

FM LIVE COLLEGE & UNIVERSITY
ROUNDTABLE DISCUSSION

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12:30 p.m.

AT THE
JW Marriott
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Managed and Produced by Food Management

TAKEN BEFORE NANCY M. KOTTENSTETTE, RPR, NOTARY PUBLIC
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APPEARANCES

- Becky Schilling, Content Director
Food Management
- Kevin D'Onofrio, Director of Food Services,
U.S. Military Academy
- Sheryl Kidwell, Residential Assistant Director
University of Kansas
- Steve Mangan, Director of Dining
University of Michigan
- Jon Plodzik, Director of Dining Hall
Operations
University of New Hampshire
- Jim Ruoff, Resident District Manager
Binghamton University

ALSO PRESENT: Audience of Sponsors

1 MS. SCHILLING: Okay. So welcome to the
2 FM Live roundtable. Very happy that you guys could
3 be here with us. Some of our colleagues are having
4 some trouble in transit. So if they come in as the
5 event comes on, then we'll have them join us.

6 I just want to start off and thank our
7 participants for being here and also for our
8 sponsors. We can't have events like this without
9 our sponsors, so thank you to everyone for that.

10 We do have an agenda here. We'll kind of play
11 it by ear and see how things go. My name is Becky
12 Schilling. I am the content director for Food
13 Management. Content director is a special word for
14 editor-in-chief.

15 I just want to get started and have all of our
16 participants introduce yourselves. Tell us just a
17 little bit about your university to help us get an
18 idea of what you guys have on campus in terms of
19 student size, enrollment, that kind of thing.
20 We'll start with you, Kevin.

21 MR. D'ONOFRIO: Great. My name is Kevin
22 D'Onofrio. I'm director of food service at the
23 United States Military Academy. We have about
24 4,500 students, and to me we're a small campus.
25 But, luckily, for the job that I do, they eat like

1 a college of probably 14 to 16,000. They like to
2 consume a lot of calories, so that's good.

3 I have ten retail outlets that I kind of
4 oversee from catering to a sports bar to
5 concessions to mini food court to coffee shops and
6 probably a few things I missed. That's, roughly,
7 what I do each day and keeps me busy to its
8 fullest.

9 MS. SCHILLING: Perfect. Thank you.

10 MR. MANGAN: I'm Steve Mangan. I'm the
11 director of dining at the University of Michigan in
12 Ann Arbor. We have 45,000 students, so we're a
13 little bigger than the military academy. But we
14 have 9 dining halls, 24 retail ops, C-stores,
15 cafes, and we also have a significant catering
16 presence on campus.

17 Just recently this year, we've gone through a
18 reorganization and created a new department out of
19 pulling the residential and the retail and catering
20 ops together, which were currently -- or before
21 that were two different businesses. We have had an
22 interesting year this year, lots going on.

23 MR. PLODZIK: Good day. I'm Jon Plodzik. I'm
24 the director of dining hall operations at the
25 University of New Hampshire. University of New

1 Hampshire is comprised of three all-you-can-eat
2 dining halls, and, currently, we have nine retail
3 venues. We have a couple satellite venues off
4 property as part of the university system of New
5 Hampshire.

6 We have about just under 12,600 or so
7 undergraduate students. We have currently -- last
8 fall we had just over 11,000 people on a meal plan,
9 so almost everyone that you bump into on campus has
10 a meal plan, including about 500 or so faculty and
11 staff who buy into the program. Of that number,
12 about 6,000 is required based on their living in a
13 dormitory. So almost 5,000, thereabouts, has
14 voluntarily purchased a meal plan.

15 We have incredible volumes within the three
16 dining halls, and we're a continuous nonstop
17 feeding machine until 11:00 at night when we get
18 tired enough we call it done. We say go eat
19 somewhere else. So happy to be here with you folks
20 today.

21 MS. KIDWELL: Hi, I'm Sheryl Kidwell. I'm
22 assistant director for residential dining at the
23 University of Kansas, so we're right in the heart
24 of the country. And University of Kansas is about
25 27,000 students. We have just under 4,000 on the

1 dining plan. We have 22 operations across campus,
2 three residential all-you-can-eat dining centers,
3 three retail cafes, seven snack bars, five coffee
4 shops. We're self-operated, so we oversee all of
5 that. Plus we do the catering on campus, training
6 table in its flux, and that pretty much covers us.

7 MR. RUOFF: Hi, I'm Jim Ruoff. I am the
8 resident district manager at Binghamton University
9 Dining Services by Sodexo. Yes, I'm one of the
10 dirty contractors in the room.

11 My campus is in the southern tier of New York,
12 part of the SUNY system. We are one of the four
13 university centers in the state of New York. Over
14 60 institutions are part of the SUNY system. We
15 have 17,000 students on our campus. 7,000 live on
16 campus with mandatory board plans. We have another
17 3,000 voluntary meal plans that we sell.

18 We have four resident dining halls on our
19 campus and 19 other points of service, including
20 catering, concessions, and four satellite
21 operations. And we just retained our contract for
22 another ten years, so it's been a good year at
23 Binghamton University.

24 MS. SCHILLING: So now that we kind of have an
25 idea of each other's operations and scope, I want

1 to start off with just a pretty general question
2 for you guys, which is: In the last couple of
3 years, what has been your biggest challenge? And,
4 conversely, what has been your biggest success?

5 We'll go opposite this time. Sorry, Jim.
6 You're up first.

7 MR. RUOFF: Biggest challenge, one of the
8 things that we face -- and the answers -- and the
9 questions coming down I think it's going to be
10 addressed probably -- is the amount of food
11 allergens on our campus.

12 The students are coming with wheat allergies,
13 nut allergies, and we need to address these now.
14 It's important. We had a student come to us this
15 week at orientation with a food -- an airborne nut
16 allergy that it's like, How are we going to address
17 this?

18 And, you know, right now we're working with
19 dietitians. We might have to shuttle him food, but
20 that's what we have to do now to address these very
21 important matters on our campus. It just seems
22 like the numbers -- I don't know what you're
23 experiencing, but the numbers just seem to keep
24 growing every year with these needs. I think that
25 has been, in my mind, one of the biggest things we

1 faced in the last couple of years.

2 MS. KIDWELL: I would absolutely echo that.
3 We have done a great deal with that. Over the
4 years when we renovated our last dining center, we
5 put in what's called the KYOU, K-Y-O-U, zone. It
6 was designed and equipped just for that reason, and
7 we've already outgrown it.

8 Even though it's not a large number, when you
9 put percents to the number of students we have on
10 the dining plan, it's still an important group. So
11 we work really hard to accommodate those. And I
12 think we've done a lot, but I don't think it's
13 anything that's going away. We've got to continue
14 to recognize that as we look at new designs and new
15 builds on campus.

16 And you mentioned that -- I'm just going to
17 throw this out really quickly. We have a question
18 that just came across yesterday, if anybody knows
19 this religion Jainism, J-A-I-N-I-S-M, and he's
20 moving -- because our university has recently
21 contracted with Shorelight, and Shorelight is a
22 group that goes out and internationally helps
23 recruit international students and increase that
24 population, which is another challenge of looking
25 at how do they typically eat and what do they think

1 of our Americanized version of these kind of ethnic
2 foods.

3 But this one was new to me, and so we're
4 looking at -- because he's coming in and it's a
5 religion where they are strict vegan. But above
6 and beyond that, they do not eat root vegetables
7 and anything that's been in the ground. And a lot
8 of them, even if it's fruit-bearing trees, it has
9 to have fallen off the tree. There can't be any
10 damage to the ground or insects or anything. So
11 we're like, Whoa.

12 Because we also just opened a new concept. It
13 was actually an idea that's born by our NACUFS
14 interns last year called Nature's Finest, which is
15 an idea they had. We took it and ran with it. And
16 one of my managers is a strict vegan, so we're
17 opening this Nature's Finest, a plant-based
18 concept, in our residential dining centers this
19 month.

20 So we thought, Oh, but there's so much in
21 there that is root vegetable based and that kind of
22 thing, so, anyway, that's a really interesting
23 challenge that -- more to come if you're interested
24 to see what we do with it.

25 I would say the other one for us is, of

1 course, food cost, which is pretty obvious. But
2 our campus plan, too, we're being very aggressive,
3 and it seems like -- I'm sure you-all have this
4 challenge as well. Every time they build a
5 building, they want some kind of coffee shop or
6 something going in it. And so we're kind of
7 struggling through that challenge and trying to
8 educate them on what makes good business sense
9 versus -- yeah.

10 MR. PLODZIK: I would echo the food allergy
11 concern is growing. A lot of things that's been
12 particularly troubling for us at the university is,
13 because of our financial model, we have about half
14 employees who have full benefits and about
15 60 percent who have nothing more than they get a
16 paycheck at the end of the week.

17 So they're classified by us as temporary
18 workers, so that's the financial model that works
19 for us based on I need to return to the university.
20 And so it's getting more and more difficult for us
21 to obtain quality applicants and retain quality
22 applicants because you have to have someone pass
23 away in a benefited position in order for it to be
24 open.

25 And then, historically, over the last couple

1 years, as soon as a position was available, it had
2 benefits, it was kind of removed from my
3 availability. Because of budget, Oh, you know
4 what, do you really need to have that position?
5 You could probably get somebody who would do that
6 on a temporary basis and such, so it really, quite
7 honestly, ruins your culture, and it cheapens your
8 program if you're not really careful and conscious
9 of this.

10 We spend an awful lot of time trying to
11 counter that by really trying to sell the wonderful
12 attributes about working for UNH dining and the
13 culture that we created. Because I know at the end
14 of the day they could get a job somewhere else that
15 might pay more, and they could get a job,
16 certainly, that would have benefits in the area
17 somewhere.

18 So how do I hold onto those folks? And I do
19 it by trying to provide some things that make them
20 feel like, Boy, I have to do this. I have to work
21 at UNH. I love working with Jon.

22 That's been a real struggle for us. I don't
23 think it's going to get any easier with the economy
24 for sure. As it gets better, I'm losing good
25 players right now.

1 And I was telling my boss, What do you mean
2 you need to hire 18 people?

3 I'm like, Yeah, people depart, and that's what
4 happens. When you don't offer them any security,
5 guess what, they're not secure, and they run. I
6 think that's going to be something we're going to
7 have to deal with and trying to find that balance
8 financially.

9 You have to do the right things, and sometimes
10 you need to cough up some money to do it. And we
11 haven't got to the point yet is what people are
12 willing to say these should be benefited positions.

13 And it was interesting, as a little side note,
14 I actually thought when we had the health care act
15 we would end up having all these people have
16 benefits. And they skated around the whole
17 equation by limiting the number of hours we can
18 have them work, which is another problem for the
19 operator, the person who kind of coordinates that
20 piece.

21 Because now these individuals who don't have
22 benefits need to work and they want to work with
23 us, but they don't have any vacation time. They
24 work year-round, and all of a sudden you can't have
25 them work year-round. You have to have the summer

1 off. And the immediate question is, What am I
2 going to do now?

3 And so you know when they're off in the summer
4 you may never see them again. I send a lot of nice
5 letters. Hope you're enjoying your summer. I miss
6 you a lot. Please come back to me. Miss you.
7 I'll give you a big hug when I see you, that type
8 of thing, but enough from me.

9 MR. MANGAN: I would say at Michigan our
10 biggest challenge, as related to Jon's, it's around
11 our labor management. Maybe a couple things are
12 adding up to create problems for us.

13 No. 1, we're a publicly funded university with
14 a lot of scrutiny at the state with containing
15 costs.

16 No. 2, we've moved our program into these new
17 dining halls that are driving culinary, driving the
18 need for talent, bringing people out. It really
19 takes more people to run our operations than it did
20 when everything was kind of scoop and serve.

21 So what we're seeing is -- on top of that,
22 we're seeing an erosion of our student base.
23 There's fewer and fewer students at Michigan that
24 are interested in working for us, and our labor
25 model is built around hiring and employing about a

1 couple thousand students every year.

2 We're short significantly with student
3 employees to the tune of 25 to 30 percent, which
4 then forces us to go to temporary employees, which
5 aren't really the numbers we need, two to three
6 hundred of them. And the turnover that's
7 associated with that, we end up -- the talent we
8 get is just dismal.

9 And the third piece, our full-time staff is
10 locked in, as Jon says. We have to have a business
11 need to add more full-time positions, which then
12 multiply out when you're putting benefits to the
13 tune of 30 to 40 percent on top of the salaries.

14 So we're managing through all that, just
15 recruiting talent and management is very difficult.
16 I think we're seeing more and more opportunities.
17 As our college and university segment drives our
18 culinary expertise, we're seeing more interest in
19 it. We're starting to recruit regionally now for
20 chefs. The CIA has just added a food service track
21 now, so I think we're going to see maybe that will
22 get easier.

23 It's going to inflate salaries. These chefs
24 are going to keep wanting more money. It's an
25 interesting situation we find ourselves in as we're

1 driving forward with making our programs more
2 current, more interesting, more relevant to the
3 student experience in our culture today. Labor is
4 going to continue to be a problem for us.

5 MR. D'ONOFRIO: I have two, but staffing being
6 probably our biggest challenge because the
7 geographic area where West Point is situated with a
8 river, federal land, state land, and kind of a
9 mountain that separates us from any population over
10 6,000 people is kind of a challenge.

11 Couple that with the fact that when you're
12 employed by me, you're a federal employee, and the
13 background checks that are just fierce today. And
14 it actually takes -- by the time I put in a request
15 for someone to -- for a job to be advertised, it's
16 somewhere between 8 and 10 weeks before I can get a
17 person in. That means I probably interviewed them
18 probably two weeks into that, maybe three weeks
19 into that.

20 By the time I interview them and select them,
21 you've got the job, they've selected another job
22 before they get the phone call that you're finally
23 ready to start work. So it's really the geographic
24 area. Couple that with the federal rules now of
25 employing people on federal property just really

1 hampered that effort. I wish it could be
2 streamlined.

3 I try to do a workaround every single
4 procedure and we're coming up against that brick
5 wall. The best I could do, instead of maybe
6 10 weeks, it might be down to 6 or 8 weeks, which
7 is still a long time.

8 And, again, for us at West Point, we can't
9 employ any students, although we do use students as
10 a volunteer group at our concessions. That was
11 really a big change because all the students -- all
12 the cadets who are students at West Point have to
13 attend the football game. And ten years ago when
14 we took over concessions, we asked for students to
15 be able to volunteer there as a volunteer group or
16 their club to be able to receive that percentage.

17 And I remember the command at West Point
18 saying those cadets are going to be missed in the
19 stands. I'm like, You're going to miss 20 of them?
20 Now we're up to 300, and they're still not missed.
21 It's a good benefit for them to, A., get some
22 experience, and, again, the fans at the game
23 actually like coming to those stands, whether it's
24 a volleyball team or the parachute team or the
25 equestrian team. They actually like going there

1 and being served by the cadets. It's a win-win for
2 them.

3 The other one, I would say, is today's student
4 is really raised and born and raised on what they
5 want, when they want it, and how they want it.
6 That's certainly not a phrase that I made up. It's
7 one that I've heard over the last 12 months, and
8 I've got to tell you. It's nothing -- it's
9 certainly the truth. We all did it in this room to
10 them. Society did it.

11 And they certainly want choice. They
12 certainly want what they want, and they want how
13 they want it and when they want it. Of course, it
14 has to be for the best price. Just like on any of
15 your campuses here, you know, we've gone from food
16 being good to they expect now a five-star
17 restaurant to be able to dine every day, every
18 meal. Those are some of the challenges that I'm
19 faced with, but I think they affect most of us
20 here.

21 MS. SCHILLING: Several of you mentioned labor
22 as an issue. So there have been several states who
23 have enacted minimum wage increases, and there's
24 been proposals of maybe a federal. What would that
25 mean for you guys?

1 MR. RUOFF: Well, in the state of New York, I
2 have gone through three minimum wage increases in
3 the last three years. It's gone from 7.75, and in
4 December we're going to \$9 an hour. And what does
5 it mean for me? No. 1, we were a very attractive
6 employer a few years ago when we were starting
7 people at 9.50 an hour. Because of our union
8 contract and the economies of our business, that
9 9.50 an hour is where we've got to start them, but
10 now it's not as attractive anymore.

11 It's all compressing, and when you're
12 attracting the talent now we need to attract, it's
13 very difficult. We don't have that anymore just as
14 a -- we do have the health care, which helps. But
15 the minimum wage and what do you do with these
16 costs? These costs are real. We just can't pass
17 them all off to our students. We need to find
18 efficiencies, and that's doing more with less,
19 which in this business we've been doing for
20 20 years.

21 MR. D'ONOFRIO: And not sacrificing quality.

22 MR. RUOFF: Not sacrificing -- improving
23 quality.

24 MR. PLODZIK: And not raising prices.

25 MR. RUOFF: And not raising prices.

1 MS. KIDWELL: But not increasing hours.

2 MR. RUOFF: Trying to make this all mesh is
3 what we get paid for, but it's not easy and not
4 getting easier.

5 MR. D'ONOFRIO: I'm really torn with minimum
6 wage. Minimum wage, you know, New York state is
7 8.75 as of right now. But for most of the entry
8 level folks that I hire are really high school
9 kids, maybe some moms or second-jobbers, as I call
10 them, looking for that extra income.

11 Now, again, if you're serving folks and
12 catering, you're going to get a tip. That's great.
13 Most of the folks I'm hiring at that minimum wage
14 of 8.75 they come to me with no skills. So, I
15 mean, I think we're okay there. Certainly, if they
16 come to me and they have experience, we're going to
17 end up finding another job and pay them more.

18 Some of the talk a few months ago was raising
19 minimum wage to \$15. I understand people need to
20 make a living and people have expenses. God
21 knows -- we all know that in this room. I think
22 there's a balance, just like Jim is saying, of what
23 really is fair and what is really right.

24 For entry level positions -- again, hiring
25 entry level positions, if the person is working out

1 really, really, really, really well, I would hope
2 that, at least for me, I'm going to advance them.
3 Now, maybe they're stuck somewhere in fast food
4 land somewhere. I don't really know, but I just
5 think the harder you work, the more you're going to
6 advance. So, therefore, your pay is going to
7 increase. Maybe I'm looking at it wrong. I don't
8 know.

9 MR. MANGAN: In Michigan we compete with the
10 businesses in Ann Arbor, so we're surrounded by
11 restaurants. We're surrounded by places where the
12 students can make a pretty good wage. So our
13 starting wages for students are going up to \$10 an
14 hour this year. Our temp employees are up around
15 12. Our full-time or unionized, they're all on
16 living wage standards plus benefits. So we're in
17 good shape.

18 We just have to build it into the program, and
19 as things move up, we're probably going to try to
20 keep with it. We can't find enough students at the
21 \$9 wage we pay now. We're going to have to go up
22 to attract them. Ten dollars an hour is cheaper
23 than hiring more temps.

24 MR. D'ONOFRIO: If everybody is increased in
25 minimum wages, that cost is going to be passed on

1 to everyone coast to coast.

2 MR. MANGAN: And we have promotional jobs for
3 all the students as well. So they can be making
4 13, 14, 15 dollars an hour if they want to take
5 leadership roles as well. So what we're seeing,
6 though, with this is management wage compression.
7 We're going through an equity survey right now.

8 We're going to be raising our entry level
9 wages this year. In the retail areas, as I
10 mentioned, we've got 24 operations. It's going to
11 cost us close to 100,000 to raise the management
12 wages up to where we need, and then in the
13 residential area, it will probably be in that same
14 ballpark. There's significant costs that are
15 adding up with this.

16 We can't recruit entry level management
17 because it's getting where you need to pay 40,000
18 to get somebody out of college.

19 MR. D'ONOFRIO: Just to start.

20 MR. PLODZIK: You know, we struggle
21 particularly with the student piece. Most of my
22 other staff are above even the \$10, but the city of
23 Portland, Maine, which is an hour from me, raised
24 their minimum to \$10 an hour within the city. So I
25 know the city of Portsmouth, which is right in my

1 backyard, will match that because that's a
2 competing city.

3 We were trying -- so the student piece is a
4 challenge for me, and then we'll get that
5 compression where students are making very close to
6 what our full-timers are making. They might be
7 making 1.50 more an hour, and then you start
8 thinking, What is this about?

9 And we've been trying to find ways,
10 particularly on Friday and Saturday nights when
11 almost everybody that works with me calls out, to
12 try to get people to -- to try to provide some sort
13 of incentive. So the university had wonderful
14 policies. We'll give you an extra quarter an hour
15 if your whole schedule occurs after 3:00, but
16 people are like a quarter doesn't really add value.
17 Who cares, you know. Let's go to the kegger is
18 kind of the motto.

19 So we're raising our student wages this year,
20 but the challenge -- and I just threw it to the
21 managers -- is we have to make that increase of
22 75 cents on hour fit into the same budget number
23 that we had prior to that.

24 Because for us we're always sending our
25 budgets and locking in almost a year ahead of time.

1 It's probably about 10 months ahead of time. So to
2 all of a sudden go -- this was the first year I
3 didn't have a waiting list of students to join us.

4 I think it's because the economy is better.
5 Parents are saying you don't need to work. I've
6 got plenty of money, and because we've spoiled
7 them, like Kevin has indicated on the food, they
8 know, Hey, why would I want to work on Friday
9 night? I don't have to; right? Couldn't I get
10 something to work somewhere else Monday through
11 Thursday during the day? Perfect.

12 And so, you know, those are the hours that I
13 need people the most. Those are the nights we're
14 the busiest in our retails and, you know, even in
15 the halls still cranking away. And there's nobody
16 in the dish room. I'm doing what Steve is doing
17 saying is there a temp agency I'm pulling people in
18 and such.

19 So it's not a good picture, and I think the
20 idea of raising the minimum wage is going to
21 continue to put more pressure on us to try to find
22 ways to drive costs out of this model somewhere to
23 balance it all and then deal with the fact that
24 once you raise that minimum everyone is going to
25 have to go up to keep it kind of consistent

1 throughout.

2 I might be the only person working on finding
3 that, and I'll probably be making less than minimum
4 wage. That's my concern right there.

5 MS. KIDWELL: We've seen, of course, the same
6 struggles in the Midwest as well. I think Kansas
7 is still 7.55 minimum wage, and we were at 7.80 a
8 couple years ago and same struggles. We are the
9 largest employer of students on our campus,
10 obviously, 500 to 600 students that we need.
11 Actively recruiting as we speak.

12 And so we finally decided we've got to do
13 something about this. With the pressure of minimum
14 wage, we knew it was coming. If it is 10, 13 that
15 they're saying, for us to make a jump from 7.80 to
16 13 is going to be too much.

17 So we went to 9.22 an hour. So all of our
18 students start at 9.22 an hour, which in our area
19 is pretty good. But still the same struggles. We
20 thought, Oh, no problem recruiting. No problem
21 retaining them. We're still seeing some of that.

22 We're looking for what other incentives. A
23 quarter an hour here, 50 cents there isn't quite
24 enough to be there. We're looking at the quality
25 of the job and making sure they feel welcome and

1 needed and part of it, but that only gets you so
2 far too.

3 And then the same thing we looked at our
4 full-time staff, and we're able to do -- because we
5 are under the state of Kansas, our dining service
6 is. Even though we're self-op, we're under the
7 Kansas Memorial Union Corporation, so we don't have
8 to follow all the state. But we try to play nice
9 and do that. We were able to make this jump
10 because our employees aren't paid through the
11 state, same with our full-time staff.

12 So we were able to do -- when the state did
13 kind of a re-org and a look at their system, we did
14 the same thing with ours. Still that 9.22 to 10.80
15 start is still close, so we've got to continue to
16 look at that too. And, unfortunately, what that
17 means is, yeah, we're trying to do more with less
18 full-time skilled staff and use these part-time
19 staff where we can, but sometimes that's -- that's
20 a tough give and take.

21 MR. RUOFF: And one of the things we've done
22 to address the students is -- and, Kevin, you don't
23 have this opportunity, I don't think, but because
24 of the international students on our campus, we are
25 one of the few people that are able to employ them.

1 So I have stacks of student applications. I'm
2 lucky there, but it gets us a whole other set of
3 opportunities. They're all extremely intelligent.
4 They're all extremely hard working. They're
5 amazing young people. It's just they don't
6 understand English sometimes, and that is a real
7 barrier.

8 And, unfortunately, I had a situation where a
9 student asked one of my line servers, Are there
10 nuts in this pesto? Of course, there are. It said
11 on the sign there was, but the student didn't
12 completely understand and just agreed. And,
13 luckily, the student had its EpiPen.

14 So we have situations like that where we do
15 have opportunities. That's something we're trying
16 to address it, but now how do you break down the
17 language barriers to use this very hard working
18 group of students that are available to us?

19 MR. D'ONOFRIO: It's also the age group. You
20 know, the millennials, what do they want? They
21 want that instant reward, instant satisfaction.

22 So, again, for me it's trying to figure out
23 outside of that box that I'm working in how can I
24 reward the students that I hire that are high
25 school kids, but also how can I reward people that

1 are, you know, in that 9, 10, 11, 12, 14 dollar
2 range -- entry level I'll call it, how can I reward
3 them besides the quarter an hour, which doesn't
4 seem to work. Yet we want them to work Friday
5 night and Saturday and Sunday.

6 So it is really a challenge. I don't have the
7 answer yet, but I am, you know, working hard to try
8 to figure out what benefits that may or may not
9 cost me anything can reflect that reward system of
10 what the millennial is looking for.

11 MS. SCHILLING: Let's stay on that millennial
12 fence. It's the buzz word at every conference you
13 go to. Are millennials that different to employ
14 and to serve? Are they that different from any
15 other demographic that you guys have seen before?

16 MR. PLODZIK: I would say they certainly come
17 with their requests and expectations. I think
18 that's part of the employment problem is the
19 expectation is I'll work when I want to work, and
20 if you don't have what I want, I'll go somewhere
21 else.

22 And that, literally, is kind of the attitude,
23 unfortunately, and I think in the past, we had
24 people that really needed to work. And, you know,
25 I had parents grabbing me at orientation say, My

1 son needs to work; where can he work for you and
2 everything. And people weren't so much into the
3 social aspect of the college experience.

4 Now it's really about the experience in its
5 entirety and not just getting an education. It's
6 about what am I going to do every single night of
7 the week, it seems like, for us. So when that runs
8 counter, they quickly bail out of that.

9 And, you know, I have a son who just finished
10 his first year at school, and I tried hard over the
11 years to drill into him that work is a wonderful
12 attribute to demonstrate all the time. But even
13 he -- I was like, I'm not going to be sitting down
14 and having to counsel you. I said, Remember your
15 last name. People know you on campus here, so
16 please keep your work ethic as high as it should be
17 and such.

18 So we struggle with that even at the house
19 even over the summer. It's more important to see
20 the girlfriend and such.

21 MR. MANGAN: I would say the millennial it can
22 be stereotyped as well. We still got tons of kids
23 that work hard, want to learn about food, want to
24 tie their experience into something that's going to
25 pay out for them later on.

1 But what Jon is saying, they're making
2 choices. When something more interesting comes
3 along, they'll bail on you. So there's lots of
4 kids that will get a job on campus that doesn't
5 require you to actually work. Our folks have to
6 show up and swing a mop or stand in the dish room
7 or serve food.

8 One of the big things I see is a lot of
9 millennials this time around do not want to be seen
10 serving their peers. It's much harder to place
11 people in the halls than it is in our retail shops.
12 We don't really have a lot of problem filling spots
13 in our retail stores. They'll work as a barista
14 because Starbucks is cool and all that.

15 But getting them in front of their peers, you
16 know, in a dining uniform and making a taco for
17 them or something, even though it's done fresh in a
18 nice way, can be a challenge for us. There's
19 different twists on this. There's no one way to
20 characterize this group.

21 One of the things we're doing in our halls is
22 we're creating a culinary track for student
23 employees. With the advent of the Food Channel,
24 there's foodies everywhere on my campus. It's
25 unbelievable. So we're trying to -- we're going to

1 start a track where our students will rotate
2 through different experiences in the kitchen and
3 meat fabrication all the way through produce, fruit
4 cutting, and then cooking and serving. So we're
5 trying to create a track that will be interesting
6 to them to take along with them as they go along,
7 teach them to do some cooking classes and teach
8 them how to do things when they move off campus
9 away from us, which seems to be attracting some
10 interest.

11 MR. RUOFF: What I'm finding interesting about
12 discussions about millennials is not discussions
13 about centennials, Generation Z, the one that's
14 going to be entering our dining halls now.

15 And as having a son as a first-year student,
16 not at my university, but this generation I think
17 is going to be fascinating. You know, my son
18 remembers 9/11. He remembers our country getting
19 attacked as a young child. He remembers the Great
20 Recession. He doesn't have this positive "we can
21 change the world" outlook. He's being pragmatic.

22 He questions -- I think our biggest challenge
23 with this generation is going to show them the
24 value of going to our university, staying in our
25 residents halls, eating our food, and paying our

1 full tuitions, and show them how that's going to
2 pay off for them 30 years from now. Because,
3 frankly, my son is questioning that.

4 And I think this generation is questioning
5 that because there's so many things that he's seen
6 that are supposed to be the -- this is how you do
7 it, but he's seen that taken away. And I just -- I
8 think this is going to be a really fascinating
9 generation, the next one that is going to be
10 entering our universities or that are right now. I
11 think they're going to be a much bigger challenge
12 than the millennials for different reasons.

13 MS. SCHILLING: What are those reasons?

14 MR. RUOFF: They're going to question
15 everything. They're going to question the value
16 propositions that we bring. They're going to
17 question the value of having that traditional
18 education. Because so many of them have seen their
19 parents with great degrees on their walls and in
20 2008 lose so much and say, Is this really worth it?
21 Why don't I get this online degree? Why don't I go
22 to these nontraditional routes for my future?

23 Look at some of the dot-com people who
24 graduated high school and they're billionaires. Is
25 that the norm? No. But, guess what, if you're on

1 the internet and you search, that's what you see.

2 And I just -- I think it's going to be a real
3 challenge to show them the value proposition, you
4 know, the massive amount of money they're spending
5 in our institutions, and how that's going to pay
6 off for them in the long-term. That's going to be
7 a real challenge for us, I think, with this
8 generation.

9 MR. MANGAN: Gen Z is also going to be very
10 interested in where their food is from.
11 Sustainability, organics, local, good for you,
12 that's going to be a challenge for us. I know
13 we're already moving -- most of us are already
14 moving there, but it's going to be -- they're going
15 to expect that from us.

16 MR. D'ONOFRIO: And digital. They're used to
17 digital.

18 MR. MANGAN: They want information. They're
19 going to want to be able to push a button and see
20 what's in their food.

21 MR. D'ONOFRIO: And they want that
22 information, I'm told, in something like 7 to
23 10 seconds.

24 MR. RUOFF: And it's supposedly -- as much as
25 we think they're connected, they're connected

1 digitally but completely disconnected personally.

2 MS. KIDWELL: That's what I was going to touch
3 on.

4 MR. RUOFF: They sit around a table and text
5 each other instead of talking.

6 MS. KIDWELL: I think that's the biggest thing
7 we're trying to do is draw them in so they get the
8 value for that dining plan. We know college is
9 expensive, but, you know, it's up to you to get
10 that value. If you sit in your room and call Jimmy
11 John's or whoever to bring it to your door and
12 you'd rather sit there on your device, so we try to
13 make sure we're a sticky place for them as we call
14 them. Bring them there and have them, you know,
15 interact. And even if it is across the table, at
16 least they're there together.

17 MR. D'ONOFRIO: I'm not even sure they're
18 ordering on the telephone. They're ordering on an
19 app or on a computer.

20 MS. KIDWELL: Right. So I think that's
21 definitely a struggle that we have. And the other
22 thing that we look at, again, the jobs, as you were
23 talking about, these are -- our jobs aren't
24 necessarily the sexy, savvy jobs that they are
25 looking for or want to be a part of.

1 So we do extensive effort to try to encourage
2 them and their parents at orientation about how
3 this can be on your resume. This can be team
4 building. This can help your work ethic and help
5 leadership and time management and all of those
6 things. And we've also even gone to last year we
7 awarded \$20,000 in scholarships to our student
8 employees. That's kind of a thing for them too,
9 you know, to help them support, if they can,
10 through that some of their college expenses. And
11 that's helped somewhat as well, but I think that
12 this generation has kind of been an eye-opener.

13 MS. SCHILLING: Something that you guys have
14 touched on a little bit are some values, and the
15 words "natural" and "clean label" are coming up a
16 lot. And it seems like the definitions of
17 "natural" and "clean label" can vary a little bit.

18 So I want to ask you guys what is -- what are
19 you guys hearing from your customers? Obviously,
20 Sheryl, you guys are opening the new --

21 MR. RUOFF: Nature's Center.

22 MS. SCHILLING: I'm assuming that kind of
23 plays off of that. So what are you hearing in the
24 natural and clean label, and how are you guys
25 addressing these?

1 MS. KIDWELL: That is a struggle because even
2 with a dietetic background -- we have two
3 registered dieticians on staff -- we struggle with
4 those definitions as well as a cult definition of
5 what sustainable and organic and all of that.

6 But I think, from what we're hearing, they're
7 more -- we are seeing more and more
8 vegan/vegetarian/flexitarians, if you will, too,
9 so -- and the reason that we decided when we
10 designed this concept to call it, you know,
11 Nature's Finest and not something vegan -- it is a
12 plant-based recipes and menu concept -- because
13 people like me -- I'm a carnivore -- I might walk
14 away from that.

15 But I've been very interested as our staff has
16 worked on these recipes and developed them and done
17 amazing things with like seitan and things like
18 that to really do protein replacements in that way
19 but in a more natural type of fashion, not
20 necessarily, you know, all faux meat kinds of
21 things that we've seen in the past, but they're
22 able to do that with different products.

23 And it's going to really be interesting to see
24 how the students accept that. I think with our
25 growing international students, I think that would

1 be of interest to them. So that's one of many ways
2 we're trying to kind of address that, but I think
3 the sourcing of it is another big question that
4 we're getting is to -- you know, okay. We want the
5 food to be clean and sustainable and all of that,
6 whatever that means too, but tell us where it's
7 coming from. We even struggle with that with our
8 vendors as well and have talked extensively with
9 Sysco and them. This is something we've got to
10 know. You've got to help us with that.

11 MR. RUOFF: It's difficult being in
12 Binghamton, New York, because our students are
13 demanding, you know, sustainable, fresh, local.
14 Guess what, we don't harvest much in September.

15 MS. KIDWELL: Same in the Midwest.

16 MR. RUOFF: And we harvest nothing in
17 December, and it's a learning process. We have a
18 group of very engaged students. We have a student
19 culinary committee that I go and meet with every
20 two weeks, and they bring their ideas. And there's
21 a sustainability group as part of it, and we've --
22 they've embraced the Real Food Challenge. The
23 University has not completely yet, but we are
24 partnering with them to move forward with it.

25 What's been interesting about it is the

1 students through working through the Real Food
2 Challenge and the work they have to put in see how
3 hard it is. This just isn't, oh, yeah, where does
4 this come from? And it's been a real
5 eye-opening -- as much as we're trying to be
6 transparent and open with our information, by doing
7 that, the students are seeing how difficult it is
8 for us to meet all the standards.

9 It would be great to say we could hit
10 20 percent. I can't say that in Binghamton, New
11 York, unfortunately, and our students are
12 understanding about it.

13 MR. MANGAN: We just renegotiated our prime
14 vendor contract -- we're with Sysco -- to allow us
15 to buy proteins in Michigan at a secondary produce
16 vendor that can get us excess on the local farms
17 and another seafood provider that can get us into
18 Great Lakes Fishery.

19 We're going to probably shift about
20 \$5 million in purchases to local vendors this year
21 to try to hit that 20 percent. We're currently at
22 12.7. I think we're -- so we're really looking at
23 traceability, where is the food from. We've got
24 all the -- I've got a great nutrition team. We've
25 got all the bells and whistles for identifying

1 what's in the food. Everything is labeled. And
2 you can go on our nutrition site, and you can see
3 every ingredient and every recipe right down to the
4 preservatives. It's all in there. The allergens
5 are all identified.

6 A student can go on our website and pick a
7 menu out. They can eliminate anything with gluten.
8 They can eliminate anything with salt, if they
9 want, and it will show them everything that is
10 available that will fit their needs. They can
11 build a menu, and it will tell them how many
12 calories. We've got all that, but still they're
13 looking for more. They want to trust us that we're
14 really buying the right products.

15 MR. RUOFF: And what's interesting in the last
16 year -- we have a very unique meal plan at
17 Binghamton, which I won't go into, but it's a deep
18 discount declining balance to pretty much get food
19 at cost in the dining halls.

20 And the last year we did a special with a
21 local ground beef, local grass-fed, Schenectady,
22 New York. It was so popular that the students
23 asked us to do this across campus at every meal,
24 which doubled the price of their cheeseburgers.
25 They were willing to absorb that to go to a local

1 sustainable meat, and I was really impressed by
2 that.

3 MR. MANGAN: Every vendor that approaches me
4 my first question is: Who distributes it? We have
5 to get through the determinate piece. And the next
6 question I ask them is: Where is this from? Is
7 this grown in Michigan? Is it produced in
8 Michigan? And how do I know that?

9 And as you guys are talking to me later on,
10 those are -- that's a big concern anymore. I've
11 got targets that we've committed to that we have to
12 meet for sustainable purchases and local purchases.
13 So we're not fooling around anymore. We're going
14 to buy the product that will fit those demands, and
15 I'm not going to be shipping stuff in from around
16 the country if I can get it locally.

17 MR. RUOFF: Is your Sysco able to work with
18 you, Steve, on that?

19 MR. MANGAN: We're working around them because
20 they're not.

21 MS. KIDWELL: Ours is.

22 MR. D'ONOFRIO: Ours is also.

23 MR. MANGAN: Our definition of local is within
24 the state of Michigan or 250 miles from Ann Arbor.
25 Sustainable, though, is much more complicated. It

1 has to have a certification with it. If it's
2 manufactured in Michigan, 50 percent of the
3 ingredients have to be from Michigan. It gets
4 really complicated.

5 For example, we work with Prairie Farms Dairy.
6 It's a local Michigan dairy. We can't count them
7 as a sustainable purchase because they feed their
8 dairy herd in a CAFO, which is a mass feeding
9 operation. So that takes it off our sustainable
10 list. It's a million and a half dollars we spend
11 on dairy every year that goes into our local spend.

12 So we've started tracking our economic impact
13 for Michigan separately, which is getting close to
14 30 percent of our purchases are from Michigan, but
15 our sustainable purchases are only around 12.
16 We've got to push the sustainable up to 20.

17 I hammer every vendor with how do you make
18 me -- I'll buy it if it's going to get my
19 sustainability checklist. We track every purchase
20 with that. It's a pain in the neck, but that's
21 where we're going.

22 MR. PLODZIK: I would say you asked about
23 clean label. We don't want anything that's
24 processed. We're trying to eliminate things that
25 we're buying that may have been convenience items

1 in the past that contained processed ingredients
2 essentially. That's what clean label to us
3 represents.

4 And so that's -- typically, when people bring
5 me a burrito I can put on a rolling thing, we don't
6 even bother talking about it because I'm looking
7 for items that are really pure in their state. And
8 that's kind of what our mandate is.

9 We use a change group, so we're trying to
10 slowly, I would say, flip that equation. But I'm
11 always trying to find a balance in them, because
12 the sweet spot is probably in the balance. I
13 realize that these are individuals that are
14 18 years old, so they've made a lot of choices on
15 their own and they live with us essentially.

16 So they're not at a high school cafeteria and
17 going home and grabbing a Mountain Dew. They want
18 to be able to have a Mountain Dew when they're with
19 us. So this is our home, so that piece is a
20 challenge.

21 We try to define local, if you will, of
22 250-mile radius from campus. And, you know, for
23 the most part, that works somewhat well for us. It
24 has its moments, and we don't count things that are
25 produced that people don't like. Like Coca-Cola is

1 within 30 miles of us, bottling all the product and
2 stuff, but we don't count that because that's a
3 no-no and such.

4 So we really haven't -- we had a big push a
5 while back for the Real Food Challenge. There was
6 a group, and the more we looked at it, the more we
7 felt we were being somewhat constrained. And it
8 was -- it might not have been possible for us to
9 commit to the 20 percent amount that we're supposed
10 to get at.

11 It seems like, as I talked to UMass Amherst
12 and such, they're right around the same 12. Kenny
13 reported 12 percent, and I think Garrett actually
14 thought it was 11. So I know what their meal plan
15 costs compared to my meal plan. If I had an extra
16 800 bucks a year, I could probably do something
17 more too.

18 We're trying to partner in ways that kind of
19 keep that local influence of our buying power
20 around the area and, at the same time, sprinkle in
21 things that are more -- you know, less processed,
22 whether it be a local meat producer that we're
23 buying from, and try to find that sweet spot in
24 there. Continue that -- continue to build the --
25 we have about 26 percent of our items now are from

1 that 250-mile radius, which is good, but probably
2 could be better if we counted things that we would
3 count.

4 We were concerned with that Real Food
5 Challenge about things like -- we buy Hood milk,
6 and that would have been totally out of the
7 equation. We buy liquid eggs. That would have
8 been a problem from Papetti's and stuff. Those are
9 big items for us.

10 There is a balance somewhere in there, and
11 we're trying to allow the students to make the
12 choices, not me telling them this is what we're
13 doing, which is some folks -- we have long fights
14 about whether Coke will stay in the dining halls or
15 not stay in the dining halls.

16 I feel like it's best to be a little bit
17 inclusive and have as much as they want in the
18 program and then educate them why it may not be in
19 your best interest to have a Coke every single day
20 every single meal. Maybe you should mix in some
21 water there, and let them make the decision. But
22 I'm not the ultimate.

23 MR. D'ONOFRIO: All of those things are
24 certainly trending at West Point. We're usually
25 behind any new trend or a trend. It usually

1 happens out there in what I consider the university
2 and college land. It will eventually make its way
3 to us.

4 Certainly, they want less processed food,
5 which is a common theme out there. And the other
6 interesting fact would be 70 percent of the
7 consumers are really reading that label and
8 really -- they want to know what's in that package
9 or that product. So that's a big change over the
10 last few years.

11 MS. SCHILLING: What about GMOs, are you guys
12 hearing that from your students? It seems like
13 there's a lot of chatter in the media lately.

14 MR. PLODZIK: I say, Got to go. We don't talk
15 about it at all. That's what I say.

16 MR. MANGAN: It pops up in Michigan, but it's
17 not getting much traction. We're in the farm belt,
18 so there's some, I think, pretty good knowledge
19 about it. There's a small percentage of activists
20 that are after that, but, typically, we're able to,
21 you know, deflect the conversation just because we
22 can't measure it.

23 And we're asking them, What is your definition
24 of GMO? And what is it that you're worried about?

25 And it's impossible to, with the volume of

1 food that we're working with in Michigan, worry
2 about that stuff. It's that simple.

3 MR. RUOFF: It's something we can't measure
4 either, and we hear a little bit of it. A loud
5 little bit, but it's only a little. And we're able
6 to deflect it.

7 MR. D'ONOFRIO: I think it's growing. Talk
8 about it in another two or four years and see where
9 it's at.

10 MR. MANGAN: I think fresh and local is
11 outweighing the GMO stuff.

12 MR. RUOFF: I would totally agree with Steve.

13 MR. MANGAN: Fresh meaning as few ingredients
14 as possible, as local as possible. I don't think
15 that's going to -- when you start looking at the
16 cost of doing this, it quiets people down pretty
17 quick. And, frankly, there's not enough stuff in
18 the world to support us with GMO products, let
19 alone organic farms. I couldn't run my operation
20 organic.

21 MS. SCHILLING: Do you hear a lot of requests
22 for organic from your customers?

23 MR. MANGAN: Not much. We're subverting that
24 by focusing more on the local.

25 MR. PLODZIK: Local trumps.

1 MR. MANGAN: Local trumps organic. When we
2 start teaching them that most of the organics are
3 grown in South America, the Middle East, out west
4 in California, I mean, the carbon footprint -- if
5 these people are really into this, you get into
6 carbon footprint stories. You can shut it down
7 pretty quick and take the local story and fresh
8 better.

9 MS. SCHILLING: And a lot of that goes back to
10 food transparency and telling a story of the
11 sourcing of where your foods come from. How do you
12 guys do that? How do you share the story of this
13 is maybe a farmer/producer that we're working with?

14 MR. PLODZIK: We actually have a -- last year
15 I kicked off this idea we're trying to get more
16 local. In addition, identifying items that were
17 already on the line. Maybe the carrots came from
18 the guy down the street. We'll identify that. But
19 we also put a sign right out front prominently
20 these are the items that we're featuring that were
21 locally sourced today.

22 That's beyond -- we don't talk about the 250.
23 We talk about most of it is kind of produce based
24 on that thing. So the carrot would be on there.
25 If the bread was made by the local bakery down the

1 road, we want students to know that. It's really
2 kind of -- it's that marketing message. It's not a
3 perfect message all the time, but it's getting
4 something out there that people can wrap their
5 hands around and say, look, they are doing it.

6 And it's funny. Every now and then someone
7 will tell me, Oh, you guys buy so much local stuff.

8 Really? Okay.

9 And, you know, that sign works, baby, and it
10 is about that marketing piece. It's all about
11 marketing.

12 MR. MANGAN: We bought -- this summer we
13 started featuring farmers markets. Twice a week
14 we've got our local farmers coming in. We bring a
15 lot of visibility to the partners we work with in
16 the Ann Arbor area. It's getting some traction.

17 It's reinforcing the tags -- we tag everything
18 local if we can as we keep up with it. Having them
19 present on campus and seeing the food and featuring
20 some of that around the products is helping us.
21 It's all over our website. It's all over our
22 marketing. It's a battle.

23 MS. KIDWELL: I think that's the same thing
24 we're doing as well. Every little thing that we
25 try to do that we put out there I feel they're

1 appreciative of it. We have a little rooftop
2 garden. I know universities have their hoop houses
3 and all of that. Even our little rooftop garden is
4 impressive to them because we do our own growing of
5 herbs and peppers and those kind of things that we
6 can harvest and use throughout the year in pestos
7 and different things like that.

8 Never enough to, you know, sustain my
9 operations by any means, but, again, our
10 partnership with Sysco and Good Natured Family
11 Farms they have a co-op. And we require, you know,
12 any of our local to be GAP-certified. I know that
13 puts some constraints on some of it, but that's our
14 partnership with Sysco because they have those same
15 qualifications and food safety. And that is more
16 important to us as well as growing our local, but
17 that kind of helps with that.

18 And we do have a lot of local farmers in that
19 that we work with, to some degree, on other things.
20 But the produce kinds of things we kind of limit
21 ourselves because of that GAP certification. But
22 same thing, we put the signs on it so they know
23 that it either came local. We do use local bread,
24 bakeries, and that kind of thing regularly.

25 Websites and whenever we do our sustainability

1 messages and presentations, we make sure that they
2 know that we are -- that's a goal, certainly, in
3 the collegiate dining industry, and that's the goal
4 we're going to continue to grow.

5 So I think just the fact that they know you're
6 working on it, they're appreciative of that. They
7 understand the constraints of the Midwest, too, for
8 some of that year-round kinds of things. But we do
9 what we can in the way of poultry and some other
10 things to make sure, but I think it's keeping them
11 informed and letting them know that we're working
12 towards it.

13 MS. SCHILLING: I want to shift gears a little
14 bit, and we talked a lot about labor and how labor
15 is such an impactful thing on finances. But in the
16 past couple of years, we've had some pretty big
17 increases in food costs and particularly in two
18 different -- two very specific items. Last year
19 was beef, and this year is eggs with the avian flu.

20 How are you guys dealing, particularly we'll
21 start with the eggs, and move into a general of how
22 you deal with fluctuations in food costs?

23 MS. KIDWELL: I will tell you we're freaking
24 out.

25 MR. RUOFF: Eggs are scary.

1 MS. KIDWELL: It really is because one of the
2 largest farms that were affected by that is in
3 Iowa, and we're right next door there. So we are
4 absolutely feeling that, and it's hard -- you know,
5 I think we're really going to see it when we
6 come -- in a couple weeks when they all come back
7 to school.

8 We were used to serving hard-cooked eggs every
9 morning, and students would eat piles of
10 hard-cooked eggs every morning. And just through
11 the summer, this has hit. Those things like that,
12 those are coming off the summer menus. We just
13 aren't serving eggs every day.

14 We are in such communication -- we just met
15 last week with our representatives and president of
16 Kansas City Sysco to talk about this and how we
17 have a plan in place of how often we're going to --
18 he's going to check with us every week. We get
19 their reports every day.

20 And as they're giving us their reports of
21 what's available, the lists are moving up with
22 these, dare I say, less desirable versions of egg
23 products as they are running out of the whole fresh
24 liquid eggs. The shell eggs seem to still be
25 prevalent, which I'm still trying to wrap my head

1 around how that works.

2 Our chefs have done labor studies on how many
3 fresh liquid eggs we go through and how many shell
4 eggs that's equivalent to and how much labor to
5 crack all those eggs. And then breakfast, as we
6 have known it doing it every day, you know, as
7 Americans, eggs were just always on the menu.
8 We're looking at let's stick in the sausage gravy
9 and biscuits a little bit more and a little bit
10 more pancake version and make-our-own waffles and
11 skilletts without the eggs or other protein
12 substitutes, that kind of thing.

13 And then our cookie manufacturer that we get
14 most of our cookies from just said they had a big
15 spike of 6 percent. We're going to see an increase
16 on all of ours. So we got to go in -- we serve
17 cookies every day. So we take cookies out of it
18 and put Rice Krispies treats in there a little more
19 often.

20 Menus are already done and set and ready to go
21 at the end of May. We are now juggling as we start
22 them in August as to how are we going to do this.
23 Because this shortage is real, and it's affecting
24 us and yet they're still prevalent and available in
25 the grocery stores.

1 That's what I wonder because our students are
2 going to say, Well, I just got a carton of eggs at
3 the grocery store. Did you notice they're three
4 times as much as you paid before? And, you know,
5 again, for the quantities we need and our
6 distributors, I'm trying to educate them on that.
7 So we've put together already a statement that
8 we're going to put out and have our marketing
9 department make it look pretty and educating them.
10 The minute they come back on campus, this is real,
11 and here's what you might see. And we're going to
12 continue to offer you viable alternatives, but just
13 let them know this is what we're dealing with.

14 MR. RUOFF: Egg whites -- I don't know how
15 we're going to do egg white omelettes in the fall,
16 and I go through so many egg whites. We truly
17 don't know what we're -- are we going to
18 separate -- because egg whites are not available to
19 us anymore.

20 MR. D'ONOFRIO: I think the problem is just
21 increasing. In other words, we're seeing it now,
22 but it's only going to increase.

23 MR. RUOFF: Wait until September. Wait until
24 October. It's going to be here.

25 MS. KIDWELL: This is just starting.

1 MR. RUOFF: In all of our specials, all our
2 combos, we're doing them without eggs. If you want
3 eggs, there's going to be an additional price.

4 MS. KIDWELL: See, we can't do that.

5 MR. RUOFF: That's what we have to do.
6 Luckily, I have the flexibility in my plan to do
7 that, and the students will make a choice.

8 And what's funny -- you hit a point. The
9 students they see eggs at the Wegmans. But do they
10 understand that they're paying three times as much
11 than they did a month ago? And they don't -- they
12 don't feel that and how to get that.

13 And something we were talking about with the
14 farms and this marketing, telling the story, that's
15 something we struggle with in any story we tell.
16 Social media -- the social media we use -- the
17 Facebook I use is not what these students use. We
18 can't do Yik Yak. We don't want to do Yik Yak.

19 MR. D'ONOFRIO: I don't either, but I got to
20 tell you, it's bad.

21 MR. RUOFF: That's what they're using,
22 signage. The struggle with telling our stories, it
23 used to be telling them seven different ways. Now
24 you still have to tell them ten, and do they still
25 see it? How are we going to tell that egg story to

1 get in front of it is something we're struggling
2 with.

3 MR. D'ONOFRIO: Really, the second and third
4 effects which are all the other prices are going
5 up. What I want to know is: Once those prices go
6 up and the whole egg thing is solved, you're not
7 going to see those prices go back down.

8 MR. PLODZIK: You can do what we're doing,
9 Jim, which is shortening the period of breakfast.
10 And that way if you don't get up well, you're out.

11 MR. RUOFF: How many of us have worked so hard
12 to build those all-day breakfast specials, cheaper
13 than the beef, and breakfast for dinner?

14 MR. PLODZIK: It's a real problem. It is
15 about -- Sheryl, you tapped it. It's about finding
16 the menu fix that provides some sort of relief in
17 that, and we're constantly working with everybody
18 behind the scenes. Can I get a cheaper cookie?
19 Can you help me get a better oil that saves me
20 money?

21 Constant. That's all we talk about with our
22 vendors now. Okay. Is there -- don't even come to
23 me with this. It's just a little bit more
24 expensive. You'd have to take a mountain for me to
25 move off what I'm doing now to go to something

1 that's more expensive unless it's really a
2 compelling case.

3 Typically, we're always on the other side
4 saying I wonder if there's a way to do this
5 cheaper, and we're shopping what's your chicken
6 cost per pound and try to lock in some of that
7 stuff still pulling it through a prime vendor like
8 you're doing, Steve. It's going to be a problem.

9 MS. SCHILLING: Where do you draw that line of
10 I'm willing to pay a little bit more to have a
11 chicken that maybe specs to my sustainability,
12 local --

13 MR. PLODZIK: It's got to be close. I'll tell
14 you right now I've got all three cereal companies
15 like every one of them -- which is great because
16 every one of them will come with a program. And
17 probably in the end, we'll be exactly where we were
18 before with lower prices on the exact same items,
19 but don't tell anybody I said that, yeah.

20 But they're hungry, and so it's got to fit the
21 price model, for the most part, to do some of the
22 local stuff. And we'll tell students right up
23 front -- we'll run a local ground beef, but we
24 don't run it every single meal. We pepper it in.
25 So it pops up maybe every other week. The rest of

1 the time it's a commodity hamburger that we're
2 running. Some people get into it. Some people
3 don't care. I'm trying to skate the balance. I'm
4 trying to get in the middle.

5 But price, unfortunately -- you know, one of
6 my primary obligations is to deliver funds back to
7 the university; otherwise, there will be somebody
8 else sitting here. I always make sure that we got
9 to keep satisfaction and profitability as high as
10 possible, and those two rule. And so the other
11 stuff is things we do to be nice along the way.

12 MR. MANGAN: It's an adjustment every day.
13 It's like pushing on a balloon. You push one way,
14 it's going to come out the other side.

15 If you're going to add something, we're going
16 to take something away. Maybe if we bring in a
17 local chicken that's got a premium price, on the
18 other side of the dining hall maybe we're pushing
19 grilled cheese and trying to get them to move to
20 something that's inexpensive for us.

21 It's a balance every day of menu engineering,
22 and we try to hook them. We put our pizza right in
23 front of the door, so it's a low cost item. Pizza
24 and pasta is right in front of them. Hopefully, we
25 take them off the top before they get to the

1 protein. There's lots of things you do to try to
2 make it all work, but you market the high-priced
3 chicken. You don't tell them about the -- you make
4 it hard to find.

5 MR. PLODZIK: It's already gone. You missed
6 it. That's what I say. Boy, it was good. We had
7 three orders.

8 MR. MANGAN: We just put in Southern Pride
9 smokehouse in the dining hall that holds
10 1,000 pounds of meat. Many times it runs out
11 because it's done. It has a trigger on it that,
12 okay, we're out, folks. Come back tomorrow. So it
13 works, but they love it.

14 MR. D'ONOFRIO: Supply and demand.

15 MR. MANGAN: Yeah.

16 MS. SCHILLING: Let's talk about the NCAA
17 rule. I know you mentioned it a little bit, but
18 now colleges are required to provide unlimited
19 meals and snacks for those student-athletes. How
20 has that affected your operations, and,
21 particularly, in meeting these rules, what has it
22 done to your costs?

23 MS. KIDWELL: Well, I, thank God, don't
24 oversee our training table, but I can speak to it
25 only because for years we have. And I don't know

1 how much you know about KU and Rock Chalk Jayhawk
2 with basketball, football, not so proud of, but so,
3 you know, everything kind of revolves around those
4 two, of course, revenue-generating programs on most
5 college campuses. That's the two.

6 But we also feed women's basketball and
7 sports, volleyball, rowing, track, all of those
8 too, but in our campus, it was -- I was surprised
9 to learn we're only talking about three or four
10 hundred students out of 27,000, and yet so much
11 revolves around that. On one hand, our athletic
12 department paying for it is not usually a problem.
13 You just tell them the cost. Not that we're
14 inflating it. We're being real, and they're like,
15 yeah, okay.

16 Now we want to add crab legs to that. We're
17 in Kansas. We want to add crab legs to that menu.
18 That's going to cost.

19 Okay.

20 So it's not so much the pricing, but it's the
21 rules that I think we struggle with. Because, yes,
22 we had a training table. We fed them four nights a
23 week out of one of our retail cafes. When it
24 closed, we set up a training table. They have
25 carbs and lasagna and prime rib, all this kind of

1 stuff, and it worked for years.

2 And then this ruling came out, and it seems to
3 me like, at least from talking to our athletic
4 department, they still don't quite understand it.
5 Is that kind of still the situation?

6 So right now it's everybody -- you know, in
7 our area is the Big 12 -- is doing kind of still
8 their own thing, and so this last year they started
9 eating with us in the residential dining centers.
10 They pay at the door price, which, as you all know,
11 is much more if they were on a dining plan with us
12 because of their schedules and when their sports
13 occurred, they didn't need every meal.

14 So the athletic department contracted with us
15 and said, yeah, they can eat in the dining centers.
16 When they come through, we'll keep track of them,
17 and then we'll pay you for all that they eat. It
18 was gravy for my department to have that much, and
19 that right now starting again, that's what they're
20 planning to do as far as I know today. It may
21 change tomorrow.

22 And we're still eating some of them separate
23 with their own buffet, and a lot of them are
24 mainstreaming it and eating with the residential
25 dining centers. So but it changes every week.

1 It's something different, and we'll call the
2 athletics and our liaison with them. And we'll get
3 back with you after we talk with the coach and then
4 a sports nutritionist and here's what they want.
5 We do a menu.

6 How about this, this, this, this, and it's a
7 challenge.

8 MR. D'ONOFRIO: At West Point, we, again, from
9 what I know about the rule change, would be they
10 were getting three meals a day and only three meals
11 a day. They couldn't get a supplement or they
12 couldn't get snacks. So really what's opened the
13 door is it's pretty much for each meal they can get
14 anything that they want, which has sort of changed,
15 and they can get snacks and supplements in between
16 their meals.

17 So at West Point, they eat their three meals a
18 day at the dining hall, which is, again, you're
19 not -- you can't change the meal there. It's the
20 meal that's set for the six-week cycle. You get
21 what you get when you go there. So the benefit for
22 me will be athletics wanting to contract possibly
23 for the supplements or for the teams that can't
24 meet the time demand of getting back to the dining
25 hall in time.

1 So now they would contract with me. I think
2 there's a benefit, for at least us, to be able to
3 see some revenue.

4 MS. KIDWELL: We just got that too. We
5 actually stole it from our local -- Hy-Vee grocery
6 stores was doing their kind of snack bar kind of
7 thing on the side and at night. And we went out
8 and put in our RFP and got that. We'll be doing
9 that in addition to that.

10 MR. D'ONOFRIO: I feel that our athletics they
11 don't want to pay. I wish I had the same athletics
12 that you have.

13 MR. RUOFF: Binghampton University revenue
14 generating and athletics always, unfortunately,
15 doesn't -- and it's an honor to sit at the table
16 with Michigan and Kansas, but our basketball team
17 doesn't want to play every summer. And we don't
18 have a football team, so --

19 MR. D'ONOFRIO: We would play you if you did.

20 MR. RUOFF: It would be an easy drive and
21 pretty inexpensive trip.

22 This rule has had very minimal effect on us.
23 We don't do a training table. We never have. So,
24 you know, I think the Pac-10s, the Big Tens,
25 they're having the effect. For the American East

1 Conference, I don't think the new NCAA rules -- I
2 don't know how you're facing it.

3 MR. PLODZIK: No. Because we were unlimited
4 access, and the students, if they didn't have a
5 meal plan, the athletic folks we have an agreement
6 with them we bill them.

7 MS. KIDWELL: And they seem to love it.

8 MR. PLODZIK: It didn't seem to be a problem.

9 What I am dealing with, which I don't know if
10 it's part of this ruling or whatnot, is now any --
11 because athletic teams provide clothing and
12 anything with apparel, now all my uniforms for all
13 my staff and managers that have any UNH logo on it
14 are taxable, so they're putting it into our
15 paycheck.

16 And then they're going to tax you on the value
17 of that, so we have to determine, hey, that looks
18 like that jacket might be worth -- historically, I
19 would give the managers winter coats. It was kind
20 of like our only bonus system in a way, and we'd
21 give -- you know even a chef coat, anything that
22 could be worn outside of work, a shirt like this
23 that might bear a logo or something. And they're
24 like, oh, that's probably \$25, so you'll pay a
25 payroll tax on that. Which for my people, when

1 you're making 11.50 an hour, you think about paying
2 11.50 for the shirt you're wearing, you got to be
3 saying this is going to help my recruitment with
4 staff.

5 Good idea, everybody. Who's with me? So I
6 guess it's part of this ruling, but the university
7 we want to be the pioneers in this. I'm like,
8 Great. What a nice thing to lead the way on.
9 Cheating us more.

10 MR. MANGAN: We don't run the training table
11 at Michigan, but I've got a little experience with
12 it at Northwestern and I've observed at Michigan.
13 I see this whole rule as a big bonus for the dining
14 programs. There's money being spent on a lot of
15 it.

16 Michigan is probably a couple million dollars
17 added expenses. Somebody is getting the benefit of
18 that. We feed all the residential athletes in the
19 dining halls. They have unlimited meal plans, so
20 we're absorbing their caloric intake, a little
21 higher than the average. But we have been able to
22 hustle a late night meal this summer for the
23 athletes that are coming back.

24 There's opportunities for us to underbid the
25 folks that are doing the training table, and I know

1 Coach Harbaugh is nosing around the dining hall.
2 We're hustling him too. We may see him back at us.
3 We'll see what happens.

4 MR. D'ONOFRIO: I certainly think an increase
5 can be expected across the board, because all the
6 studies that I hear coming out of athletes will be
7 just all the things that we're talking about
8 already. There's better foods they can be eating
9 that will help them perform. Better food means
10 you're going to pay for it.

11 MR. MANGAN: I've got a Sodexo friend over
12 here. Our program is way better than they're
13 offering. So we're trying to hustle.

14 MR. D'ONOFRIO: At West Point when you go into
15 the dining hall, it's always amazing when you see
16 the training tables because I think the regular
17 portion for the cadets, who is the student, is
18 actually a lot. Again, everything is served family
19 style.

20 Then you'll see the training tables which will
21 be heavy, which is double portions. Then you've
22 got heavy, heavy, which would be triple portions.
23 All that is going to change with the new ruling.

24 MR. MANGAN: It's a bonus for most of us. I
25 think we're all going to get something from it.

1 MR. PLODZIK: It's amazing, and we haven't
2 broached this yet. We have all these coaches that
3 keep their athletes -- they know we're open to a
4 certain period. Yet they keep their practice
5 running. Then I get a call, hey, Coach is coming.
6 I know your barbecue is over, but Coach just
7 released the players.

8 I feel like saying, well, who gives a crap?
9 They knew we were here. You should have kept an
10 eye on the clock. I'm sure you did at other
11 things.

12 MS. KIDWELL: Talk about tight.

13 MR. PLODZIK: Historically, we've been like,
14 well, okay. Then we get the we need to open up
15 early. Can you open at 6:00? We want to feed them
16 at 6:00 and such. And, you know, I'm reaching a
17 point where maybe we should start billing for that
18 little extra because it's an added expenses to me.
19 I might get some revenue out of it, maybe not if
20 the kids are already on a meal plan.

21 MS. KIDWELL: You have to because that's what
22 they do to us from one meal to the next, but then
23 they don't show. We have a buffet out, and no one
24 shows.

25 MR. PLODZIK: Last year we had some sort of

1 mishap with the color guard at the practice before
2 our big thing, and so they're like the color guard
3 has an ambulance. One of the girls flipped their
4 rifle and it hit somebody else, so they're going to
5 be late coming.

6 I'm like, Well, Jesus, we're all waiting to
7 finish, wrap up here, people. I've got 65 staff
8 waiting here for one color guard who knocked
9 herself unconscious. We're paying for this. We're
10 eating it.

11 MR. D'ONOFRIO: When you start charging or
12 think about charging, because I'm going through the
13 drill right now, when you put a cost to coming
14 early or coming late, see how fast it changes. It
15 will change fast.

16 MS. KIDWELL: We do that. We have to do that.
17 Sometimes it works; sometimes it doesn't.

18 MR. PLODZIK: I don't know for what you do
19 when teams travel. We do an awful lot of boxed
20 lunches and boxed bulk stuff.

21 MR. D'ONOFRIO: At the end of the day --

22 MR. MANGAN: We charge them for that.

23 MR. PLODZIK: Do you?

24 MR. D'ONOFRIO: -- they are one of my biggest
25 customers.

1 MR. PLODZIK: I think we're too generous. If
2 they have a meal plan, oh, you're traveling, we'll
3 cover that.

4 MR. RUOFF: That's very generous.

5 MS. SCHILLING: What about late night? We've
6 talked about students, particularly in this
7 generation, wanting it how they want it, when they
8 want it. Do you guys offer late night service on
9 any of your campuses?

10 MR. MANGAN: We've built an infrastructure
11 with retail operations to handle late night. We
12 get pressure all the time. Our dining halls are
13 open until 9:00, and we get pressure all the time
14 to keep them late. But we fend that off by
15 explaining we've got this infrastructure.

16 If we want to open the dining halls, it's
17 going to kill the retail operation because it will
18 move the traffic in there. If you like to close
19 all that, we'd be glad to open this.

20 MR. PLODZIK: Is there money in the retail
21 late night?

22 MR. MANGAN: There's some. There's no
23 equivalencies, but they can use their declining
24 balance on them. There's some up-sales, but most
25 of it is in the -- it depends on the operation. We

1 fend that off by trying to get them into our coffee
2 shops and snack bars.

3 MS. SCHILLING: Are you offering food at that
4 time?

5 MR. MANGAN: Yes.

6 MS. SCHILLING: Is it a limited menu?

7 MR. MANGAN: Yes. There's not food. There's
8 grab-and-go. Snack shops will have pizza and
9 sandwiches and salads. It depends on -- there's
10 all kinds of different offers, but it ranges from
11 just grab-and-go. And we've got a handful of
12 cooked fresh to order.

13 MR. PLODZIK: We run our one dining hall until
14 11:00 at night. It's a total waste of resources,
15 to be honest with you, because they would be
16 tempted to spend it, like Steve was saying, in the
17 retail. It seems free eating in the dining hall,
18 so we'll go and eat over there.

19 This past year I took away one night. I took
20 away Thursday nights because mostly students would
21 all call in on Thursdays nights, because it's
22 Thirsty Thursday. So I didn't have anybody in
23 there working to begin with, and they didn't seem
24 to miss it.

25 Our retail was open until 1:00 in the morning.

1 I had one until 4:00 in the morning, and it was
2 jammed. And it was quite interesting. It would
3 have made a great TV show with the characters
4 coming in at 2:00 in the morning and stuff. We
5 were making money hand over fist, but it also had a
6 lot of issues around behavior. And so we ended up
7 peeling it back to 1:00 and took the financial hit
8 to do that.

9 But, yeah, I'm not sure -- I know a number of
10 years ago, maybe even the last ten years, it was
11 this movement let's be 24 hours. Let's be super
12 late night. We'll hold them onto the meal plan,
13 and I'm not sure the value is really there. I
14 think some of the other schools -- there's few
15 still out there that run 24 hours a day dining
16 programs.

17 Typically, all they're doing is feeding folks
18 who have been drinking late night, and they're
19 losing that potential incremental revenue that they
20 could be getting in their retails where a kid says
21 I've been drinking all night. I'm going to get
22 that steak and cheese sub. I'm not sure the value
23 is there to stay open even as late as we are. I
24 honestly wish we could close around 8:30 or so, so
25 that we would push them to the retails so I could

1 make some extra money doing that.

2 MR. MANGAN: We do have one 24-hour operation
3 open at the library.

4 MR. PLODZIK: It's retail?

5 MR. MANGAN: It's retail. They don't fool
6 around with drunks in the library.

7 MR. PLODZIK: What time do you close, Kevin?

8 MR. D'ONOFRIO: What's really great here is
9 tradition. Thank God for tradition. Because in
10 this case, it works. So they have to be in the
11 rooms with lights out at 11:30. So I have -- the
12 dining hall, again, has shortened meal times
13 because they have mandatory breakfast and mandatory
14 lunch. And even dinner is only a half hour to
15 45 minutes. So, again, everything is pushed to
16 retail.

17 MR. PLODZIK: What time does dinner run?

18 MR. D'ONOFRIO: Dinner will start at 6:00 and
19 end by 6:45. To your point --

20 MR. PLODZIK: I'm going to give you my card.

21 MR. D'ONOFRIO: -- my retail soared from
22 \$25,000 a year to \$5 million a year. In part
23 because of optional dinner and a few other things
24 that were going on, but, largely, because of
25 optional dinner. We do have retail open until

1 10:00 at night. That's going to be pushing the
2 retail. Thank God for tradition in this case.

3 MS. KIDWELL: I think we still, of course,
4 struggle with that on all the surveys, you know,
5 open later, even though we're continuous service
6 from 7:00 a.m. to now 8:00 p.m. in our dining
7 centers.

8 MR. PLODZIK: That's perfect.

9 MS. KIDWELL: We went to 8:00, added a half
10 hour, when we knew we were getting the athletes
11 because they may not make it by 7:30. We extended
12 our hours for them, and all that did was extend the
13 period that all of our students come.

14 But right next to our largest dining center we
15 have what I call a retail residential hybrid. It's
16 open until midnight seven days a week. It has a
17 coffee shop and made-to-order, we call a Euro
18 station, where they can get pizzas and subs and
19 Tex-Mex and salads. It has a little convenience
20 store -- it did this past few years in it -- and
21 Freshens coffee and smoothie shop. They have a
22 little gaming thing in there and that kind of
23 thing, a stage where they can come and, you know,
24 impromptu kind of play on that.

25 That seems to work in that area and that

1 community because that's their community with the
2 most residents halls. This year we're building two
3 new halls. They're going to open in a couple
4 weeks, and in a corner we're adding a little
5 grocery store because we're finding -- we still
6 only serve two meals a week on the weekends, brunch
7 and dinner, but we don't open until 11:00 and go to
8 7:30 on the weekends. Because they never used to
9 get up for breakfast. Now they do get up for
10 breakfast on the weekends.

11 That's some pressure we're starting to see is
12 when I get up at 8:00, 9:00, there's nothing open.
13 We thought we'd try this little corner grocery
14 store in this community, and they can go there.
15 It's going to be open from 8:00 a.m. to 2:00 a.m.,
16 so they can go there and buy that quart of orange
17 juice or loaf of bread or bagels or frozen dinner
18 or something like that. Nothing prepared in there.

19 It will all be kind of grocery store. Big
20 boxes of cornflakes and Oreos, not little things
21 you get at a convenience store, so they can take it
22 to their room as sort of a supplement. That would
23 be off cash on their card or cash or credit or
24 debit sales or that kind of thing. We're going to
25 see if that helps answer that a little bit.

1 MR. MANGAN: What kind of food costs are you
2 going to run in that operation?

3 MS. KIDWELL: We don't know. It hasn't opened
4 yet.

5 MR. MANGAN: Is it like 70 percent,
6 80 percent?

7 MS. KIDWELL: Possibly. Because, yeah, we've
8 told them when we did the kind of focus groups --
9 and we were thrilled with the focus groups. They
10 didn't say why don't you -- you know, something
11 that we already had up there. They got what was
12 going to be in this little retail corner.

13 And so when we threw this suggestion out, they
14 thought that makes sense. That's something that we
15 don't have. Okay. Are you willing to pay those
16 inflated prices for that convenience? And they
17 said yes.

18 So we tried it a little bit in this retail
19 hybrid that I was talking about. It's called the
20 Studio Cafe. We had a little mini convenience
21 store in there, but we started bringing in the
22 packages of Oreos and cornflakes. And we're
23 putting 5, 6, 7 bucks on that. He sold -- every
24 time he got them in, he sold them out. We'll see.
25 We'll see.

1 MR. RUOFF: The hours at Binghampton are --
2 the 4:00 in the mornings, I've got to two of them.
3 I've got to tell you, behavior issues -- it's
4 always great to get the police reports on Monday
5 morning, but it's something we do. It's very
6 popular. It's something I couldn't take away.

7 In each of our resident communities, the four
8 of them, we have resident dining halls that close
9 at 8:00, and then we have late night options,
10 retail options in all of them. We do close at
11 1:00 or 4:00 in the morning, and they're busy
12 places. That last hour of service is always busy.

13 We have a new marketplace that we opened last
14 year with 12 different venues. One of them we keep
15 open 24/7 Sunday night through Thursday night and
16 through Friday evening, I should say, and it's a
17 breakfast. It is very popular mid-semester on, and
18 we have to augment the staff. Finals week, we'll
19 do 1,000 customers a night coming in and eating
20 breakfast retail.

21 MR. PLODZIK: In the middle of the night?

22 MR. RUOFF: Middle of the night. I'll come in
23 at 6:00 in the morning, and my office is in this
24 building. And there will be 300 students sitting
25 there studying at that point.

1 First week of the semester, very quiet, but as
2 it starts ramping up and the academic demands pick
3 up, it gets much, much busier. And then as part of
4 this, we also put in -- we were talking about this
5 earlier -- a chip system into our cups through
6 ValidFill where you can buy a cup for a semester or
7 a year, and students can refill drinks 24/7 as many
8 times as they want to.

9 You might have seen it at Disney. You might
10 have seen it on a cruise ship. It's through the
11 Coca-Cola Freestyle program, and it partners with
12 that. And it's been exceptionally popular on our
13 campus, 13 percent of our total drinks.

14 MR. PLODZIK: How much? Thirty bucks a
15 semester?

16 MR. RUOFF: Thirty bucks a semester.

17 MR. MANGAN: Your average use is what?

18 MR. RUOFF: 20.3 a semester. It's that first
19 buy. That's the challenge, but the first cup is
20 4.99 for a cup and four fills. Then you need to
21 augment that. So it's 35 bucks is the cheapest you
22 get away, and they average 20.3 fills. And the
23 satisfaction with it is amazing. The
24 convenience -- and, like I said, 13 percent of our
25 fills are done when we're not open.

1 MR. MANGAN: What's Coke charge you for the
2 machine?

3 MR. RUOFF: Standard Freestyle charge for the
4 machines. We found out that the original
5 investment we paid it off in 3 months between that
6 ValidFill program and the monthly charge. It was
7 very quick.

8 MR. D'ONOFRIO: Freestyle charges you per
9 month for a rental fee.

10 MR. RUOFF: That is correct.

11 MR. D'ONOFRIO: But, again, as I found,
12 there's over 140 different flavors there. It's
13 truly amazing from carbonated to vitamin water or
14 flavored water to seltzer water.

15 MR. RUOFF: We can address healthy. Parents,
16 I don't want to buy my son or daughter a refill cup
17 for soda. There's plenty of other choices. The
18 noncarbs, the waters, the Dasanis, and all that.
19 So really it addresses that also.

20 And, you know, it's easy to tell a parent,
21 especially at the beginning of the semester, the
22 water, the juices, the lemonades all for free.
23 It's been a real positive impact.

24 MR. D'ONOFRIO: I'll give you a Coke
25 commercial now. Not only is there 140 different

1 flavors there that are preset, but the kids now can
2 take their phone and scan a code if they want to
3 make it their way. Their way could be half Coke,
4 half Sprite, any machine they go to in the country,
5 hold their code up to it, and it's made their way.
6 It's a great gimmick.

7 MR. RUOFF: Seven percent of our drinks are
8 drinks you could not buy off of a shelf. The Coke
9 Zero lemon with a lime twist, you know, that you
10 pull it up on your phone to it and it knows it.
11 It's a neat system, and it's -- this year we're
12 giving an entire freshman class the cups away with
13 the chips with two fills on it.

14 MR. D'ONOFRIO: Great gimmick. I love it.

15 MR. RUOFF: Coke is not partnering with us on
16 that. ValidFill is partnering with us and
17 Whirley-DrinkWorks! is partnering with us with the
18 program, and we're not putting it into gift bags.
19 We're not putting it into gift bags.

20 They've got to come -- we partner with our
21 bookstore, table right outside the bookstore. When
22 they come to pick up their books, get your free
23 cup. Oh, by the way, if you charge it today, save
24 \$5 on a year, not in a semester, on the year, to
25 try to get them to buy. We don't want it part as a

1 gift bag that they're going to sit in their rooms
2 and not think about it again. This isn't in our
3 residences yet. When Coke will work with us better
4 on the pricing, we'll put them in there too.

5 MS. KIDWELL: That's what I was going to say
6 because we've done Coke before but not with
7 their --

8 MR. D'ONOFRIO: We need to compare notes.

9 MR. RUOFF: Yeah, we do, Kevin. It's been a
10 really interesting program, and it's --

11 MS. KIDWELL: How many Freestyles do you have?
12 We just have two in one unit.

13 MR. RUOFF: We have five Freestyles in our
14 marketplace and need five at our peak performance
15 there. One thing we're doing this year is putting
16 in two different water hydration stations, because
17 part of our PH -- Partnership for Healthy America
18 initiative and university initiatives is to have
19 free water available in all dining facilities and
20 all facilities on campus.

21 We're using that to dispense water. I don't
22 want people who bought the cup already to have to
23 stand in line behind people getting free water.
24 That's why we're going to put a couple secondary
25 hydration stations in to try to get the water

1 business away to get the throughput even quicker.

2 MR. D'ONOFRIO: That's because of the whole
3 water bottle movement. Everybody has a water
4 bottle now.

5 MR. RUOFF: That's the kind of bottle we're
6 trying to give them. It's going to be the
7 Nalgene-type bottle. If they want to put water in
8 it, they're more than welcome to. I hope they also
9 charge that chip.

10 MS. SCHILLING: Great. We'll go ahead and
11 take a quick refreshment,
12 stand-up-and-stretch-your-leg break. So if we
13 can -- it's about 2:00 right now, a little after,
14 so maybe in 15 minutes, 15, 20 minutes.

15 (A brief recess was taken.)

16 MS. SCHILLING: We'll go ahead and take a
17 little bit of a twist, and let's talk about what we
18 all really love to talk about, the good stuff, the
19 food. So why don't you guys talk to me about some
20 of the food trends that you're seeing on your
21 campus right now, whoever wants to kick it off.

22 MR. MANGAN: Our smokehouse is awesome. We
23 sell it out every time. It's great.

24 MS. SCHILLING: When did you start it?

25 MR. MANGAN: Last fall, part of the new dining

1 hall.

2 MR. PLODZIK: A couple items a day?

3 MR. MANGAN: Right now we're going to expand
4 to two a day this year. We did one a day to get
5 used to using it. We're doing whole hogs, pork
6 shoulders, chicken wings, sausages, salmon goes in
7 there. Everything goes in there.

8 And we can also supplement going into our
9 catering operations if we need things for catering
10 going to hors d'oeuvres or that type of thing. We
11 have that ability to smoke in-house. It's getting
12 us down to the clean food. We won't have a lot of
13 preservatives and chemicals that you might get that
14 are used in commercially-processed smoke products.
15 It's a plus for us. It's a big win.

16 MS. KIDWELL: We added the same thing in our
17 newly renovated dining center. Being as close as
18 we are to Kansas City, we had to have a Kansas City
19 barbecue. It's called Smoky's, and we have our own
20 smoke oven right behind the concept. We do
21 briskets. We're not doing whole hog yet, but a lot
22 of pork butt and briskets and salmon and chicken,
23 chicken wings, pulled pork and those kind of things
24 briskets. And we developed our own barbecue sauce.
25 That's been really popular.

1 MR. MANGAN: The other thing we use it for is
2 culinary development. We had a training. I
3 brought in six whole hogs, and I've got a crazy
4 picture if you want to see it. The kitchen we had
5 bodies of pigs all over.

6 Most of our cooks today have never seen a
7 whole side of anything, let alone have a saw in
8 their hand. And so we did some really interesting
9 training with them. Each person had half a hog to
10 work with, and we got them each a saw. And we
11 broke them down.

12 We made different things with each different
13 component of the pig and smoked a couple whole.
14 And then we had specials for the students around
15 that. Pretty interesting process. If we can put
16 some of this equipment in and then turn it around
17 into some sort of developmental issue for our
18 staff, it's a double win. And triple win with the
19 students getting stuff they might not necessarily
20 see.

21 MR. RUOFF: Something that we've done in the
22 last year that's been very popular with our student
23 body is in our marketplace we have 12 different
24 concepts. And this year we had set up a contract
25 with a local Indian restaurant instead of we had

1 one of the national Indian concepts that you buy
2 and heat and serve and all this. It wasn't hitting
3 the market, you know, what we needed to do.

4 So we investigated local restaurants and
5 looked at a couple of them. The one that we liked
6 the food from the best we talked with them about
7 this opportunity for them, and it was interesting.
8 They were a little concerned, you know. It
9 worked -- it was a family-owned restaurant. They
10 worked very hard to keep their restaurant open.
11 After discussing with them and working with them
12 and their menu in a Chipotle-style ordering system,
13 you can't bring your entrees here.

14 Figure out a rice, a wrap, a salad bowl,
15 proteins, toppings, vegetables. Work your way down
16 at this price point with your sauces and finish it,
17 and the students -- it was the most popular thing
18 I've done on campus this year. They love the
19 Indian food. It's true Indian food as opposed to
20 institutional. You walk into my marketplace and
21 you smell Moghul's restaurant.

22 This summer in our replacing a grill operation
23 that we did we partnered with a local franchisee,
24 Tully's. It's a New York based family restaurant.
25 They're going to be bringing in a tenders concept,

1 their first move into institutions and just doing
2 that. I look forward to doing more of that.

3 There's a Greek restaurant that we're talking
4 about partnering with next year, so try to bring
5 the local restaurants with different flavors. And
6 my students seem to equate that with fresh. So
7 we're helping the local economy. The students like
8 it. It's a win-win for everybody. It really was.

9 MR. MANGAN: We've done that as well, but
10 another twist for you to consider, we're rotating.
11 We have five of them working for us. We rotate
12 them through each day of the week. It's different
13 all the time.

14 MR. RUOFF: Been approached about that and
15 haven't been ready to bite that off yet. That's
16 interesting.

17 MR. MANGAN: We're going to take another
18 twist. I'm putting an RFP out in the next couple
19 weeks to do the same thing with food trucks, which
20 is another trend. I don't want to buy one because
21 I'm in Michigan, but I don't see them as a really
22 good investment. If somebody else wants to own it
23 and pay me to be there, I'm willing to look at
24 that.

25 MR. RUOFF: And one other twist on this is I

1 was approached by a student entrepreneur. He's a
2 Korean student from New York City, which most of
3 our students are from the metropolitan New York
4 market.

5 He's like, Jim, I hate to say this, but we eat
6 a lot of drunk food walking up to the trucks. And
7 it's rice and chicken and lettuce and hot sauce.
8 If you let me do this, I will sell a ton of it on
9 your campus.

10 I'm like, You got to give me more of a
11 business plan. You've got to -- and he did. He
12 gave us the recipes, gave us his plan, and I
13 started last year giving him a nighttime slot in
14 one of my night owls. He had to market it. He was
15 charging 5.99 for one of them.

16 We put his crew through our HACCP training,
17 through our employee orientation so they know what
18 they're doing. They're working under the
19 supervisor, and I'm like, This isn't going to work
20 at all.

21 First night he opens, he has 200 people in
22 line. It's like, Son, how did you do this?

23 He's like, I got my own marketing tools.

24 So this year in our marketplace, he's like I
25 want to expand. We made a change to our night owl.

1 We gave him one of our marketplace venues
2 Thursdays, Fridays, and Saturdays. It's No. 1
3 seller on Fridays, No. 2 on Thursdays, and No. 2 on
4 Sundays. Of my 12 concepts, a student. I also
5 give him a little piece of the sales. He gets this
6 much, he gets this much sales commission.

7 And he's actually talking to other SUNYs about
8 bringing it in. It was a great opportunity. It's
9 truly student run under our supervision.

10 MR. MANGAN: You know what that points out is
11 it's interesting. With our purchasing power, we
12 can really impact small vendors, entrepreneurs. I
13 think that's a trend that's kind of going around
14 food as well where we can make or break a new
15 company in Ann Arbor, for example.

16 If their product matches what we want and what
17 we need and put our spending power to that, we can
18 keep them in business, or we can -- it's
19 interesting what our institutional spend can do
20 with our local economies. And this guy is probably
21 going to start a business off of this. In my
22 world, we're impacting lots of vendors all the time
23 off of that.

24 MR. D'ONOFRIO: That's a really good point,
25 Steve, because we did something similar with a

1 sushi restaurant in our local community. He was
2 actually going out of business, but we're probably
3 buying between 150 and 300 units a day. More than
4 he's probably selling in a couple days. So, again,
5 it's keeping that door open in our local community
6 also, and it's good quality.

7 MR. MANGAN: We don't buy stuff we don't want.
8 If the vendor has something that's spot on, we're
9 going to take a pretty serious look at it. We can
10 have an impact on what's going on around us beyond
11 our students in the community and maybe our states.
12 It's fun to be in that position.

13 MR. PLODZIK: One of the challenges now
14 because we're attracting so many international
15 students, we don't do international well. We don't
16 do Chinese well, and we have a lot of kids from
17 China. It's a real competency problem for
18 culinarians that don't know what the heck they're
19 doing, and they're trying to do things that are a
20 little out of the box.

21 And so that's a big trend for us to try to
22 get -- I think we were very naive, very similar, I
23 think, with what you were saying, Sheryl. We work
24 with Navitas, which is one of those international
25 recruiters that places kids that can't speak

1 English at all in our program and then let them go.
2 They spend a year kind of learning English as a
3 second language and matriculate into the program.

4 We were very naive thinking they would come
5 and just accept our menu and welcome to America.
6 Instead it was like in your face. We're not going
7 to eat any of this. So all of a sudden -- maybe
8 it's a millennial thing. All of a sudden we were
9 trying to design menus around what they wanted,
10 which was great when everybody was coming from
11 China.

12 As it changes next year, it will probably be
13 Turkey or something, and all of a sudden we won't
14 be matching that demographic need. So it's a
15 problem, but that's one of the things I certainly
16 see.

17 And the other thing I think we've seen an
18 awful lot of these days is a desire for healthy
19 food even though we don't know exactly what it is.
20 We're doing a lot of composed salads. We're doing
21 an awful lot of quinoa salads on the line. We've
22 got our new veggie burger that we made out of
23 something. I don't know what the heck is in it.

24 Well, great. So people want to see that as
25 part of the menu. That's a big trend. They still

1 want their chicken wings. We could put those out
2 night and day. There's a segment that certainly
3 wants to have that option. Whether they take us up
4 on that option, it's up to them.

5 But for sure healthy is on people's minds even
6 down to beverages and stuff like that. I can't
7 tell you the most common -- and I would imagine it
8 would be the same for you folks. We need to have
9 more cut fresh fruit all the time. Jesus, at home
10 I have an apple. I have a container on our island.
11 It's full of oranges and apples. Sometimes they
12 sit there until they rot. At school we can't cut
13 enough fruit to keep going. It's got to be the
14 right fruit. If you offer me a melon, forget it.
15 So that type of thing is always going to be a trend
16 for us, I think.

17 MS. KIDWELL: I would echo that too, the
18 international is something we're going to spend a
19 lot of time with and working not only with those
20 students, but also --

21 MR. PLODZIK: The flavor profile.

22 MS. KIDWELL: -- what are they looking for?
23 It's kind of --

24 MR. PLODZIK: We don't do anything with pot
25 stickers. We don't do anything -- we need to get

1 more in tune here for sure.

2 MS. KIDWELL: And I think we certainly need to
3 be educated, because I don't think we even know
4 what --

5 MR. PLODZIK: The big boss on campus I was
6 telling him about our challenge with the Chinese
7 students. He said, Get your team together and go
8 to China for two weeks.

9 I was like -- so I told my boss, Listen, the
10 big guy told me to get a team together and go to
11 China. I take my orders from above. I'll let you
12 know when we booked it.

13 Yeah, there is a lack of authenticity there
14 that we're all struggling with.

15 MS. KIDWELL: They come and they go to the
16 pizza places, and --

17 MR. PLODZIK: We had a local restaurant with
18 pad thai. She came and she was lined up 100 deep,
19 and I try to do kind of what you folks have done.
20 Wouldn't you love to work in a dining unit? There
21 must be a way to find a middle ground that would
22 make it worth while.

23 She was like, I have my restaurant. I don't
24 want to -- I'm not touching my restaurant and such.
25 We can't do pad thai, and probably because we don't

1 know what you're putting in it half the time. And
2 we have to have everything down to -- you know,
3 every ingredient needs to be listed so we can
4 figure out what the nutritional information is.
5 That's going to be a challenge for us going along.
6 That is a trend.

7 MR. MANGAN: We brought in a training program.
8 Last fall we had a tour of Asia. We had a five-day
9 training, had 12 of our chefs in it. We hit
10 Singapore. We hit Korea. We hit China. We hit
11 the Philippines and had the authentic ingredients.

12 MR. PLODZIK: You ran it yourself?

13 MR. MANGAN: Yeah. I can hook you up on that
14 if you want some information.

15 MR. PLODZIK: I need some information.

16 MR. MANGAN: We custom designed the training
17 programs and the recipes and the menus to match
18 what we wanted to hit.

19 MR. PLODZIK: I'm not a culinarian.

20 MS. KIDWELL: We didn't go quite that nice. A
21 couple years ago we introduced a program -- it was
22 actually an idea to get our supervisory staff more
23 involved in the planning of a menu and special
24 events and that kind of thing.

25 So it's called "World at Your Table," so now

1 we've adopted that series. Once a month a
2 supervisor is charged with coming up with an area
3 of the country and something -- like Peru or
4 Mongolia or somewhere different than Mexican kind
5 of things they're used to. And so that's part of
6 their charge every year, and they're responsible
7 for one of the "World at Your Table" meals.

8 So they come up with learning about the
9 culture of that country and some kind of decor that
10 correlates with that, and the recipes need to be
11 authentic and the ingredients. And that's the
12 biggest thing, sourcing and finding those
13 ingredients, and hoping they have the skill to
14 really prepare and serve them right.

15 But whether it hits home for someone from that
16 country, what it does do, I think, is it helps
17 educate just our regular students of some flavors
18 of the world they may not be used to, kind of
19 different than our always Americanized versions of
20 those kinds of things. That's been popular for us.

21 MR. RUOFF: We bring an international chef in
22 twice a year at our university. This year we had a
23 chef from China in the spring, which is very
24 popular with our oriental students. We had a chef
25 from Poland in October, and it was interesting

1 because Binghamton University is not a very large
2 Polish population. And so what do we do to partner
3 with this?

4 And it was interesting. And I'm -- my
5 grandfather plays the accordion and still does,
6 90 years old. And do we bring a polka band in?
7 And we brought in an accordion player. It was
8 interesting. Michael Konwerski, the chef, is like
9 what is this? I listen to you too.

10 That's polish music, and he's like no. But it
11 was interesting to see our students interacting
12 with a guy walking around playing polkas. And the
13 really great thing is we have a local Ukrainian
14 church who pinches their pierogies, and we had this
15 church come in. And they're little old pierogies
16 ladies with their "I got mine pinched at
17 St. Mark's," and they were there. We were
18 hand-making pierogies. The students who eat
19 pierogies all the time were like, oh, my gosh.
20 This is how they're made?

21 They interacted with these elderly women with
22 these students as they're making pierogies and
23 eating them. And what turned out as how are we
24 going to make this Polish thing work on a campus to
25 a heck of a party. It was a lot of fun. That was

1 a great opportunity to bring an international taste
2 into our dining services.

3 MS. SCHILLING: One of the things that you
4 just mentioned and I hear a lot is community
5 engagement. We don't just want our students to
6 come in, eat, leave, feel like this is we're just
7 the place where you can get a meal, but really
8 interacting and creating that kind of community
9 sense. How are some of the ways that you guys are
10 doing that?

11 MR. RUOFF: How are we not doing that?

12 MR. MANGAN: In Michigan we moved to unlimited
13 meal plans last year, and as we've been
14 renegotiating our dining halls, they're being
15 designed to encourage the students to hang out and
16 to -- there's kind of spaces that are conducive to
17 studying, group meetings.

18 There's spots in there where there's rooms
19 to -- that are hooked up with WiFi and networking
20 and screens that they can work on projects with.
21 So there's intentional design going on now in the
22 new facilities that are being put in that encourage
23 the students to use the dining halls for that type
24 of interaction and to bring the academic life into
25 the social life, into the dining halls. I think

1 that's happening a big way in Michigan.

2 MR. RUOFF: When our marketplace, when it was
3 designed, it is designed as a student activity and
4 gathering space that happens to serve food. It was
5 intentional. There's conversation pockets.
6 There's areas for meeting. There's a removable
7 stage that can be taken out. There's charging
8 stations as much as that isn't always socially
9 interactive. There's big TVs. We get the NFL
10 Ticket so students on Sunday can pick what games
11 they want to watch on what TVs.

12 The ValidFill programs, they can come and get
13 a drink when they want to and just sit around and
14 talk. It was built for the purpose of interaction,
15 socializing, and food helps that because we all
16 think about our table. And that's what we wanted
17 to create in this area is that conversation place.

18 MR. MANGAN: It's also a wellness piece too.
19 We want the students to be able to get the right
20 kind of nutrition that they need to function
21 properly. Academics and brain power is -- really
22 needs to be fueled with good diets. So if we can
23 get them in the dining halls more, whether it's
24 through interaction or whatever, there's at least a
25 chance they might eat some fruit and vegetables

1 once in a while.

2 MS. KIDWELL: I think we continue to do a lot,
3 and we continue with the special event kind of
4 thing to kind of break up that monotony. And those
5 are way more than just the food. There has to be
6 entertainment and things to keep them occupied or
7 prizes to win or whatever. We've done that through
8 our National Nutrition Month events as well.

9 Last few years we made kind of a little game
10 center in one of our banquet rooms, and they had to
11 play a game and guess stuff about nutrition to get
12 that information to them and to keep them there and
13 talking and gathering.

14 It used to be we wanted them in and out. We
15 have unlimited dining plans too. If they can come
16 and make that a sticky place where they get away
17 from some of the stressors and the technology and
18 that kind of thing and enjoy eating with one
19 another, we actually -- last summer we got together
20 when we were doing our strategic planning and
21 looked at our old mission statement kind of thing.
22 We've revamped it through the years.

23 When you ask your staff to repeat it, even
24 though we made it shorter and shorter, they never
25 really could. We put our head together, you know,

1 what are -- of course, we're more than food. We
2 came up with "We're your campus kitchen table," and
3 what does that mean to students. We're everything
4 that that means, but we're about people, food, and
5 environment.

6 And so now our staff can resinate with that
7 and also repeat it back. And they get that, and
8 it's pretty simple. But that's what we're about.
9 We're your campus kitchen table wherever you are,
10 our 22 locations and everything that that means.

11 MR. D'ONOFRIO: Food is so important because
12 years ago students would pick a college or
13 university based upon academics, based upon sports,
14 based upon extracurricular, probably a few more
15 things. Today academics is No. 1. Do you know
16 what No. 2 is? Food. That's how important food
17 has become on campuses, so it's critical.

18 MS. KIDWELL: We still haven't convinced
19 administration.

20 MR. D'ONOFRIO: There was a report done that I
21 read that was done nationwide that I read this
22 from. I don't know what report this was.

23 MS. KIDWELL: If you find it, send it to me.

24 MR. D'ONOFRIO: It really has increased in
25 popularity in selection over the years.

1 MR. PLODZIK: It's a huge driver for
2 recruitment and retention. Really, it is. It's
3 about where are they going to live? Where are they
4 going to eat? Where are they going to hang out?
5 What are they going to do when they're not?

6 MR. RUOFF: We have five great institutions
7 here with great academics. I'd be proud of my
8 children going to any of these institutions, but
9 that's everywhere. What differentiates now? And
10 you're right. Food is one of those. It's not the
11 basics anymore. It's changed.

12 MR. PLODZIK: And they do -- I hear that from
13 time to time. We finish our kind of open season,
14 if you will, our open houses and stuff, and
15 students will tell me I chose you because of the
16 food. I looked at this place and this place, and
17 you guys are awesome.

18 I'm like, Okay. I think it's something you
19 got that your academics is like, well, I can get an
20 education. That's a given, and it was about the
21 food. And it was really interesting, as I said, my
22 son will be starting his second year, so we had
23 gone through the college search before. He made
24 the right choice and came where I am.

25 But we had looked at a lot of different

1 places. You really can tell the schools that take
2 great pride in what the dining experience is like
3 for their campus and those that don't, that don't
4 even give -- you don't even see it. You don't even
5 go in it. We have a dining program. There's a lot
6 of delivery places at night.

7 That tells you right there there's something
8 going on, but I think Sheryl touched on it. The
9 theme events and stuff like that that really
10 engages folks, educational tables inside the
11 facility where we're talking about where this
12 product came from or who grew it and how they did
13 it and whatnot really gets that engagement going
14 with this population. They love that.

15 We did Toy Story theme, and we had -- and the
16 students were like, Can we take a picture? I was
17 dressed as Woody. See you, Woody, and everything.
18 And they love that. They really -- that engagement
19 seeing -- I want my managers -- and I tell folks
20 it's 10 table touches every single meal, period.
21 You're building this relationship. That really
22 kind of changes the nature of our organization and
23 really changes the experience because people get to
24 know -- they're like, Oh, who that's dining dude
25 and stuff, and they want to talk to me.

1 They don't always want to talk about food or
2 what's on the menu. Sometimes they want to talk
3 about, Did you see the hockey game? Did you see
4 that call or whatever? And that's great because
5 we're making that community happen. I want the
6 people to know our chefs. I want them to know my
7 managers and say he's always out there on the
8 floor. He's a great person to interact with and
9 such.

10 I think that's one of the ways you build
11 community, and I think sometimes a lot of the other
12 departments on our campus kind of forget that.
13 Literally, it's 4:30, and you can hear the sucking
14 sound off the campus. And we're still doing it,
15 and that makes a huge difference to the students.

16 MR. RUOFF: I brought my golden retriever to
17 spring fling. The students have been at school now
18 for 14 weeks or whatever. It's the first week in
19 May. They're out partying, and I brought my golden
20 retriever over to the university.

21 Still, Jim, how's your dog? How's Champ? And
22 there was some guys that wanted to run him. There
23 was all these people coming to hear about my dog.

24 MR. PLODZIK: I have a guy that brings a goat.
25 He brings it to every single one of our events, the

1 goat man, they call him. But he is like a novelty,
2 and students are always -- I'm like, Don't pet him.
3 He's not like a dog. You can't pet him. If you go
4 to pet him, he will take your hand off.

5 MR. RUOFF: What a great way to meet them and
6 move that interaction forward. I'm just not the
7 fat food guy. Hey, Jim, you've got a golden. Do
8 you know what I mean?

9 MS. SCHILLING: To that point, how important
10 is it to have those touch points, particularly with
11 chefs in cooking and being out there and even
12 dieticians? I'm hearing a lot with dietitians
13 getting more involved with students.

14 MS. KIDWELL: I was going to say we're lucky
15 that we have two, and it's been there a while but
16 still stays in touch with things. She works more
17 with our HACCP, sanitation, sanitary and food
18 safety side, and then we just rehired our
19 dietitian.

20 Actually, she just started Monday, but we've
21 had one in that role for a couple years now. And
22 so this one serves in more of the food allergy,
23 special diet consult, the liaison with the student
24 parent and my dining managers and then nutrition
25 education. They both kind of overlap on nutrition

1 education kind of things.

2 We're thrilled about that because our health
3 center does not have a dietitian. We used to years
4 ago. When she retired, they didn't rehire her. We
5 are the experts on campus for that. We're getting
6 now more and more questions coming in about --
7 because, typically, they work with our students who
8 have dining plans with us, but there's a lot of
9 students, the majority of the students on campus,
10 that still have questions.

11 So we have "Ask a dietitian" on our website
12 and different things that they can go to and get
13 information. Of course, they all have access to
14 our net nutrition, which is our nutritional
15 analysis tool, for any of our locations, but
16 getting more and more interested in that,
17 especially with food allergies and that kind of
18 thing.

19 So I think the more that we can, you know,
20 grow that service just brings more credibility to
21 our programs and what we're doing. And then same
22 with the culinary chef side. We continue to grow
23 that. We probably don't have as many as some
24 universities of our size, but many more than we had
25 five years ago, culinarian.

1 That's another area that we absolutely
2 continue to grow, and the more of that that you're
3 able to talk to students and parents especially
4 about, I think they really do give creed and
5 credibility to your program.

6 MR. PLODZIK: The chefs it's so important. We
7 get great recipe ideas from the students and the
8 chefs. I've fired a fair amount of my chefs in my
9 time mostly because they have egos. And I don't
10 deal well with egos.

11 So the chefs I want people to approach the
12 students. I want them going, How's the lunch
13 today? Tell me about what you love about it.

14 I'll tell you that's so powerful for us. For
15 the kids who have eating concerns at all, whether
16 they have food allergy or they're just not sure,
17 it's so powerful to build that relationship. So
18 the chefs actually know all the students who have
19 gluten intolerance or they know this kid is
20 allergic to such and such.

21 It changes the nature of our relationship so
22 much so. We can flip a student who came and was a
23 little pissy in the beginning with me, and I
24 introduce them to the chef. I say, Listen, this
25 chef is here because you're here. It changes the

1 whole scenario. All of a sudden they have a buddy
2 that they can rely on.

3 It's so powerful, particularly in the
4 culinarian. The dietitian sometimes doesn't do me
5 the same justice as the chef does. Sometimes she
6 causes me more problems. Talk about organic peanut
7 butter. We should have that. We shouldn't, so
8 next question, please.

9 But it's just to see them out there with their
10 pope hat on and their white coats is just really
11 powerful for the students. You're right. It adds
12 a lot of credibility into the program all of a
13 sudden. I've stolen a lot from my competitor
14 there, Ken Toong at UMass, and how good he is about
15 promoting. Now I stole his "Welcome to award
16 winning dining." Now it's the most award winning
17 in the country. I'm like, You son of a gun. Right
18 now he's the most. I need to audit some of his
19 statements because I'm not sure I believe him
20 anymore, but other people do. And it's all
21 about --

22 MR. D'ONOFRIO: It's all about it sounds good.

23 MR. RUOFF: Sounds good.

24 MR. D'ONOFRIO: Marketing.

25 MR. RUOFF: But I think Steve mentioned it

1 earlier. As we're moving our food forward, you
2 know, our chefs are naturally moving forward. And
3 having them -- my chefs aren't in kitchens anymore.
4 Sure, they're back there, but you usually have your
5 strongest production people back there. They're
6 out on the front lines now working with not so
7 skilled employees that we're hiring to work grills,
8 that we're hiring to work that stir fry station,
9 that omelette bar.

10 And I think sometimes my chefs would like to
11 Go hire some more competent people. And I would
12 love to do that.

13 MS. KIDWELL: Mine say that exactly.

14 MR. RUOFF: They're out front more, and when I
15 talk to my student culinarian committee every other
16 week and they're talking about resident dining
17 halls, there's been an interesting shift in the
18 last couple years. They're talking about the chefs
19 before the managers because that's who the
20 interaction is with, and also they're dressed
21 differently.

22 That chef uniform with the hat on it's much
23 easier to spot than just another person with a tie.
24 And those two things, being out front and then the
25 personalities help, which I'm blessed to have a few

1 of those with great personalities with students.
2 It's made a huge difference, and it gives more
3 validity to what we do.

4 MR. MANGAN: You can't elevate culinary
5 without chefs.

6 MR. RUOFF: You're right.

7 MR. MANGAN: If my chef complains about the
8 workers, I tell them it's your job to make them
9 better.

10 MS. KIDWELL: That's what we replied too, yes.

11 MR. MANGAN: We've got over 20 chefs on
12 campus. I'm requiring all of them to get certified
13 with the ACF, take it through this so we're
14 standardizing and testing to their competence, and
15 we're pushing hard on culinary. And because of
16 that, now we're starting to attract better talent.

17 MR. PLODZIK: Do you have a director of
18 culinary, Steve?

19 MR. MANGAN: We have a campus executive chef,
20 and he's managing the culinary performance of
21 campus.

22 MR. D'ONOFRIO: Equal with that will be
23 ownership, especially for me working with the
24 federal government. A lot of the employees might
25 get a bummed rep. For me, it's ownership. I get

1 paid no more whether it's better or worse. For me
2 it's still in the ownership that I believe in and
3 what I'm doing into the managers and then into the
4 employees and the staff.

5 So I truly think that makes a difference when
6 I and the rest of the team keeps a mindful eye on
7 the ownership piece.

8 MR. MANGAN: It's more fun when it's good.

9 MS. SCHILLING: I want to give you guys an
10 opportunity at the table here if you have questions
11 that you want to ask of each other. We can take a
12 few minutes to do that. If not, I'll continue
13 asking you guys questions, but I'd like to open it
14 up to you guys.

15 MR. D'ONOFRIO: I just have one. I'd like to
16 poll how many are using a prime vendor and which
17 one?

18 MR. RUOFF: Sysco.

19 MR. MANGAN: I'm with Sysco.

20 MR. PLODZIK: We're with PFG.

21 MS. KIDWELL: Sysco.

22 MR. D'ONOFRIO: U.S.

23 MR. PLODZIK: We just did this a year ago, and
24 they came in hot and heavy. And they all do, but
25 produce is not part of our prime vendor. And we

1 have a -- seafood is not necessarily part of our
2 prime vendor either. Chemicals aren't, so it's
3 really mostly grocery items and meats. But we
4 couldn't audit Sysco's -- we like to be really
5 transparent, and sometimes vendors don't get that.
6 And they didn't get it.

7 MR. D'ONOFRIO: How many years is the contract
8 for?

9 MR. RUOFF: I'm a corporate purchasing
10 contract. It's a long-term relationship with
11 Sysco.

12 MR. MANGAN: We're in year four or five, and I
13 just busted it up. So we got to the three-year
14 where it was a renewal, and we went and
15 renegotiated.

16 MS. KIDWELL: We're the same. We had Ghost
17 Foods for years before that, and about ten years
18 ago now when we put the prime vendor RFP out, Sysco
19 came.

20 MR. D'ONOFRIO: I think they're all about the
21 same. I've had Reinhart for 18 years, and now I'm
22 with U.S. It's a ten-year contract, and I think
23 it's a little long. I find that if you take the
24 things that are right with each of them, put them
25 together, boy, would we have a win-win. Each of

1 them does something a little better than the other.

2 MR. PLODZIK: Ours is a five with an option
3 for another five, but it's a straight markup on
4 cost. And it's by category, so meat might have a
5 category of 6 percent. And groceries might have
6 4 and a half or something like that.

7 MR. MANGAN: We'll be looking at ours again in
8 another year.

9 MS. KIDWELL: I might have one quick question
10 for you all. Surveying students, what have you
11 found works best?

12 MR. PLODZIK: Well, we do the NACUFS one.

13 MS. KIDWELL: We have not done it because
14 we've been -- we're going to do it this year.

15 MR. PLODZIK: That's been part of my dashboard
16 kind of metrics that I'm measured on.

17 MS. KIDWELL: You think it's worth it then?

18 MR. PLODZIK: It think it is, and we get
19 pretty good participation. I gave away GoPros this
20 time, and we made a big deal about giving away the
21 GoPro. If you fill it out, you'll be entered to
22 win the GoPro. And they seemed to be pretty good.
23 It's not -- the capture rate it's probably in
24 the -- I guess it would be for us it was around
25 3,000 people who participated. It's not terrible.

1 That's about 30 percent, but it's good data.

2 It's good data to trend year over year for
3 sure. It seems to be the only -- we also go out --
4 as a management team, we go to every single dorm in
5 the fall because we know they didn't have a choice
6 to buy a meal plan. We want to talk to them about
7 how their experience has been. We get more info
8 from that, I would say, than we get from the
9 survey.

10 The survey with 3,000 open-ended questions at
11 the end of it, who the hell is going to read
12 300 pages of I want more fresh fruit, more fresh
13 fruit. So you get an awful lot when you go into
14 the dorms and spend a half an hour. Even sometimes
15 it stretches on to an hour. We sit around with
16 them, and sometimes I see my missing china in their
17 hands, the coffee cups.

18 They'll give you a lot of great feedback. It
19 starts that relationship a little bit too. It's
20 not really a survey, but it's great qualitative
21 data.

22 MR. MANGAN: We use the NACUFS survey too.
23 Jon said it's good benchmarking to other
24 institutions in your area. We have to limit the
25 surveys we do, so you can't just have free access

1 to surveys all the time because the students get
2 polled all the time.

3 But like Jon said, we also reach out to
4 different student orgs and make sure we have great
5 relationships at RHA and the student government and
6 make sure we're talking to the student leadership
7 to make sure we're hitting the mark with that.

8 Any decisions we make, they go through those
9 groups. The university leadership is looking at --
10 I can't remember the name of the survey. It used
11 to be called EBI. They're looking at that. It's
12 not a good food piece, but some sort of benchmark.
13 It's not very detailed.

14 MS. KIDWELL: We've always participated in
15 that. We need more detail.

16 MR. D'ONOFRIO: We do similar, but the other
17 thing that I think has worked for me for the last
18 couple years would be the forming of a focus group.
19 We meet every two weeks, the same students. And
20 then I really count them as my ambassadors, and
21 they are out there selling what I consider my
22 program and bringing back information of the
23 student body.

24 And some of it is food related, but it's for
25 me at least. Some of those little, little problems

1 that I think they are seem so big to them, and when
2 you can solve those little things -- some are food
3 related; some are not -- just to put that smile on
4 their face makes me feel pretty good.

5 MS. KIDWELL: Is there an incentive to being a
6 dining ambassador?

7 MR. D'ONOFRIO: You get some great food every
8 two weeks. It's all about food. Remember that.

9 MR. RUOFF: At Binghampton we have done the
10 NACUFS and a corporate Ipsos survey. We have not
11 surveyed in the last two years. Our
12 institutional -- I forget the actual -- we were
13 over-surveying our students, and none of us were
14 getting enough true data back. And there was very
15 important impactful ones that the state wanted as
16 part of the SUNY system. They've asked us to back
17 off of our surveying just so we would get more of a
18 return rate on it.

19 And it's been -- right now we are working with
20 the university on a shorter dining survey that we
21 can use that we think will give us both data to be
22 more impactful, not as long as the NACUFS, which
23 can be very, very long or the corporate one we're
24 doing.

25 What Kevin said, every two weeks meeting with

1 my student culinary committee, someone from every
2 community, a retail person, a sustainability.
3 That's where we get our feedback, and that's where
4 that info is.

5 MS. SCHILLING: Are there any other questions,
6 you guys?

7 MR. PLODZIK: I'm always interested in
8 marketing because I'm thinking about putting up
9 resources into that. So I'm interested -- Steve
10 and I talked about this when we were together at
11 the last conference, but I'm interested to hear
12 from you folks and Steve as well about what do you
13 do for resources around marketing. How do you
14 approach marketing your program?

15 MS. KIDWELL: We're really fortunate at KU
16 that as part of our corporation we have a marketing
17 department, but they don't market just for dining.
18 They market for our bookstore and union as a whole
19 and student union activities and all of that, but
20 we meet with them every week.

21 We have a marketing plan that we work out with
22 them, so all of our dining managers, retail,
23 catering, residential have to come with a plan
24 ahead of time, what are we going to market.
25 Residential marketing is certainly different than

1 retail marketing. They kind of help us with some
2 of those ideas.

3 We provide them the content, text, the pricing
4 information or whatever, and then they do a lot of
5 that development, be it graphic arts or they put
6 together our booklets and things like that and help
7 with our dining award entries and that kind of
8 thing. They also -- our marketing director has a
9 background in focus groups, so she kind of helps us
10 with those kind of things and facilitating those
11 focus groups and getting people together.

12 MR. PLODZIK: You get enough support?

13 MS. KIDWELL: Yes. We have a really good
14 support marketing, but we pay for it.

15 MR. MANGAN: Same with Michigan.

16 MS. KIDWELL: They get a good chunk of our
17 money.

18 MR. RUOFF: At Binghampton with Sodexo, we
19 have a marketing department, and I think this is
20 something we struggle with and the university
21 struggles with is we're a generation behind.
22 Social media we completely missed the mark. We do
23 a lot of great social media that I think is neat,
24 that you think is neat, that our students don't
25 open. It's not interesting to them. It's not

1 funny. It's not unique.

2 Signage, they read 50 percent of it. Oh, we
3 sent out a B-Line or message to our students every
4 day. They don't read it. They don't read e-mail.
5 We do some great things. We try to tell the story.
6 We just haven't figured out how to tell it yet.

7 MS. KIDWELL: We're working on how do we tell
8 our story better because you've got to realize most
9 of our customers are new every year, and we forget
10 they didn't know why.

11 MR. PLODZIK: They don't even know. You have
12 a compost program? I didn't know that. We've had
13 it for ten years.

14 MR. RUOFF: The Real Food Challenge. The Food
15 Recovery Network, I send 2,000 pounds a week to our
16 community shelters. Does anybody know about it?
17 No. Does everybody tell it? We tell it
18 everywhere.

19 Student newspaper page ads once a week.
20 Nobody reads them. It was interesting. The
21 student culinary committee -- a gentleman came to
22 me. We're in one of my facilities. He's like, you
23 know, Jim, you've got all these great signs and
24 menus and specials everywhere. You know what signs
25 I read and it catches my eye the most?

1 I'm like, What?

2 He walks over to the legal disclaimer about
3 alcohol can cause you during a pregnancy. I'm
4 like, Why?

5 He's like, Because it doesn't belong there.

6 You put a piece of paper on a wall that
7 doesn't belong on that wall, you know what, I
8 notice it. You put a sign on a sign holder, it's
9 another sign to me. I don't even read it. I tried
10 to bring that to people. It's not marketing.

11 MR. MANGAN: Marketing people don't like that.

12 MR. RUOFF: Exactly, Steve.

13 MR. D'ONOFRIO: I do a lot of what kind of you
14 all talk about. It's probably an area that my
15 department and myself fail at miserably daily.
16 Because why? Because each day I want to do
17 something with marketing, and what happens?
18 Someone calls in, something happens, a delivery
19 happens, we're putting out fires.

20 But this year my budget was due about a month
21 ago. It's funny I just got an e-mail from the
22 budget person, and I put my marketing budget from
23 \$10,000 up to over \$125,000. And now she's
24 questioning it.

25 MR. MANGAN: They notice that.

1 MR. D'ONOFRIO: They notice that, but for me
2 marketing is a lot of different things. But unless
3 you have some money to be able to get it done, the
4 people I have in the trenches day in and day out
5 can't get it done. It's the last thing they want
6 to think about because it's good to do, but they
7 have to put --

8 MR. PLODZIK: I had three people internally
9 that are kind of in resident dining. They were
10 just -- one handled retail, one handled board, and
11 the other was a catch basin for projects
12 essentially. And we're going in more of this
13 centralized model where they want to pull them out
14 of dining so to speak and put them in an office. I
15 loved it because I could go by their office and
16 say, you know -- just the other day I said, We're
17 not getting enough applicants. I need an A-frame
18 on Main Street that says dining is hiring
19 experienced cooks, servers, and restaurant staff.
20 We've got benefited positions.

21 Just like that I can get it done. Now I'm
22 afraid it's going to be, Is it in the queue? I
23 don't think so. And what's the return on this type
24 of thing?

25 MR. D'ONOFRIO: I find that I have to bring

1 value back to the students. We have 12 restaurants
2 that deliver from a mile away. First McDonald's in
3 the country to deliver outside of their Golden
4 Arches. They can't deliver to their rooms, but
5 they can deliver to a central spot. Couple that
6 with five different entities doing food on my
7 campus or the military base, we have a lot of food
8 going on every day.

9 So for me it comes back to this marketing
10 piece, and how do I give value back to that? They
11 always think everything is overpriced, although I
12 could go down the list and everything is from
13 25 cents to over a dollar less per unit. But they
14 think it's overpriced.

15 MR. PLODZIK: I think so many administrators
16 make a decision about how to -- we had a new,
17 essentially, CFO join us, and he was saying, What
18 would it take -- I saw UNH dining was ranked, like,
19 47 in this poll in the top 50.

20 I'm like, Crap, we even made the 50.

21 But what would it take to get us in the
22 Top 10?

23 I said, Marketing. I said, It's really now
24 about the program. It's how you market the
25 program.

1 MR. D'ONOFRIO: That's right.

2 MR. PLODZIK: And he was like -- I'm telling
3 you. There's a lot of politics in the rating
4 system, and that's why you can be tops in the
5 Princeton review. And I went to Bowdoin College
6 because Mary was kidding she's always ranked in the
7 top 1 or 2 in the Princeton review.

8 I said, Enough of this crap. I'm going to see
9 what Mary's program is at Bowdoin. I got the
10 managers together. We said, Let's drive up. It's
11 only an hour-plus for us. And, you know, nice,
12 small, but I said, It's about the way they market
13 it somehow. And the students -- I think they
14 probably give them a nice lobster feed, and then
15 they fill out the survey about their program and
16 everything. I don't see -- I keep trying to find
17 the missing nugget.

18 MR. MANGAN: \$20 bill for each.

19 MS. DICKERSON: Can I ask a question? Do you
20 guys -- when you talk about marketing, do you have
21 to work with your marketing departments within the
22 organization, or do you have your own
23 communications in marketing within dining services?

24 THE REPORTER: Can you state your name,
25 please?

1 MS. DICKERSON: Jan Dickerson, Alaska Seafood.

2 MR. PLODZIK: We did have our own internal,
3 and now we're going to this more centralized model.
4 It used to actually report to me, and now it isn't
5 any longer. One of the reasons I'm particularly
6 interested in it is because I'm trying to get a
7 feeling for what the future might feel like.

8 MS. KIDWELL: We had the same thing, so I can
9 tell you three weeks out we have to get them. They
10 don't just market for us now. So they have all --
11 everybody else's information. They brought on
12 another new marketing program, so we're all still
13 kind of learning that where we have to go in and
14 put in our projects for them. And then the program
15 helps them keep them all straight. We have to put
16 it in three weeks out. We have to come up with a
17 budget.

18 MR. PLODZIK: We've always had this rule we
19 can't talk to the newspaper.

20 MS. KIDWELL: Our kind of impromptu marketing
21 and prompting of things isn't as -- we can still do
22 it in unit. It's not as pretty and savvy as if
23 they do it, and then we have someone on staff that
24 is very good in social media who kind of oversees
25 that, even though my managers have a Twitter

1 account and that kind of thing for those impromptu
2 messages that we want to send.

3 But she oversees weekly Tweets from the
4 department and our Facebook page, and then we have
5 a webmaster who oversees our web pages. We provide
6 all the text, all the content for that, and then
7 they get --

8 MR. PLODZIK: You got to have a good program.
9 It is about the marketing of that good program that
10 makes such a huge difference. I know we all have
11 good programs. Almost every school has a good
12 program in some regard.

13 MR. D'ONOFRIO: I was going to say that. I
14 visit a lot of colleges throughout the year, and
15 I've not seen much -- they're all good, but they're
16 not much better than mine. None of them are bad,
17 but it comes down to how you market it.

18 MS. KIDWELL: Our marketing director we tell
19 her that too. Part of her job is you got to be our
20 PR person. You got to know who to contact in our
21 industry and where to get our name in and to get in
22 these magazines and that kind of thing. They may
23 come knocking on our door, but not all the time.

24 We've got to make sure when we do something
25 new -- so we're trying to help her find where those

1 niches are in our industry and make sure she does
2 that work and, again, in the community, not just on
3 campus, but in the community that she puts out
4 those press releases on a timely basis and she
5 keeps up on that and has that information.

6 Because that's what builds your reputation,
7 and I say there's programs out there that are as
8 good or probably better than ours. And I think I
9 guess we're kind of a best kept secret sometimes.
10 We've done better. We're getting better, and our
11 director just got silver plate this year, so we're
12 thrilled about that. We're gaining on that, but
13 it's a struggle.

14 MS. SCHILLING: So we have a few minutes. I'd
15 like to open up to our sponsor participants. If
16 you guys have any questions that haven't been
17 addressed, this is a good time for you guys to ask
18 those. I do ask if you can state your name before
19 you ask the question so we can get that down on
20 record.

21 MS. KINTER: Thank you so much. Jennifer
22 Kinter from Smucker's. I had a question around
23 coffee. What trends are you seeing outside of just
24 Starbucks in general? We talked a lot about Coke
25 Freestyle during lunch and how options are really

1 important, really big. I wonder if that's
2 happening with coffee and any other general trends.
3 Thank you.

4 MR. MANGAN: Matcha tea is a trend. In
5 Michigan we're going to a local roaster. We're
6 avoiding the national brands. That's all organic
7 fair trade. We're focusing on the farmers that are
8 raising it. It's part of our marketing story, so
9 it gives us a story to bring our economic impact as
10 well as the freshness and a way to put how the
11 coffee is harvested. That's where we're going.

12 MS. KIDWELL: We do the same thing at KU. All
13 of our coffee shops are now Roasterie coffee shops.
14 Roasterie is out of Kansas City, the bean baron as
15 he calls himself. It's fair and direct trade
16 coffees, and he oversees all the farms and goes
17 there. And so they're a very strong partner with
18 us.

19 Years ago we had one Starbucks on our campus.
20 I kind of wasn't all that impressed with it. When
21 we adopted this partnership, I think we kind of
22 helped to grow them and vice versa. And now
23 they're very active in NACUFS as well, but all of
24 our coffee shops this last year, because we sell
25 branded and pulse with our own name, we're serving

1 Roasterie coffee, and our partnership has grown to
2 the point that he is now allowing us to use their
3 name, The Roasterie coffee shops. And so that's
4 been a really strong partnership, but also one of
5 those that help contribute funding for student
6 scholarships.

7 MR. PLODZIK: I think the trend is they want
8 to get the back story. The back story is really
9 important, and that's why sometimes the local folks
10 have a real advantage. Sometimes people think of
11 Starbucks as like the McDonald's of coffee, not
12 maybe on the same quality. It's a big force in
13 there. We have three Starbucks on campus, and kids
14 love Starbucks. Don't get me wrong. That's what
15 my son spends all his damn money on.

16 They love to hear the back story, so I keep
17 telling one of the local guys it's great we're
18 using you. You're two miles from campus, but you
19 need to give me something more than just I'm two
20 miles from campus. Tell me about where this coffee
21 came from.

22 MS. KIDWELL: The Roasterie actually he puts
23 his story on the cups. It's part of the cup.

24 MR. D'ONOFRIO: For me we're using more of a
25 local coffee, New York City coffee, and my sales

1 are flat. We had just such a big request for
2 Starbucks. We switched and I'm up 10 to 20 times
3 the business. I tell people I know the power of
4 the brand. I know what Starbucks brings to the
5 table, but I will tell you all I don't get it. I
6 don't get it.

7 MR. PLODZIK: They love it.

8 MR. RUOFF: On my campus, on Binghamton
9 University, currently, we have four different
10 brands of coffee. Next year we'll be introducing a
11 fifth. I'll have a Dunkin's, a Starbucks, an
12 Einstein's, and two Sodexo proprietary brands. So
13 I'll have five different brands of coffee.

14 I have an Einstein's and a Jasmine's, Sodexo
15 brand, 100 yards from each other. Each do over
16 \$1 million of business a year. It is absolutely
17 amazing to me what coffee does, and the biggest
18 trend that I'm seeing and we're seeing right now in
19 coffee is cold coffee.

20 MR. PLODZIK: Cold coffee rules year-round.

21 MR. RUOFF: Brewed coffee? What's that?
22 That's what my dad drinks, which is what I drink.
23 My students drink cold with some kind of goofy name
24 and some kind of great price point. That's what
25 they buy, and I love it.

1 MR. D'ONOFRIO: I switched from the local New
2 York City coffee to Starbucks, had it for five
3 years. To my amazement we had an under-the-counter
4 ice machine. Probably had somewhere in the
5 neighborhood of 50 pounds of ice. We open at 7:00.
6 By 8:30 we're out of ice when we opened the
7 Starbucks. I bring over 200 pounds. By 1:00 we're
8 out of ice again. And it was all the iced coffees
9 and Frappuccinos. It's incredible to me.

10 The coffee we had prior to Starbucks was good,
11 lower priced, quality was there, and it just,
12 again --

13 MR. RUOFF: If you want to pay 4.99 for this
14 frozen thing with the whipped cream on it, please
15 do. I'll pay my 2.79 for a venti.

16 MR. D'ONOFRIO: Here's another trend that I
17 see at Starbucks: The line, it takes anywhere from
18 a minute and a half to three minutes or more for a
19 cup of coffee to be made. I watched eight people
20 order. Eight drinks are being made one at a time.

21 I said to the managers that were with me,
22 Watch this line. Nobody looks at their watch.
23 Nobody looks at their phone. Nobody crosses their
24 arms like they're impatient. Each one says thank
25 you and probably paid five or six dollars. If that

1 line and that wait time was anywhere else, my
2 phone, my boss's phone, the general's phone would
3 be ringing off the hook. It's all that
4 brainwashing that was done. It's still incredible
5 to me. Incredible.

6 You're not going to print all this?

7 MS. SCHILLING: I think there was -- it's
8 blackmail material for later.

9 MR. PLODZIK: Brainwashing, that would be the
10 front of the cover.

11 MS. SCHILLING: There was another question in
12 the front.

13 MR. SPLANE: Thank you, guys, for your time.
14 This has been very insightful. We appreciate
15 taking the time to do this. It's not often we get
16 a chance to engage. I'm sorry. Terry Splane from
17 Ventura Foods.

18 And it even got into the coffee. Local seems
19 like such a drive, and I heard sustainable. And
20 Steve and I talked a little bit at the break about
21 this 20 percent threshold or objective on
22 sustainable, and I think you identified or defined
23 sustainable as in the state of Michigan, grown or
24 produced in the state of Michigan, with half of the
25 ingredients at least being the state of Michigan.

1 MR. MANGAN: Or it could have some sort of
2 organic certification or humane --

3 MR. SPLANE: It can be outside of the state?

4 MR. MANGAN: Yes. There's other things that
5 will get us into the sustainability.

6 MR. SPLANE: Half the ingredients from the
7 state of Michigan, is that by weight? Is that by
8 number of ingredients?

9 MR. MANGAN: Cost. We define it by cost.

10 MR. SPLANE: How about for a manufacturer? If
11 I had barbecue sauce for your smokehouse, those
12 ingredients were produced in Michigan, which it's
13 not, just hypothetically, how would I determine
14 whether that's sustainable to you or not in terms
15 of the number of ingredients that were sourced from
16 Michigan? My cost?

17 MR. MANGAN: Yes.

18 MR. SPLANE: My cost of buying ingredients?

19 MR. MANGAN: Yes. Every school is different.

20 MR. SPLANE: How does the rest of the schools
21 define -- the other one was local. Local was
22 within 250 miles. I think that was sustainability.

23 MR. D'ONOFRIO: That's different everywhere
24 too.

25 MR. PLODZIK: Some are tighter than that.

1 MR. D'ONOFRIO: Some are more than that.

2 MR. SPLANE: Can I get a perspective from you
3 on what that is and what that means and how you
4 define it?

5 MS. KIDWELL: For us locally, we do the
6 250-mile radius from campus, and Lawrence is
7 located in the northeast corner of Kansas. So
8 lucky for us, that includes Missouri, Iowa, and
9 Nebraska in that 250-mile radius, which helps us,
10 you know, in the Midwest when it comes to things
11 like fresh and local kinds of things but then also
12 expands when it comes to cheeses and dairy and
13 other dairy and eggs and poultry and beef and that
14 kind of thing. So that helps us with that
15 percentage.

16 Sustainable we're still -- we have a good
17 sustainability program. We include local under
18 that, but we have not defined it yet. And we're
19 just starting to talk about that in our wellness
20 committee too as we revamp our whole wellness
21 program and healthy eating program as to how do we
22 want to define sustainable, so I'm kind of
23 interested in that as well.

24 MR. RUOFF: We use local as state of New York
25 or 250 also, but what's interesting what we think

1 of local our students sometimes will challenge
2 that. For instance, we're within 250 miles of
3 Buffalo. Rich's, a lot of products are distributed
4 there. Our students don't consider that local.
5 Because the ingredients --

6 MR. MANGAN: That's where we get into saying,
7 okay, half the stuff needs to be from New York
8 state.

9 MR. RUOFF: Exactly, if we don't know where
10 the ingredients are coming from and all this. And
11 then it's also -- I hate -- this is more the Real
12 Food Challenge. Because of the size and scope of
13 Rich's, they're too big to be local. And it's
14 like, How are we going to define this? And that's
15 why we -- the university, our university, has not
16 signed on to the Real Food Challenge. A lot of our
17 students are working on it, but because we don't --

18 MR. PLODZIK: I would be interested to see if
19 any school can truly make that 20 percent
20 threshold, because I don't think they can honestly.

21 MR. MANGAN: We're going to do it.

22 MR. PLODZIK: You think you will?

23 MR. RUOFF: You think you will? It's going to
24 be interesting because there's a really
25 environmental friendly university that Sodexo

1 services that has been an early signee of the Real
2 Food Challenge, and they have not been able to get
3 it anywhere near 20.

4 MR. MANGAN: We keep the Real Food Challenge
5 at arm's length.

6 MR. RUOFF: Some of their definitions are very
7 difficult.

8 MR. MANGAN: Others will give us targets to
9 make that we can't do. We have to control -- each
10 of us in our different geographies have an
11 individual set of challenges.

12 MR. PLODZIK: We have to be able to define
13 those.

14 MR. MANGAN: We have to control the
15 conversation so we can hit a number. Every campus
16 is looking at some kind of number of local.

17 MR. OWEN: Can I ask a question on that? This
18 is Rob Owen from Lamb Weston. I'm following up on
19 Terry's questions. I get the 250 miles, but if you
20 have products from outside the 250 miles, is it
21 worth romancing, Idaho potatoes, California
22 avocados, Maine crab or whatever. Is that
23 beneficial or not so much?

24 MR. MANGAN: It's a good story, but it doesn't
25 move our number. If we can't get it somewhere

1 else, yeah, Maine lobster is the winner. Same with
2 potatoes.

3 MR. RUOFF: It would help if it had stories.
4 What does a California avocado mean? How was it
5 treated? How was it harvested? Who -- that's --

6 MS. KIDWELL: How it's grown?

7 MR. RUOFF: How it's grown?

8 MR. MANGAN: I'm going to buy Michigan
9 potatoes if I can buy them at a reasonable price
10 before I buy Idaho potatoes.

11 MS. KIDWELL: Part of it is the transport, the
12 carbon footprint.

13 MR. OWEN: That 250 miles seems to be this
14 magical sphere; right? And I get that. You got to
15 set a boundary somewhere, so beyond that 250, it
16 doesn't matter? I can get them from California or
17 Miami or Washington. Or does 350 sound better than
18 700? Do you know what I mean?

19 MS. KIDWELL: To be honest, that 250 seems to
20 be something the industry adopted or sustainability
21 programs in general have adopted. Like I say, I
22 think it depends where you're located
23 geographically.

24 If we say Kansas, we also work with our Kansas
25 agriculture. Even though Lawrence is here, if I

1 get something from Dodge City, that's more than
2 250 miles away.

3 MR. PLODZIK: Where am I going to go? In the
4 ocean?

5 MS. KIDWELL: Yeah. So we still call it local
6 even though it's outside the 250 from our campus,
7 but then when you start bringing in other states
8 farther around there that probably have perfectly
9 good produce and that kind of thing, then it's
10 about the delivery and the carbon footprint.

11 MR. D'ONOFRIO: At some point, local has got
12 to be the U.S.

13 MR. MANGAN: This all boils down to fresh is
14 best. So if things are grown nearer to you,
15 chances are it's going to be fresher. So I think
16 there's lots of gray areas and pluses and minuses.

17 When I was at Northwestern before Michigan, I
18 was working with the engineering class, and we did
19 some carbon footprint studies of different products
20 we were using. One example is we compared
21 Washington apples going to Chicago versus Michigan
22 apples coming to Chicago. Which do you think would
23 be more sustainable from a carbon footprint?

24 Michigan. Well, that's not true because
25 Michigan has to mediate the frost in the spring.

1 They put a lot of energy into keeping the orchards
2 warm, and then they're all trucked to Chicago.
3 Washington doesn't have as much problem with
4 temperature, and everything is sent in railroad
5 cars, which are very efficient. It was really a
6 wash from a carbon footprint.

7 So there's a lot of fallacy around carbon
8 footprinting. That's not a good argument in a lot
9 of ways.

10 MR. D'ONOFRIO: Since I have cadets, students
11 from every state of the country, I think if I had
12 the right marketing team and we were able to market
13 where that product is coming from, that would be a
14 good back story of where that product is coming
15 from, from where they live.

16 MR. MANGAN: Back home.

17 MR. D'ONOFRIO: Yeah, back home.

18 MR. PLODZIK: We just had a webinar just the
19 other day on Australian beef and lamb, and there
20 were a couple schools represented in the webinar
21 that were saying we're buying this because it was
22 humanely raised beef. And it's really sustainable
23 because of the way that it's farmed.

24 And I was thinking we're trucking from
25 Australian to the U.S. that lands in L.A., and then

1 somehow it's getting all the way to the northeast,
2 because one of the schools was from the northeast.
3 That to me where they're promoting it as grass-fed
4 and such, which is great, but I know you can buy
5 grass-fed humanely raised beef here in this
6 country. And you probably would help somebody who
7 is paying taxes.

8 MR. D'ONOFRIO: Price.

9 MR. PLODZIK: How it was priced.

10 MR. MANGAN: That's going there to hit the
11 number. I don't think it's the right decision.

12 MS. SCHILLING: We're getting close on time,
13 so we'll take one more from the audience.

14 MR. D'ONOFRIO: Go to a speed round.

15 MS. SCHILLING: We'll take one from the front
16 row here.

17 MR. HELLSTERN: Adam Hellstern from Ventura
18 Foods. How important is recyclable packaging to
19 you, and do you have any student-run programs
20 around recyclable packaging? And is that important
21 to your student population?

22 MR. PLODZIK: That's a good question. We'll
23 pick an item because of its packaging over a
24 competitive item.

25 MR. MANGAN: Same here. Yes and yes.

1 MR. D'ONOFRIO: Important.

2 MR. RUOFF: Our students demand compostable
3 components, and what's sad is we don't compost them
4 well. They deteriorate better in a landfill, but
5 we can't put it in our compost program because we
6 generate too much of it. The best way to stay away
7 from that is to not generate in the first place.
8 Use reusable.

9 MR. MANGAN: Our residential dining is totally
10 compostable.

11 MS. KIDWELL: Ours is too.

12 MR. RUOFF: Do you compost it well? Does it
13 go into a compost?

14 MR. MANGAN: We compost it.

15 MR. HELLSTERN: Just to follow up, is it worth
16 paying a premium on a product that's in a
17 recyclable or compostable package versus the same
18 product that isn't?

19 MR. PLODZIK: No.

20 MR. HELLSTERN: Same price, but in a better
21 packaging?

22 MR. PLODZIK: That's why it's great to buy in
23 bulk. It's great to buy in bulk.

24 MR. MANGAN: We expect it.

25 MR. PLODZIK: It's great to buy in bulk.

1 Think about the way that it's being packaged.
2 Stony Field Farms yogurt I buy a ton of it, and the
3 university has some relationships with them. And
4 it comes -- the biggest I can get it is in a quart
5 size container, and I go through, I don't know,
6 probably 350 quarts a day of yogurt. And it's the
7 most ridiculous thing.

8 So we pushed Stony Field. I said make it in a
9 gallon at least. Can't do it. Can't do it. Can't
10 get it preprocessed that way, and I think that's a
11 great product in a piss-poor packaging. I would be
12 so much better off to go to Yoplait and buy their
13 bagged product and just squirt it into the pan and
14 be done with this craziness. But it's one of those
15 things people see Stony Field as more sustainable
16 than Yoplait. It's organic. It's great.

17 But I will tell you, you know, we want to pick
18 the right items in the right packaging. And,
19 oftentimes, it's about getting it in bulk. Don't
20 give it to me in a grocery store pack. Think about
21 why do I need to have it packaged this way? Could
22 I buy it in a 20-pound container versus buying
23 five-fours and such like that.

24 We don't always think that -- manufacturers
25 don't always think about that. This is a segment I

1 could consume a ton of product in a very short
2 period of time. I don't want to deal with the
3 containers. That's another burden giving me all
4 these freaking containers and sorting it out back
5 and putting it in the right bins to begin with. If
6 it comes in a bag and I can use the entire bag
7 versus a can, I'm going to get the bag nine times
8 out of ten.

9 MS. SCHILLING: Great. I just want to end
10 with one last question. I always like to stop a
11 conversation on this and ask each of you: What's
12 next for you in your programs? Any new concepts
13 you're opening? With schools coming back in the
14 fall, there's probably lots of new stuff, but just
15 take a minute or two and let me know what you guys
16 are up to that's new this fall.

17 MR. D'ONOFRIO: I have a food truck that we
18 went operational with last semester. We hope to
19 have it -- upgrade the quality of the food and be a
20 little different than you can get anywhere else in
21 retail, better quality, little bit different type
22 of food and operate it the furthest place from the
23 dining hall or the retail is really kind of
24 something we're looking at.

25 MR. MANGAN: We're opening up farm to table

1 retail operation and catering operation in the new
2 building. I think we just hired the -- the chef
3 we're hiring for it just cooked for us yesterday.
4 I think we've got a person to hire. It's pretty
5 exciting. It will be the first one like that in
6 Michigan.

7 MR. PLODZIK: We're going to new entry point
8 press. It will be finger geometry and veining
9 technology, which will speed the transactions --
10 we'll speed the entry, cut the time down by almost
11 90 percent from where we are currently, which could
12 cause some operational challenges if we get
13 800 people within a 15-minute -- couple that with
14 an expansion of our main dining hall. So we'll
15 have over close to about 1,200 seats. That would
16 be a big bomb to mess around with. It's exciting.

17 MR. MANGAN: Is that mandatory entry?

18 MR. PLODZIK: That's the only way, and that's
19 the way we're doing it for everybody. So if you're
20 a faculty member who has bought a meal plan, you'll
21 be using your finger. We've had a little bit of
22 pushback. We used to use the hand geometry, but
23 this is a better database and a better system
24 that's integrated in with our Blackboard system.

25 I will be able to get good data out of it. In

1 the past we had to kind of Mickey Mouse it behind
2 the scenes. It will be interesting, and this is
3 the first time that Blackboard -- we worked with
4 them over the last couple years to get this
5 technology so that it's integrated into the entry
6 point as well.

7 They use their finger. They have a Blackboard
8 account. It records in our register system. It's
9 a seamless system, so you end up -- I think you
10 register five of them. I think you register five
11 or six fingers when you register.

12 MR. MANGAN: Up to five.

13 MS. KIDWELL: Real quickly, I think I already
14 talked about our Nature's Finest, so we'll be
15 thrilled to see how that goes over as well, full
16 plant-based concept.

17 And we also are starting the process of --
18 with all this expansion on campus, we'll be
19 building a new dining center from the ground up
20 along with a new residence hall. Even though we
21 renovated ours in the past few years, they've
22 always been within the constraints of existing
23 space, so being able to build from the ground up.

24 And then all of this stuff that's happening in
25 residential dining and how things are changing,

1 that's exciting for us because I want it to be
2 something that we don't have everywhere else and
3 what is it. We're just starting the planning
4 process. It's really exciting.

5 MR. RUOFF: At Binghamton University, we're
6 out of the dorm building business, you know. We
7 are at 6,400 beds, yet we are in a growth industry.
8 We turned away 31,000 applicants last year. We are
9 going to be growing our university, but they're not
10 going to be traditional on-campus students.

11 I'm going to be tasked in the next ten years
12 to grow my sales. So how am I going to do that
13 under the current footprint? And the question --
14 that answer is I'm not. So what we're going to be
15 doing is looking at in the next year is moving
16 retail operations out of the center of our campus
17 more towards the parking lots. We have proposed
18 some national brands closer to major parking lots
19 to catch those commuters when they come in.

20 Using technology to reach out, you know, we've
21 done some online ordering, which has gone well, to
22 try to catch them when they're driving into campus
23 to order that Starbucks when they're walking away.
24 Starbucks doesn't like to hear this yet. It's what
25 they got to do, or we're going to go with somebody

1 else.

2 And using the ValidFill technology to move
3 drinks out to people and get their money in to us.
4 And then I would love to hear ideas -- and I'll be
5 reading Food Management magazine to figure out how
6 to get to commuter students, those nontraditional
7 students, to buy more meal plans because that's
8 where our growth is. And that's going to be my
9 struggle next year.

10 MR. D'ONOFRIO: I have one that -- it just
11 reminded me. We're switching to Blackboard, and we
12 are having a card that will be a gift card,
13 traditional Blackboard gift card, where
14 parents/students can put money on it.

15 But the unique thing I want to be able to do
16 is have it associated with a reward or loyalty or
17 points. So you swipe it. Still not good enough
18 for me. You swipe it and you spend \$10, you get
19 10 points. But then every cadet is in a company.
20 We have 36 companies, 125 to 140 cadets in a
21 company. I want the cadet at the register to get a
22 point. I want his company to get a point.

23 And then at the end of the month, the company
24 that pings the most points will get a prize for
25 first, second, and third place. Why is that?

1 Because I'm trying to get a value back. And West
2 Point students there are highly competitive, so
3 we'll rank them 1st to 36th. And let me tell you,
4 the one that came in fourth or sixth or tenth or
5 twelfth wants to move up to first.

6 So they'll be pushing business to this
7 location. Plus by registering for the card, we'll
8 be able to push information out. So I think that's
9 going to be key for us in the next year to increase
10 sales where our market is traditionally flat.

11 MR. MANGAN: What are you moving from?

12 MR. D'ONOFRIO: From? Nonexistent.

13 MS. SCHILLING: Well, I want to thank everyone
14 for being here and taking a chunk out of your day.
15 Thank you to the sponsors. Thank you to the
16 roundtable participants, and we'll see you all
17 tomorrow night at the party.

18 (The roundtable discussion concluded at
19 3:42 p.m.)

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1 STATE OF INDIANA

2 COUNTY OF MARION

3 I, Nancy M. Kottenstette, a Notary Public in
4 and for said county and state, do hereby certify that
5 the foregoing roundtable discussion was taken at the
6 time and place heretofore mentioned between 12:30 p.m.
7 and 3:42 p.m.;

8 That said roundtable discussion was taken down
9 in stenograph notes and afterwards reduced to
10 typewriting under my direction; and that the
11 typewritten transcript is a true record of the
12 testimony given;

13 I do further certify that I am a disinterested
14 person in this cause of action; that I am not a
15 relative of the attorneys for any of the parties.

16 IN WITNESS WHEREOF, I have hereunto set my
17 hand and affixed my notarial seal this 5th day of
18 August, 2015.

19

20

Nancy M. Kottenstette, Notary Public

21

22 My Commission expires:
23 September 13, 2021

24

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