

BEP VENDOR COMMITTEE MEETING MINUTES

September 22, 2017 • L & I Tumwater

Vendor Committee Members Present

- Robert Miller, At-Large, Committee Chairman
- Robert Ott, SW Region
- Roy Gappert, SW Region
- Gloria Walling, NW Region representing Jacob Kamaunu

BEP Staff Present

- Bobby McCalden, BEP Manager
- Elvis Pruett
- Liz Tunison

Others in Attendance

- John Bechtel, BEP Vendor
- LaDell Lockwood, DSB Communication Consultant
- Greg, Robert Ott's assistant

MEETING AGENDA- September 22, 2017

1. Introductions

2. Financial Report for October 2016 – August 2017

- a. Consumable Inventory Debt owed Through August:
- b. Rent past due through August: \$
- c. Cash in Bank minus warrants outstanding:
- d. State & Federal Revenues:
- e. Expenditures:

3. Vending/Revenue opportunities

4. Legislative updates

5. All-State Topics & Location: Olympia. October 27-28, 2017

6. SRC update: Gloria Walling

a. Upcoming Meetings:

- SRC: November 2nd & 3rd at Radisson Hotel in Seattle.
- NFB Washington State Convention. November 3-5 @ Red Lion Hotel in Olympia.
- WCB Washington State Convention. October 26-28 @ Red Lion Inn, Pasco.

7. Training Updates

8. Facility Planning Update

9. Report on Facilities

- a. Department of Transportation (D.O.T.) Olympia & Employment Security Espresso (E.S.D.) – July 2017
- b. Highway Licensing Building (H.L.B.) & Health Care Authority (H.C.A.) –August 2017
- c. NOAA- September 1, 2017
- d. Snohomish County Courthouse (S.C.C.)- September 1, 2017

10. Other Business – Robert Miller

MEETING MINUTES- September 22, 2017

1. Introductions:

All present introduced themselves.

2. Financial Report for October 2016 – August 2017

- a. Consumable Inventory Debt owed Through August: \$22,965. There are two new vendors this summer that have taken on consumable debt.

- b. Rent past due through August: \$8,816. Two vendors currently behind in rent, but proactively taking steps to pay down debt, including use of vending pass through.
- c. Cash in Bank minus warrants outstanding: \$699,425
- d. State & Federal Revenues: Approximately \$300K in federal revenue as of June and \$470K in state revenue. About \$300-400K in bank for repairs, replacement equipment and build outs. BEP takes in about \$52K per month in state funds and we're on track for an overall 8% increase from prior year. Federal revenue also up from last year.
- e. Expenditures: Controllable costs (repairs, etc.) at \$63,848. On track to spending about \$85K by end of the year. Matchable expenses (staff salaries, motor pool, storage, Newslite) on track to be about \$491K by end of fiscal year. This is about 18% lower than prior year.
Further budget/finance discussion at end of meeting.

3. Vending/Revenue opportunities:

- a. Discussed potential of teaming with food trucks as a potential revenue source for BEP. Would it be beneficial for the program to contract food trucks for sites without cafeterias? Currently piloting this concept with Western State Hospital (WSH). Been limited response. Of the 2 contracted companies, one visited regularly but doesn't wish to extend contract and the other only visited a few times, but will continue servicing location as far as we understand. Still waiting go ahead to install a micromarket on-site which would likely do well. Questions concerning contracting with food trucks included them honoring healthy food requirements, conflicting with current BEP locations, actual frequency customer's would visit due to repetitiveness of offerings. Vendors didn't feel it was in the program's interest to invest in their own food truck.

4. Legislative updates

- a. Commercializing rest areas: Included in Trump's budget as well as being introduced in H.R. 1990: Amendment to allow food concessions at State-owned interstate rest areas. State rest area vending commissions accounts for 22-25% of BEP's revenue. Losing these locations to private businesses could hinder program's ability to financially function as is.
- b. State Minimum Wage increasing to \$11.50/hour as of January 1, 2018. \$14/hour in Seattle and \$12 in Tacoma. As a vendor, if you anticipate need for price increases, start planning now so menu will be ready to post start of the year. As discussed at last year's All-State, it's important to find alternative ways to save money so you aren't pricing yourself out of the market.
- c. Paid Sick Leave starts January 1st. Employees will accrue paid sick leave at minimum of 1 hour for every 40 hours worked. Can start using after 90 days

after hire date. Unused paid sick leave of 40 hours or less must be carried over to the following year. Employees can use the leave not just to care for self, but for family members. Record keeping will be vital as well as legally required.

5. All-State Topics & Location

- a. Olympia. October 27-28, 2017. Location will either be DOT or OB-2.
- b. Potential Topics and Speakers:
 - Paid Sick Leave: Understanding the requirements and how to track.
 - Vending Company: Share industry insight, foster working relationship, and understand more of how they operate.
 - Jerry Banks with Sysco: Explain Entegra Rewards Program, buying strategies, how to use website, other services offer Sysco.
 - Chef Meeker with Sysco: Grab & Go (not prepacked) ideas, food truck type daily specials, protein utilization, maximizing profit centers, food trends, portion control suggestions and yields.
 - Hiring, Motivating and Retaining Staff.
 - Give 'Em the Pickle refresh. Roundtable discussion on customer service.
 - UberEats and delivery trends in food service.
 - Ordering Apps.
 - Vistar (packaged good distributor) and potential group pricing.

6. State Rehabilitation Council (S.R.C.) update – Gloria

- a. Upcoming Meetings:
 - SRC: November 2nd & 3rd at Radisson Hotel in Seattle.
 - NFB Washington State Convention. November 3-5 @ Red Lion Hotel in Olympia.
 - WCB Washington State Convention. October 26-28 @ Red Lion Inn, Pasco.

7. Training Updates

- a. Two potential candidates. Hope to start class possibly next month.

8. Facility Planning Update

- a. Federal Aviation Administration (F.A.A.). Goal is to keep build out under \$100k. Hoping to move walk-in refrigeration and shelving. Anticipate soft open in February. Planning to have current vendor shadow vendors in busier locations to prepare him for increase in business.

9. Report on Facilities

- a. Department of Transportation (D.O.T.) Olympia & Employment Security Espresso (E.S.D.) – July 2017
 - Vendor was present at meeting and shared some of his successes in building up business including Meet & Greets and upcoming marketing promotions.
- b. Highway Licensing Building (H.L.B.) & Health Care Authority (H.C.A.) –August 2017
 - Brand new vendor that took over 2 facilities on very short notice. Really no systems in place and vendor is encouraged to develop and utilize those. Vendor has a great attitude and a dedicated hard worker thus success is inevitable. Sales have been steady and growing. Committee encouraged vendor to network with prior operators to for advice.
- c. NOAA- September 1, 2017
 - Former vendor took over Snohomish County Courthouse Café after many successful years at NOAA. Current vendor was awarded site as it was the 1st available in their geographical region after EPA closed down in 2015. Took it over with short notice. BEP consultant has been working on-site to assist with the transition.
- d. Snohomish County Courthouse (S.C.C.)- September 1, 2017
 - New operator doing well. Former operator was present but didn't want to share details regarding the transition.
- e. Madigan Army Hospital (M.A.M.C.)
 - BEP is working with vendor to replace equipment that currently belongs to an employee. May purchase some of the existing items, but BEP wants to make smart fiscal decisions regarding pricing and life expectancy of equipment.

10. Other Business – Robert Miller

- a. Budget Discussion
 - BEP Revenue decreasing while costs keep increasing. Makes it difficult to open new facilities or upgrade current ones. With that in mind, Robert Miller asked those present to think about where they see the program 5 or 10 years down the road.
 - Some revenue ideas were generated by DSB leadership team during a meeting. They range from asking Governor to send a letter to all state employees addressing “country stores”, finding ways to increase vending commissions, vending audit, vending other non-food items, PR campaign, BEP operating own facility. Of all of these, the idea of the letter addressing country stores was well received. Gloria is going to work with SRC to draft a letter.

- SRC is nominating BEP for NW Access Award. May allow program to network with big companies.
 - Discussion regarding possibility of NFB Newline cost turned over to someone else.
 - Vendor brought up nominating smaller percentage of Benefit Check being paid back to BEP. Perhaps by suggesting smaller amount, such as 25%, rather than 50% or 100% might get more buy-in.
 - Briefly touched upon idea of increasing amount of preventative maintenance responsibility.
- b. Combined Fund Drive (CFD)
- Starts fundraising on October 1st. If possible, find ways to build that relationship with facility. Reach out to CFD coordinator. Don't be caught off guard by bake sales and potlucks that may impact a day's sales. Find ways to work together and/or adjust menu on days the facility has set events.
 - One suggestion was to offer to donate set amount of revenue, like 20%, from all sales during designated time.
 - Offer to cater functions, selling items at cost.