

- I. Planning
  - A. Mission Statement: To provide patients, families, and friends with the highest quality of nutrition services to promote healing and wellness.
  - B. Goals:
    - i. Promote safety for patients and employees throughout the foodservice facility.
    - ii. Provide nutritious foods through fresh products and proper food handling techniques.
    - iii. Practice excellent customer service by providing meals efficiently with the highest quality.
  - C. Long-term objectives:
    - i. Reduce the number of accident reports and foodborne illness throughout the foodservice organization by 50%.
    - ii. Be in compliance with USDA's standards of nutritionally complete meals.
    - iii. Maintain within the top three rankings of Southern California for best customer and food service within the area.
  - D. Short-term objectives:
    - i. Provide adequate training for foodservice employees monthly.
    - ii. Order fresh products biweekly with proper receiving techniques.
    - iii. Perform quarterly evaluations with all staff.

## Income Budget

### Income Budget 2013

#### As of December 31

Meal Equivalents Sold	225,000
Patient Meals	200,000
Value Meal Equiv.	\$5.90
Income/Patient Meal	\$3.55
Total	\$2,037,500

### Income Budget 2014

#### As of July 31

#### Forecast From Jul Totals for 2014

Meal Equivalents Sold	100,000	100,000	200,000
Patient Meals	100,000	100,000	200,000
Value Meal Equiv.	\$5.90	\$5.90	\$5.90
Income/Patient Meal	\$3.55	\$3.55	\$3.55
Total	\$945,000.00	\$945,000.00	1,890,000

### Income Budget 2015

#### Totals for 2015

Meal Equivalents Sold	225,000
Patient Meals	200,000
Value Meal Equiv. <sup>c</sup>	\$6.20
Income/Patient Meal	\$3.55
Total	\$2,105,000

**Labor Costs 2013-2014**

Position	Seniority (years)	Hourly Wage	Hours worked/Pay Period	Annual Hours Per Position	Annual Pay Per Employee
Dietitian, Admin	6	\$30.50	80	2080	\$63,440
Dietitian, Relief	1	\$20.80	40	1040	\$21,632
Supervisor I	15	\$17.35	80	2080	\$36,088
Supervisor II	4	\$15.75	80	2080	\$32,760
Supervisor III	2	\$15.25	32	832	\$12,688
AM Cook	3.5	\$14.95	80	2080	\$31,096
PM Cook	17	\$16.95	80	2080	\$35,256
Relief Cook	2	\$13.50	80	2080	\$28,080
Food Service Worker B					
8 employees	5	\$10.75	80	16640	\$178,880
5 employees	1	\$9.35	80	10400	\$97,240
2 employees	8	\$12.45	80	4160	\$51,792
Food Service Worker A					
7 employees	2.5	\$8.95	80	14560	\$130,312
4 employees	1	\$8.75	40	4160	\$36,400
12 part-time	2	\$8.50	20	6240	\$53,040
<b>Total</b>	70	\$203.80	932	70512	\$808,704

**Personal Time Off**

Position	Seniority (years)	Accrual Rate	PTO (Hours)	Hourly Wage	Value of PTO
Dietitian, Admin	6	0.118	245.44	\$30.50	7485.92
Dietitian, Relief	1	0.107	111.28	\$20.80	2314.624
Supervisor I	15	0.142	295.36	\$17.35	5124.496
Supervisor II	4	0.107	222.56	\$15.75	3505.32
Supervisor III	2	0.107	89.02	\$15.25	1357.555
AM Cook	3.5	0.107	222.56	\$14.95	3327.272
PM Cook	17	0.142	295.36	\$16.95	5006.352
Relief Cook	2	0.107	222.56	\$13.50	3004.56
Food Service Worker B					
8 employees	5	0.107	1780.48	\$10.75	19140.16
5 employees	1	0.107	1112.8	\$9.35	10404.68
2 employees	8	0.118	490.88	\$12.45	6111.46
Food Service Worker A					
7 employees	2.5	0.107	1557.92	\$8.95	13943.38
4 employees	1	0.107	445.12	\$8.75	3894.8
12 part-time	2	0.107	667.78	\$8.50	5676.13
<b>Total</b>	70	1.59	7759.12	\$203.80	90296.709

**Health Insurance**

Position	Hours Worked/Pay Period	Insurance/Month	Insurance/Year
Dietitian, Admin	80	250	3000
Dietitian, Relief	40	250	3000
Supervisor I	80	250	3000
Supervisor II	80	250	3000
Supervisor III	32	0	0
AM Cook	80	250	3000
PM Cook	80	250	3000
Relief Cook	80	250	3000
Food Service Worker B			
8 employees	80	2000	24000
5 employees	80	1250	15000
2 employees	80	500	6000
Food Service Worker A			
7 employees	80	1750	21000
4 employees	40	1000	12000
12 part-time	20	0	0
<b>Total</b>	932	8250	99000

**Retirement Plan**

Total Employee Wages	Employee Retirement Plan	FICA Contribution	Total Retirement Plan Cost
\$808,704	\$606.53	\$606.53	\$1,213.06

**Total Staffing Budget**  
\$999,213.77

**Labor Costs 2015**

Position	Seniority (years)	Hourly Wage	Hours worked/Pay Period	Annual Hours Per Position	Annual Pay Per Employee
Dietitian, Admin	6	\$30.50	80	2080	\$63,440
Dietitian, Relief	1	\$20.80	40	1040	\$21,632
Supervisor I	15	\$17.35	80	2080	\$36,088
Supervisor II	4	\$15.75	80	2080	\$32,760
Supervisor III	2	\$15.25	32	832	\$12,688
AM Cook	3.5	\$14.95	80	2080	\$31,096
PM Cook	17	\$16.95	80	2080	\$35,256
Relief Cook	2	\$13.50	80	2080	\$28,080
Food Service Worker B					
8 employees	5	\$10.75	80	16640	\$178,880
3 employees <sup>A</sup>	1	\$9.35	80	6240	\$58,344
2 employees	8	\$12.45	80	4160	\$51,792
Food Service Worker A					
7 employees	2.5	\$8.95	80	14560	\$130,312
4 employees	1	\$8.75	40	4160	\$36,400
9 part-time <sup>B</sup>	2	\$8.50	20	4680	\$39,780
<b>Total</b>	70	\$203.80	932	64792	\$756,548

Position	Seniority (years)	Accrual Rate	PTO (Hours)	Hourly Wage	Value of PTO
Dietitian, Admin	6	0.118	245.44	\$30.50	7485.92
Dietitian, Relief	1	0.107	111.28	\$20.80	2314.624
Supervisor I	15	0.142	295.36	\$17.35	5124.496
Supervisor II	4	0.107	222.56	\$15.75	3505.32
Supervisor III	2	0.107	89.02	\$15.25	1357.555
AM Cook	3.5	0.107	222.56	\$14.95	3327.272
PM Cook	17	0.142	295.36	\$16.95	5006.352
Relief Cook	2	0.107	222.56	\$13.50	3004.56
Food Service Worker B					
8 employees	5	0.107	1780.48	\$10.75	19140.16
3 employees <sup>A</sup>	1	0.107	667.68	\$9.35	6242.808
2 employees	8	0.118	490.88	\$12.45	6111.46
Food Service Worker A					
7 employees	2.5	0.107	1557.92	\$8.95	13943.38
4 employees	1	0.107	445.12	\$8.75	3894.8
9 part-time <sup>B</sup>	2	0.107	500.76	\$8.50	4256.46
<b>Total</b>	70	1.59	7146.98	\$203.80	84715.167

Position	Hours Worked/Pay Period	Insurance/Month	Insurance/Year
Dietitian, Admin	80	250	3000
Dietitian, Relief	40	250	3000
Supervisor I	80	250	3000
Supervisor II	80	250	3000
Supervisor III	32	0	0
AM Cook	80	250	3000
PM Cook	80	250	3000
Relief Cook	80	250	3000
Food Service Worker B			
8 employees	80	2000	24000
3 employees <sup>A</sup>	80	750	9000
2 employees	80	500	6000
Food Service Worker A			
7 employees	80	1750	21000
4 employees	40	1000	12000
9 part-time <sup>B</sup>	20	0	0
<b>Total</b>	932	7750	93000

Retirement Plan	Employee Retirement Plan	FICA Contribution	Total Retirement Plan Cost
<b>Total Employee Wages</b>	\$756,548	\$567.41	\$1,134.82

**Total Staffing Budget**  
\$935,397.99

**Other Expenses**

<b>Food Expenses</b>	2013	2014	2015
Beginning Inventory	\$55,780.00	\$34,056.00	\$11,897.52
Purchases	\$1,240,000.00	\$1,264,800.00	\$1,290,096.00
Ending Inventory	\$34,056.00	\$11,897.52	\$10,704.13
Cost of Food Used	\$1,261,724.00	\$1,286,958.48	\$1,312,697.65
<b>Supplies</b>			
Cost	\$16,255	\$16,580	\$16,911.70
<b>Minor Equipment</b>			
Cost	\$12,325.00	\$12,571.50	\$12,822.93
<b>Continuing Education<sup>E</sup></b>			
Cost	N/A	N/A	\$1,200
<b>Total Cost</b>	\$1,290,304.00	\$1,316,109.98	\$1,343,632.28

**Capital Budget**

	<b>Total Owned</b>	<b>To Be Paid 2015</b>	<b>To Be Paid 2016</b>	<b>To Be Paid 2017</b>
<b>Hobart Dishwasher<sup>D</sup></b>	\$11,049.50	\$3,683.17	\$3,683.17	\$3,683.17
<b>True Storage Refrigerator<sup>D</sup></b>	\$5,060.49	\$1,686.83	\$1,686.83	\$1,686.83

**Operating Statistics**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Food cost/meal</b>	\$2.97	\$3.22	\$3.09
<b>Labor cost/meal</b>	\$1.90	\$2.02	\$1.78
<b>Total cost/meal</b>	\$4.87	\$5.24	\$4.87
<b>Meals/labor hour</b>	6.03 meals	5.67 meals	6.56 meals
<b>Labor minuets/meal</b>	9.95 minuets	10.58 minuets	9.15 minuets
<b>Meals/FTE</b>	12536.87 mea	11799.41 mea	13643.66 meals
<b>Food Cost Percentage</b>	62%	68%	62%

## **Income Statement 2015**

### **Income**

Meal Equivalents Sold	225,000
Patient Meals	200,000
Value Meal Equiv.	\$6.20
Income/Patient Meal	\$3.55
Total	\$2,105,000

### **Expenses**

#### **Staffing Budget**

Labor Costs	\$756,548
Health Insurance	\$93,000
PTO	\$84,715.17
Retirement Benefits	\$1,134.82
Overtime	

#### **Capital Budget**

#### **Other Expenses**

Food Cost	\$1,312,697.65
Supplies	\$16,911.70
Minor Equipment	\$12,822.93
Continuing Education	N/A

#### **Total**

### **Income-Expenses**



## V. Analysis

To decrease deficit, we decided to lower the number of FTE's for our organization. These employee cuts will not necessarily fix our budget problems, but we expect to see results within the next five years from our changes. We see ourselves headed in this direction by slowly reducing the money spent on ineffective employees while increasing morale with our current, long-time employees. With new leadership in our organization, we are determined to grow and improve our department through more meaningful in-services and new goals and objectives for our organization. This will improve the employee's knowledge about what their purpose is and how to do their job most effectively.

## VI. Explanations

- A. Originally, our organization had 5 food service workers B; however, we felt we could still operate efficiently and effectively through our new mission with fewer employees. This will cut our costs by only having 3 food service workers B. Not only will this change decrease wages, but insurance and PTO costs will go down as well.
- B. Similarly to explanation A, our organization started with 12 food service workers A; however, we felt we could still operate and save money by cutting this number 9 food service workers A. Not only will this change decrease wages, but insurance and PTO costs will go down as well.
- C. We assumed the price of equivalent meals would increase due to inflation from \$5.90 to \$6.20.
- D. We assumed that a new dishwasher and a new refrigerator would be the most beneficial pieces of equipment to add to our kitchen.
- E. We assumed that continuing education would cost about \$1200.