

## **TAB 9**

### **FOOD SERVICES EXPERT PRESENTATION**

#### **Issue:**

The Board is in need of education about food services and what is required to successfully have a bar and grill owned and managed by a vendor and not supported by association funds.

#### **Background:**

The Restaurant Subcommittee (RSC) was formed under Master Planning Committee (MPC) in April of 2021 by the Board after about 50 members of the community asked the Board to look into having a lake front restaurant at Lake Holiday and Jon Reedy, Board Director asked that a community survey be initiated to further gauge interest.

The survey was created by RSC, edited by MPC, and approved by the Board. RSC worked with John Stover, Chair of Communications Committee to put the survey online. The deadline for answers was December 31, 2021.

Jeannette Willey attended one of the restaurant subcommittee meetings that I was at and indicated that her husband, Chris Willey, who lives in Lake Holiday, had 40 years of experience in food services. In the comments that were provided online with the survey results, Chris introduced himself, provided his contact information and asked the RSC to reach out to him. They did not, so I went ahead and contacted him. He is a treasure trove of knowledge.

#### **Summary:**

It is the Board's fiduciary responsibility to do what is in the Association's best interests. This involves more responsibility than just what the community wants or needs. It involves financial viability of any endeavor. Thus, the Board needs to gather as much information as possible from experts in the field of food services to help the directors make an informed decision going forward. To that end, Chris Willey is here to talk about what he knows and answer questions.

#### **Recommendations/Motions:**

Not applicable.

**Sponsor: Pat Majewski, Board President**

**February 22, 2022**

## **Introduction to Chris Willey, Restaurant General Manager, Retired 2020.**

**I am** an accomplished restaurant management professional with 35 years of managing high-profile food service restaurants and catering operations encompassing new unit openings, unit improvement projects, facility, and food safety operations.

I have been a professional Chef working in diverse operations as Park catering and production Chef at Universal Studios to Executive Chef of a 40 seat French restaurant.

For the past 12 years I have managed a large staff of 50 or more and administered all essential office functions ranging from payroll and H.R. to financial and budgeting duties for Compass Group/Restaurant Associates (the world's largest catering company) in Arlington VA. and Washington DC.

In 2008 I was the General Manager of Market Salamander in Middleburg VA, a gourmet grocery and casual upscale restaurant for a fortune magazine businesswoman of the year Sheila Johnson.

From 2004 to 2008 I worked as a regional operations manager for the D.C based Seasons Culinary Service and was successful in growing sales and client loyalty moving from a regional manager to a corporate manager.

From 1999 to 2004, I successfully opened and operated several very extensive food service operations for Sodexo USA at the Gannett/USA-Today operations and Capital One Corp, both in Tysons Corner VA. and was responsible for all initial and ongoing hiring and set up of these operations. Those restaurants included large food courts, coffee shops, catering, and retail merchandise stores.

I have a degree in Restaurant management and have taken numerous continuing education courses in accounting, personnel management, computer application management and have completed all necessary coursework in project management. I have strong verbal and written skills and I am proficient in MS Office, financial accounting, H.R. and events management software.

Lastly, I am a licensed Northern VA food service manager and have been fully certified in HACCP and service safe manager and have been TIPS certified.

## The Restaurant Business

The restaurant business is a “business” not a hobby. It is often referred to as a business of pennies, meaning the profit margins are very small. Statistically a vast majority of restaurants that open each year close within the first-year due to many factors but mostly because of financial failure. The situation is complicated by rapidly rising food, labor, utility and insurance costs and significant qualified staffing shortages. There are also many other impacts that the public is not aware of ranging from the health and safety of patrons (a person can become very ill and or die of food and or alcohol poisoning) to the environmental, physical and liability issues.

The following are questions that need to be answered prior to implementation of a “restaurant plan” (either self-operated or subcontracted) completely documented and formally submitted to all LH BOD members and homeowners to review prior to any issuance of an RFP.

- **Facilities**

- Existing or new buildout - who pays, how and when
  - Space usage and parking

- **Financial viability**

- Do we have the active population to support a restaurant?
  - Closely define what it is we want, i.e. a detailed menu, bar menu service and general service levels associated with price structuring. Glass and silverware vs. paper/plasticware operation? How many days/nights per week does it operate, does it serve breakfast, lunch dinner. Opening and closing times, holiday, inclement weather impacts. Delivery service?
  - Who pays for utility costs (electric, gas water/sewage) maintenance and repair of the facility interiors, exteriors, and the surrounding grounds?
  - The issuance of a liquor license will need to be put up for public hearing and is not a guarantee of issuance.
  - **Does this impact LH homeowners’ dues at any time now or in the future?**

- **Health and safety**

- What impact does a permanent food service operation have on LH? Rodent, garbage, trash, recycling systems and the need for implementation of a solid waste grease trap (and its effects on LH wastewater system) fry oil grease holding and removal. Consideration of the effects of heavy insect and rodent pesticide use close to the lake and the beach.
- Frederick County Health department notification of said intentions and a walk-through conducted, plans would need to be submitted, approved and worked through with the county.

- **Insurance and liability**

- How much, who, and when?
- Ethical and practical implications of serving alcohol and food.

- **Vetting potential operators**

- Financial, historical ability to handle a project of this nature and commercial and criminal background checks

- **Proper RFP establishment for the execution of a Food Service operation**

- Special requirements including, buildout costs, food service license, building occupation license, business licenses, liquor license
- Business forecasting with daily weekly, monthly, quarterly and annualized Budgets for 1 year plus a 5-year annualized “snapshot”.

- **Ongoing contract management**

- If a F/T restaurant is established, we will very likely need a paid POC contract manager for both internal and external issues associated with the operation.
- Who pays for that person and any associated costs?

## **My professional opinion.**

I have spent the last 25 years of my career in contract food service which specializes in subcontracted food services which is what now is being proposed. My experience tells me that the viability of such an operation without significant financial and managerial support from LH Homeowners and BOD would be very unlikely to succeed.

The expectation that a vendor would come to LH with the long-term investment funds to establish a workable, professional, and pleasing restaurant and bar is unlikely. The thought that a food truck operator would have those resources is doubtful. My former employer(s), i.e. Compass Group or Sodexo USA (there are several others who would operate in this area) have those resources, however I would assure you none of them would venture into such a relationship without long term investment by LH as well as guaranteed sales levels which would translate into a subsidization of the services by LH homeowners' association. They would also need a long-term contract with guarantees that any investments made on their part would be refunded if the contract is discontinued for any reason.