing costs and material are expected to increase.
 - Need for infrastructure upgrades (TBD).
- Debt Service: **FY16 \$19,694,306.00** and **FY17 \$19,691,756.00**
 - Debt service continues to be a majority of the operating budget.
 - Sustaining future increase in debt for the rebuilding of the Quadrangle.
- Financial Viability Plan and Operation Debt Repayment is scheduled out until 2020 – 2022 and includes a 3% annual increase projected until FY2020.

SHRL DEBT SERVICE

DEBT SERVICE	FY16	FY17	FY18	FY19	FY20	FY21	FY22
BAYOU OAKS	\$1,201,100	\$1,197,875	\$1,196,000	\$1,197,750	\$1,198,000	\$1,196,750	\$1,198,875
CALHOUN LOFTS	\$7,275,813	\$7,277,863	\$7,276,313	\$7,278,219	\$7,277,925	\$7,279,756	\$7,278,319
COUGAR PLACE	\$2,982,625	\$2,979,000	\$2,983,375	\$2,980,625	\$2,980,750	\$2,983,500	\$2,978,875
COUGAR VILLAGE 1	\$3,623,519	\$3,623,519	\$3,619,519	\$3,620,519	\$3,622,019	\$3,620,519	\$3,620,919
COUGAR VILLAGE 2	\$3,071,125	\$3,071,375	\$3,074,500	\$3,075,375	\$3,074,000	\$3,075,250	\$3,074,000
MOODY TOWERS	\$668,250	\$668,000	\$666,250	\$ -	\$ -	\$ -	\$ -
QUADRANGLE	\$371,875	\$374,125	\$ -	\$1,750,000	\$4,000,000	\$4,000,000	\$4,000,000
UNIVERSITY DEBT PAYMENT	\$500,000	\$500,000	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$1,032,304
TOTAL:	\$19,694,306	\$19,691,756	\$19,315,956	<u>\$20,402,488</u>	\$23,152,694	\$23,155,775	\$23,183,292

Debt Service next year is \$19,691,756.00

C.H.O. Rate Increase Comparison

36 universities in the region (18 in Texas)

Chief Housing Officers in the region asked:

**“Are you considering a housing rate increase
for next year?”**

Approximately 33 responded yes

Indicating 0-10% Increase

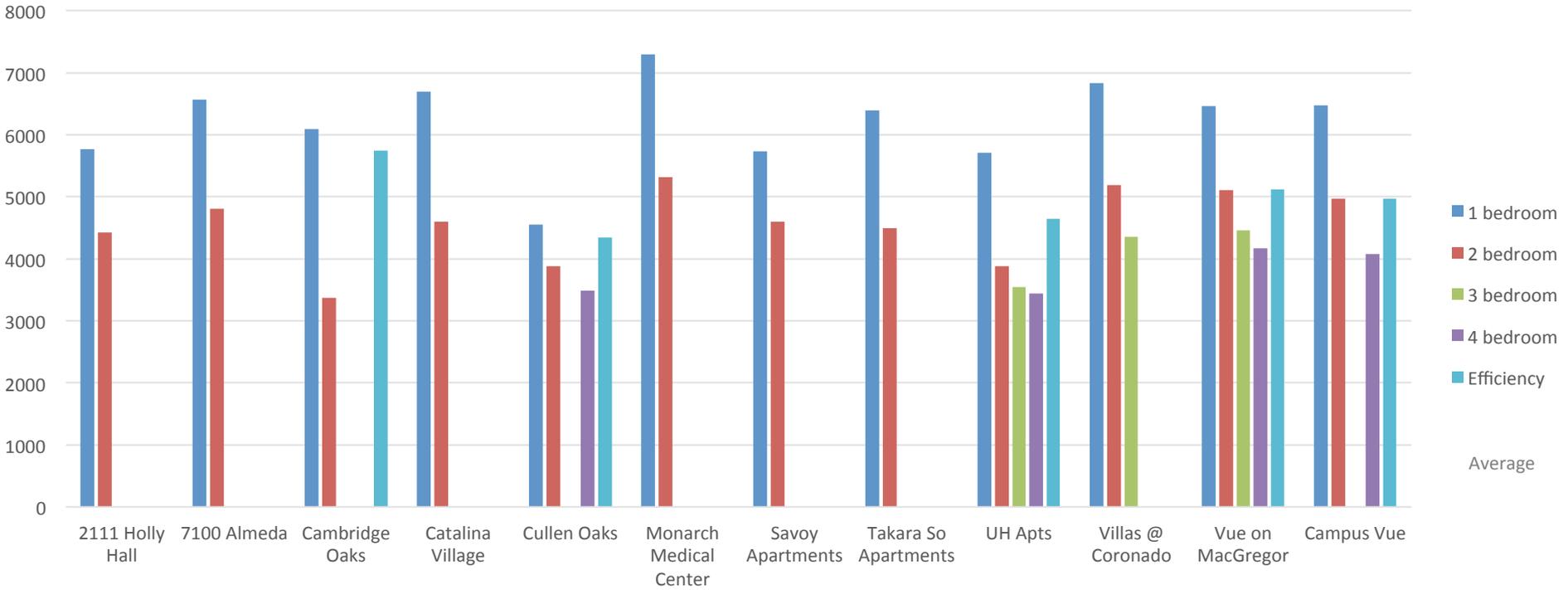
Average increase expected was 3.1%

Informal survey at the CHO Meeting, UT Dallas, November 5, 2015

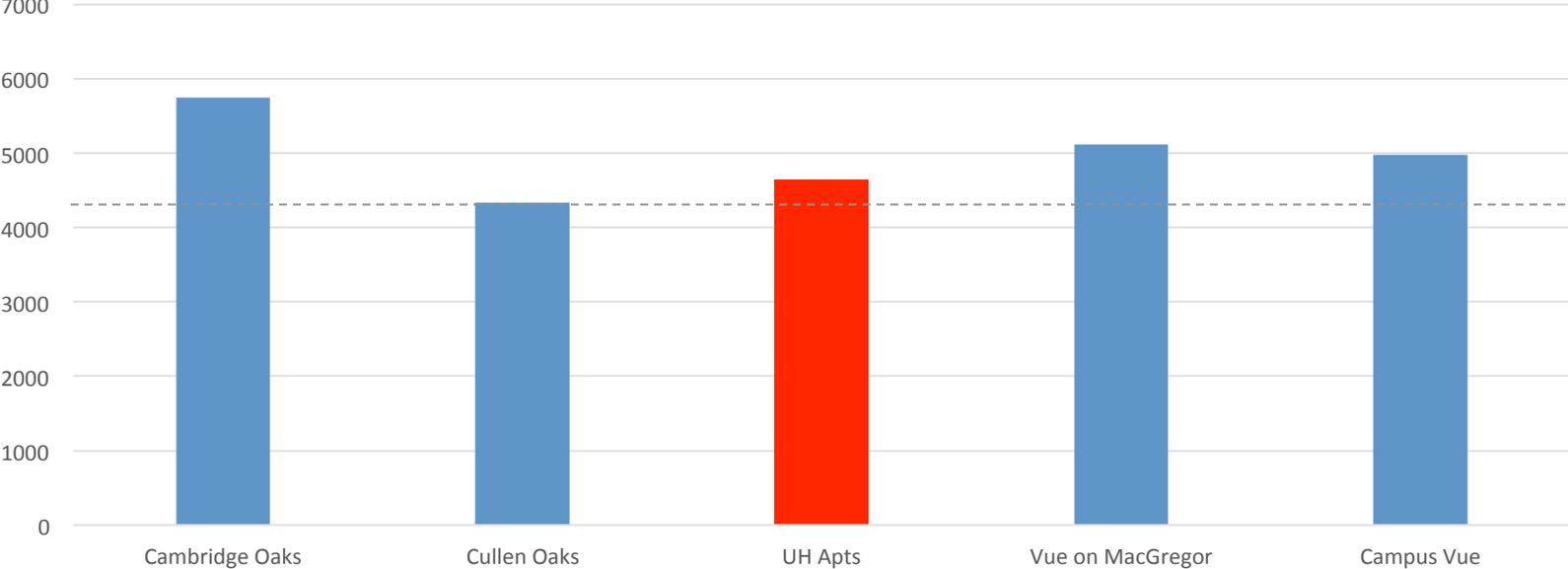
Semester Apartment Rates Comparison to Off-Campus Apartments

Apartment Name	Efficiency	<u>Apartment Type</u>			
		One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
2111 Holly Hall	n/a	\$5,765	\$4,431	n/a	n/a
7100 Alemda	n/a	\$6,568	\$4,810	n/a	n/a
Monarch Medical Center	n/a	\$7,292	\$5,312	n/a	n/a
Takara So Apartments	n/a	\$6,395	\$4,500	n/a	n/a
Villas at Corondao	n/a	\$6,837	\$5,185	\$4,356	n/a
Catalina Village	n/a	\$6,695	\$4,597	n/a	n/a
Cambridge Oaks	\$5,745	\$6,095	\$3,370	n/a	n/a
Cullen Oaks	\$4,340	\$4,550	\$3,884	n/a	\$3,485
Vue on MacGregor	\$5,120	\$6,458	\$5,108	\$4,465	\$4,173
Campus Vue	\$4,975	\$6,475	\$4,975	n/a	\$4,075
Savoy Apartments	n/a	\$5,370	\$4,595	n/a	n/a
UH Housing	\$4,645	\$5,711	\$3,884	\$3,540	\$3,442

Apt. Housing Comparison to UH Housing

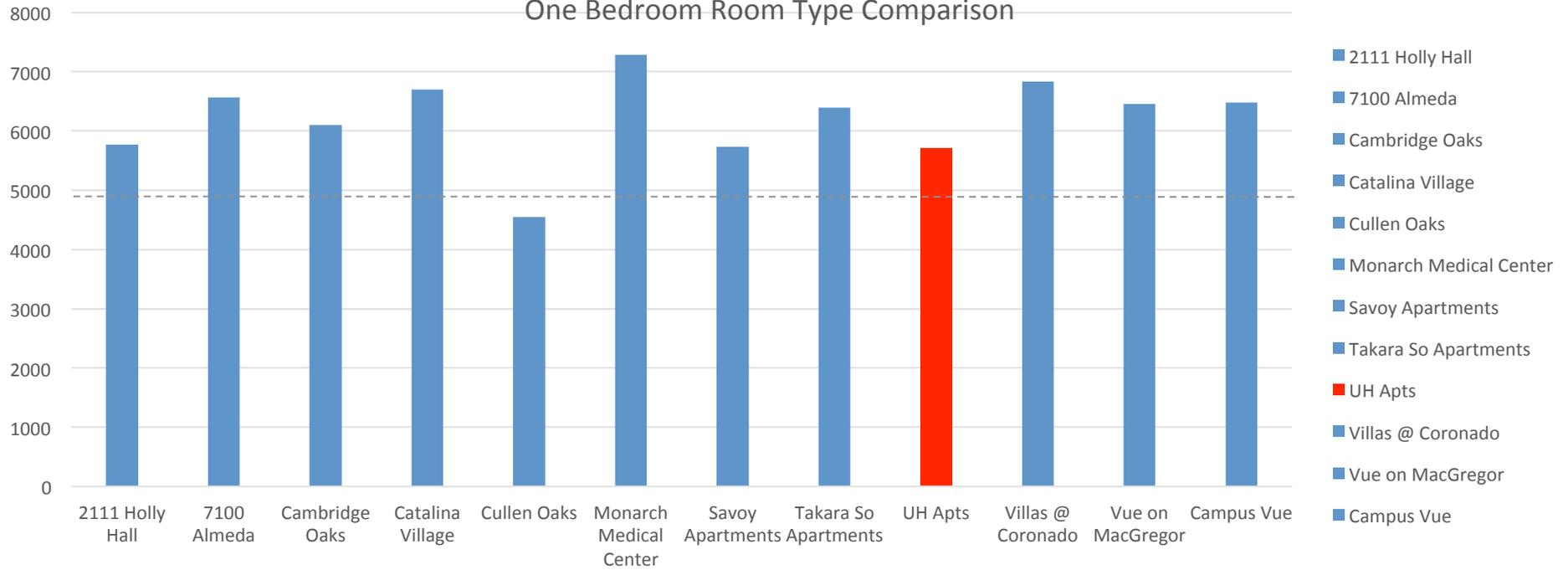


Efficiency Room Type Comparison

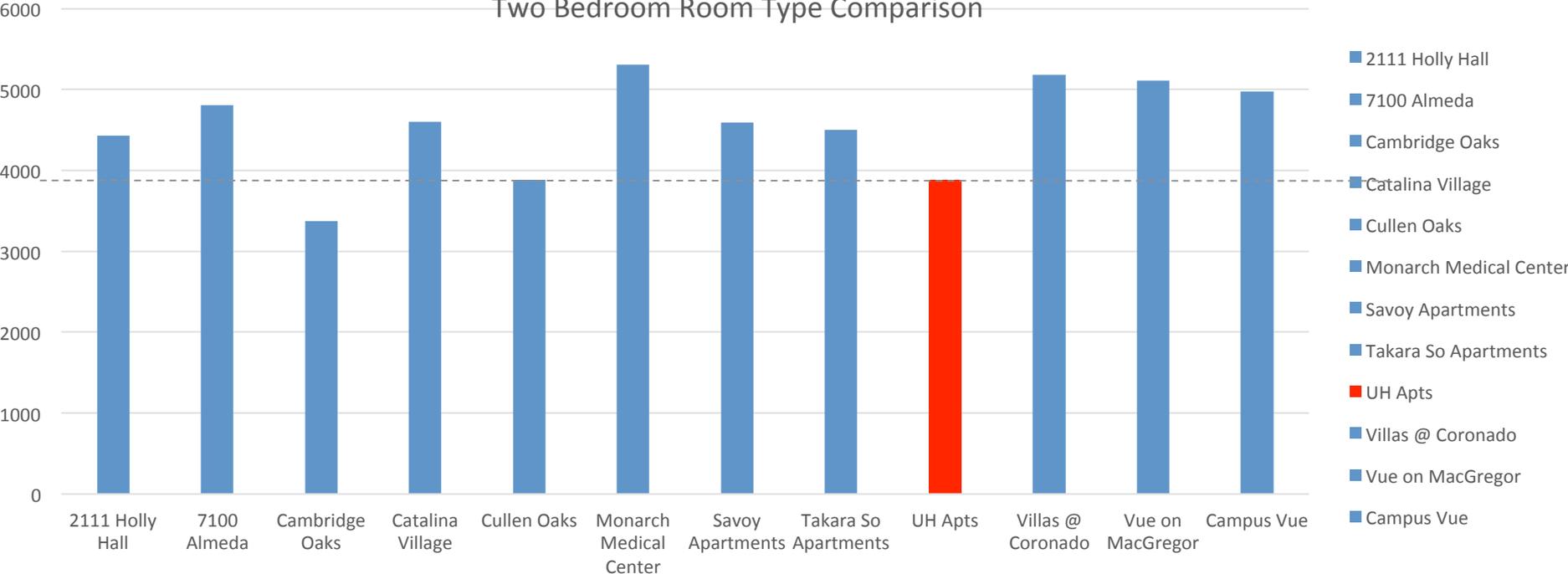


- Cambridge Oaks
- Cullen Oaks
- UH Apts
- Vue on MacGregor
- Campus Vue

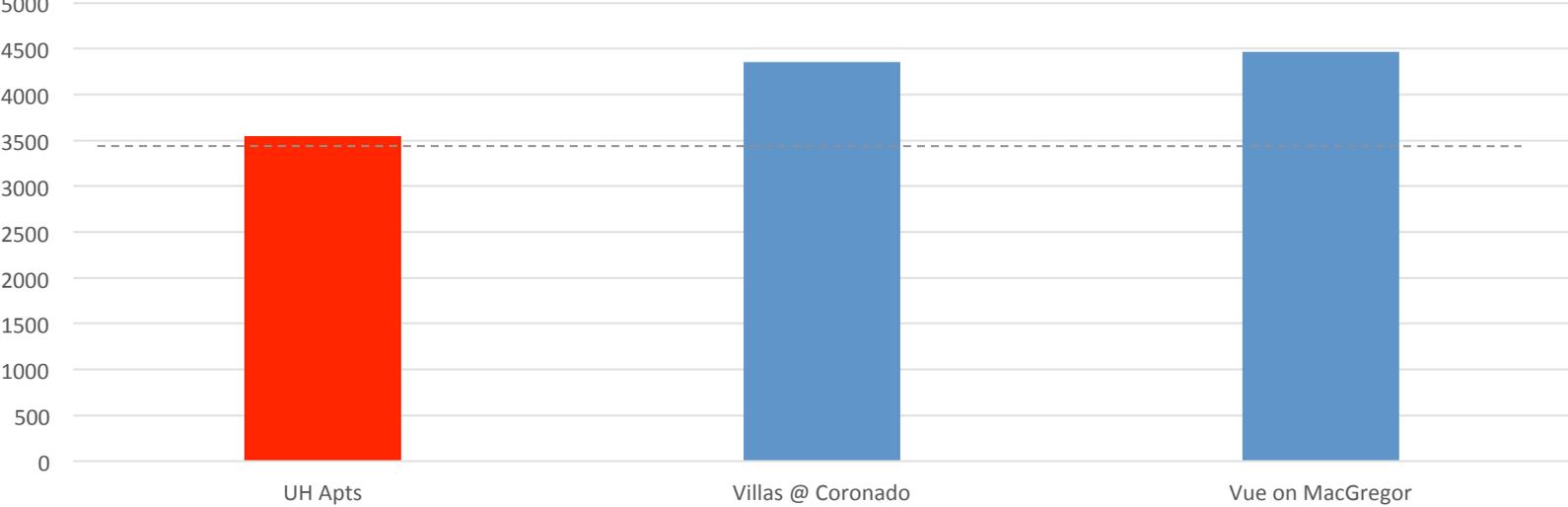
One Bedroom Room Type Comparison



Two Bedroom Room Type Comparison

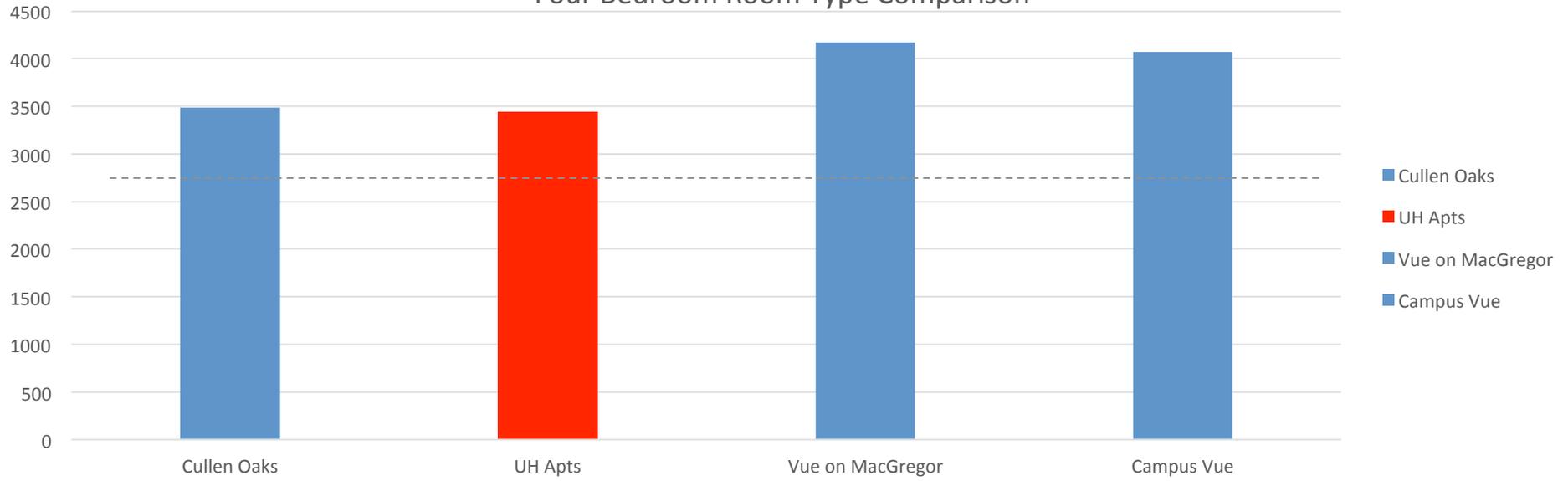


Three Bedroom Room Type Comparison



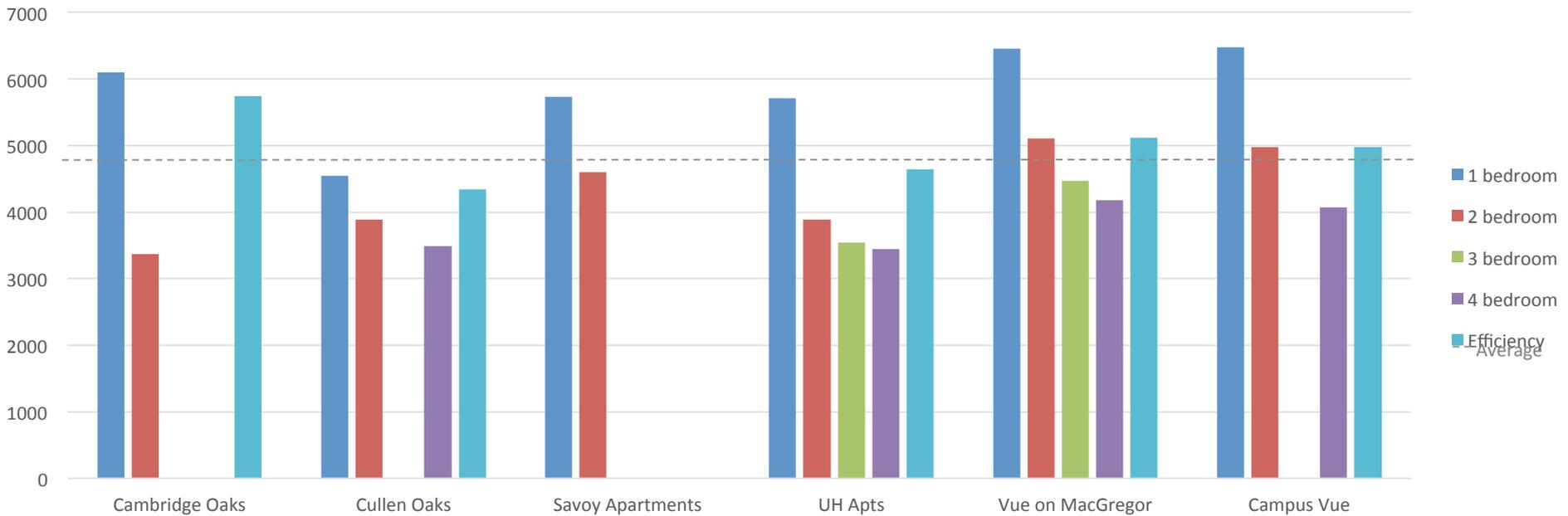
- UH Apts
- Villas @ Coronado
- Vue on MacGregor

Four Bedroom Room Type Comparison



Student Housing Comparison Cost Per Semester*

Just leases to students – Not Multi-family



*Student Housing Rates compiled by:

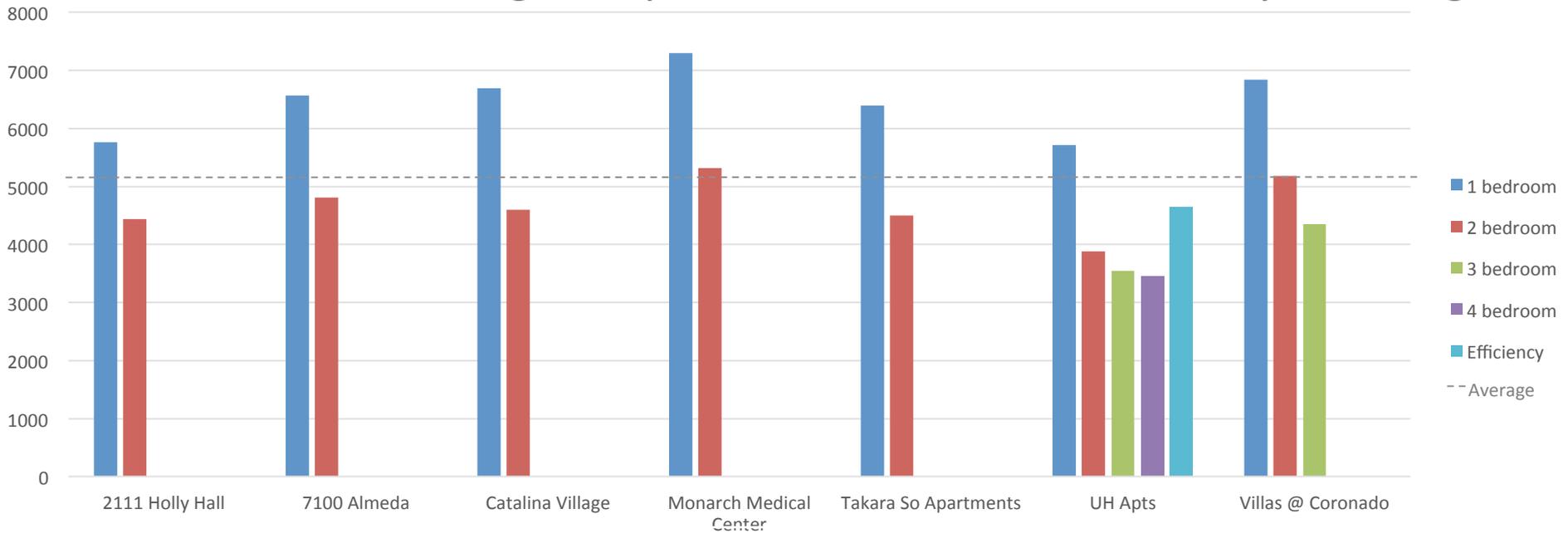
Cambridge Oaks rates include \$750 additional for semester utilities

Savoy Apartments rates include \$1250 additional for semester utilities

Average was used for multiple room types per community

Utility calculation: <https://www.expatisan.com/cost-of-living/houston>

UH Housing Comparison to Other Multi-family Housing**



**Other Housing Rates compiled by:

Rates include additional \$1,500 for cost of utilities per a semester

Two bedroom apartment types are at per person cost with assumption of 2 people

Average used for multiple room types per community

Rates were multiplied by 5 to equal semester value

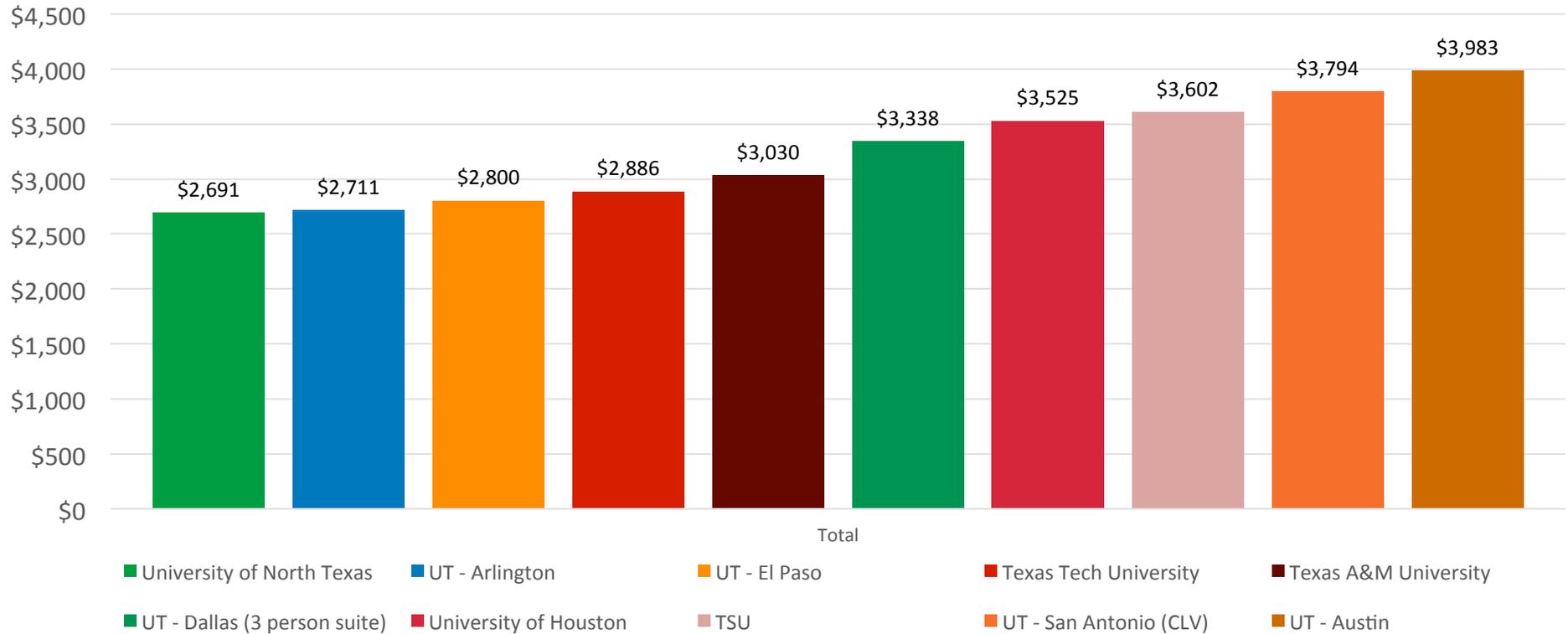
Utility calculation: <https://www.expatisitan.com/cost-of-living/houston>

Semester Room Rates for Air-conditioned Residence Halls and Apartments Fall 2015

Institution	<u>Suite/Private Bath</u>			<u>Community Bath</u>			<u>Apartment Private Bed/Bath</u>		
	Most Expensive	Most Common	Least Expensive	Most Expensive	Most Common	Least Expensive	Efficiency	One Bedroom	Two Bedroom One Bath
Texas A&M University	\$3,717.00	\$3,047.00	\$1,627.00	\$2,970.00	\$2,070.00	\$2,070.00	n/a	\$5,395.00	\$3,340.00
Texas Southern University	\$3,399.00	\$3,399.00	\$3,399.00	\$2,221.00	\$2,221.00	\$2,221.00	\$3,370.00	\$4,000.00	\$4,650.00
Texas Tech University	\$3,220.00	\$2,915.00	\$2,610.00	\$2,255.00	\$2,255.00	\$2,255.00	n/a	\$3,875.00	\$3,700.00
University of North Texas	\$3,110.00	\$2,980.00	\$2,810.00	\$2,465.00	\$2,465.00	\$2,465.00	n/a	\$2,540.00	n/a
UT - Arlington	\$2,286.00	\$2,169.00	\$1,428.00	n/a	n/a	n/a	\$2,645.00	\$4,470.00	\$3,265.00
UT - Austin	\$5,179.00	\$4,429.00	\$4,429.00	\$4,129.00	\$4,129.00	\$3,979.00	n/a	\$2,547.00	\$2,894.00
UT - Dallas (3 person suite)	\$3,168.00	\$3,168.00	\$3,168.00	n/a	n/a	n/a	\$3,150.00	\$3,975.00	\$3,400.00
UT - El Paso	n/a	n/a	n/a	n/a	n/a	n/a	\$3,000.00	\$2,600.00	\$2,800.00
UT - San Antonio (CLV)	\$3,494.00	\$3,494.00	\$3,494.00	n/a	n/a	n/a	\$4,395.00	\$4,795.00	\$3,095.00
University of Houston	\$3,804.00	\$2,924.00	\$2,924.00	\$2,390.00	\$2,390.00	\$2,390.00	\$4,764.00	\$5,881.00	\$4,259.00
Mean	\$3,486.33	\$3,169.44	\$2,876.56	\$2,738.33	\$2,588.33	\$2,563.33	\$3,554.00	\$4,007.80	\$3,489.22

2014 - 2015 Rates

University Comparison*



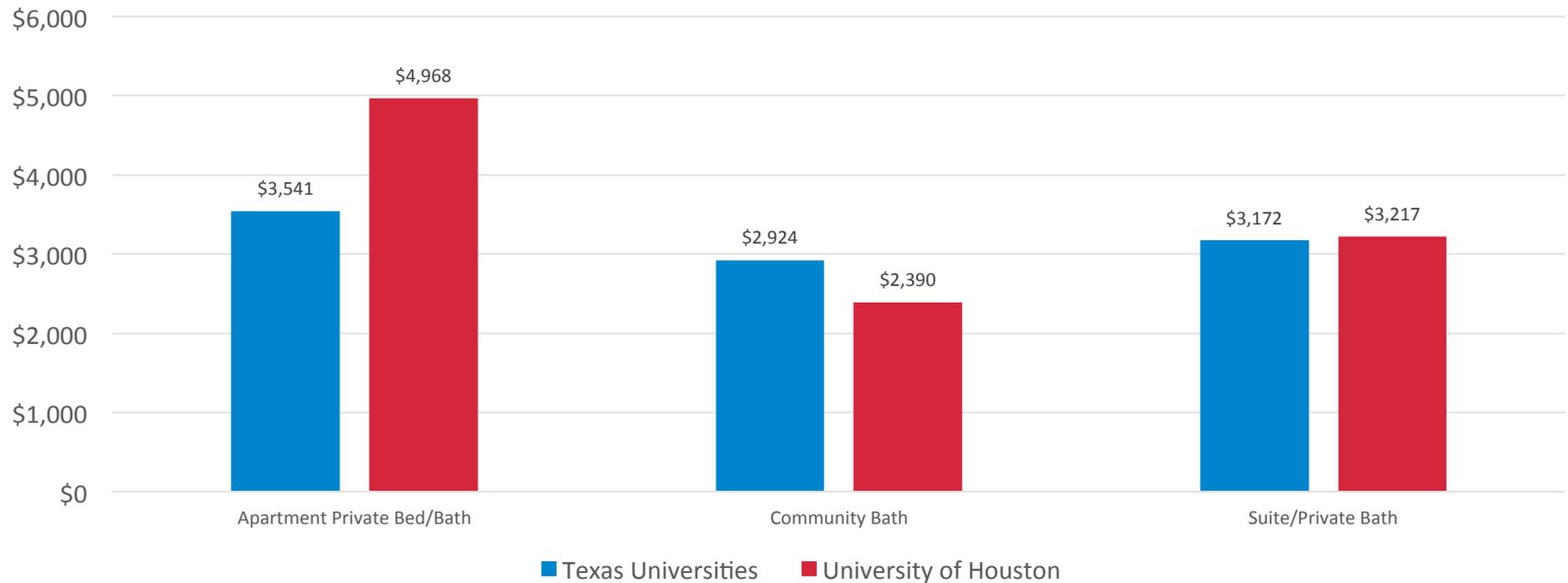
*Room Type comparison compiled using same method but only utilizing:

Cost of most expensive, most common, least expensive suite/private bath

Cost of most expensive, most common, least expensive community bath

Then divide the sum of these figures by 3 (which is the number of figures in each category)

Room Type Comparison**



**University Comparison graph compiled by adding:

Cost of most expensive, most common, least expensive suite/private bath

Cost of most expensive, most common, least expensive community bath

Cost of most expensive, most common, least expensive apartment private bed/bath

Then divide the sum of these figures by 9 (which is the number of figures in each row)

SHRL Proposed FY17 Rates

SHRL Rental Options	FY2017	\$ Change	% Change	FY2016
Per academic semester – academic year options				
Quadrangle Double	\$2,725.00	\$79.00	3%	\$2,646.00
Quadrangle Super Single	\$3,608.00	\$105.00	3%	\$3,503.00
Moody Towers Double	\$2,462.00	\$72.00	3%	\$2,390.00
Moody Towers Single	\$3,070.00	\$89.00	3%	\$2,981.00
Moody Towers Super Single	\$3,366.00	\$98.00	3%	\$3,268.00
Cougar Village I - 2 Bedroom Double	\$3,012.00	\$88.00	3%	\$2,924.00
Cougar Village I - 2 Bedroom Single	\$3,918.00	\$114.00	3%	\$3,804.00
Cougar Village II - 2 - Bedroom Double	\$3,012.00	\$88.00	3%	\$2,924.00
Cougar Village II - 2- Bedroom Single	\$3,918.00	\$114.00	3%	\$3,804.00
Cougar Place - 4 Bed/1 Bath	\$3,591.00	\$105.00	3%	\$3,486.00
Cougar Place - 2 Bed/1 Bath	\$3,918.00	\$114.00	3%	\$3,804.00
Cougar Place - 1 Bed/1 Bath	\$4,027.00	\$117.00	3%	\$3,910.00
Per academic semester – 12 month/academic year options				
Bayou 4 Bed/2 Bath	\$3,545.00	\$103.00	3%	\$3,442.00
Bayou 2 Bed/1 Bath	\$3,730.00	\$109.00	3%	\$3,621.00
Bayou 3 Bed/2 Bath Shared	\$3,646.00	\$106.00	3%	\$3,540.00
Bayou Townhouse	\$3,039.00	\$89.00	3%	\$2,950.00
Calhoun Lofts Efficiency Unfurnished	\$4,784.00	\$139.00	3%	\$4,645.00
Calhoun Lofts Efficiency Furnished	\$4,907.00	\$143.00	3%	\$4,764.00
Calhoun Lofts 1 - Bed / 1 Bath Unfurnished	\$5,882.00	\$171.00	3%	\$5,711.00
Calhoun Lofts 1 - Bed / 1 Bath Furnished	\$6,057.00	\$176.00	3%	\$5,881.00
Calhoun Lofts 2 - Bed/1 Bath Unfurnished	\$4,270.00	\$124.00	3%	\$4,146.00
Calhoun Lofts 2 - Bed/1 Bath Furnished	\$4,387.00	\$128.00	3%	\$4,259.00

The student housing rate increase of 3% will offset deferred maintenance costs, operating costs, and debt service.

Partnership properties: Cullen Oaks 3.9% increase and Cambridge Oaks 1.3 increase for full year and .3 for Academic year.