

All State Business Meeting Agenda

Office Building 2, 1115 Washington St, Olympia, WA 98501

October 28, 2016 ■ 2:00 – 4:00 pm

ATTENDANCE

Vendors Present

- John Bechtel
- Mark Erickson
- Roy Gappert (had to leave prior to business meeting)
- Kevin Heimbigner (Saturday only)
- James Janney
- Robert Miller
- Robert Ott
- Peter Szeto (Saturday only)
- Randy Tedrow
- Gloria Walling

Licensees Present

- Tami Dawes
- Tim Scharff

Guests Present

- Mary Helen Schreiber (Saturday only)
- Jim Sutherland (Friday only)
- Endora Szeto (portion of Saturday only)
- Holly Munroe (portion of Saturday only)

Staff Present

- Bobby McCalden
- Liz Tunison
- Elvis Pruett

Vendors Absent

- Stephanie Hilton
- Jacob Kamaunu
- Teresa Lensegrav
- Alan Madderra

- Valerie Morioka
- Dennis Noyes
- Roderick Roberts
- Shannon Warnke

Licensees Absent

- Carrie Arnold
- Richard Davis
- Shirley Kinnison
- Joaquin Luna
- Robert Martin
- Chad Morey
- Kathy Watkinson
- Larry Watkinson

The business meeting was held at the end of the 2017 BEP Annual All-State Conference which is included multiple informative speakers.

- Kelly Vaders, branch manager of **Evergreen Vending**, shared current vending trends, including the popularity of the micromarket. Encouraged group to get involved in lobby days.
- David Faro, Andy Cook, Samantha Louderback and Zachary Lindahl of the **Washington Hospitality Association** covered many topics included labor shortage trend, driving sales with 3rd party models like UberEats, Sick & Safe Leave, Paid Family Leave, Finding & Retaining employees and working with millennials. They also encouraged group to be a part of Hill Climb during Legislative Session. Membership information can be found here: <http://wahospitality.org/membership/restaurant/>
- Omer Serif Sadmaz, Account Representative for **UberEats**, explained how the process worked and the costs involved. Omer can be reached at osasma@est.uber.com for further questions.
- Greg Meeker, Corporate Executive Chef for **Sysco**, discussed current food including healthy trends, perceived menu value, and that 4 out of 5 people are willing to spend more on food if it's a quality product. Chef Meeker can be reached at meeker.greg@sea.sysco.com
- Joe from Vistar shared information about his company and the type of products they offer. <http://www.vistar.com/>

VENDORS' BUSINESS MEETING AGENDA

1. Financial Status of the Business Enterprise Revolving Fund.
2. State of the Business Enterprise Program.
3. Nominating Vendors Benefit Package Distribution Parameters
4. Declaration by Vendors for Vendor Committee Representation.
 - a. Current Committee Members at 2-year mark:
 - NW Region: James Janney
 - NW Region: Jacob Kamaunu
 - NW Region: open position that expires December 2018
 - SW Region: Roy Gappert
5. Health Benefit Open Season from November 1-30th
6. Other Business and Time to Share.

VENDORS' BUSINESS MEETING MINUTES

2. **Financial Status of the BERF Fund as of September 2017**
 - a. Rents through October 2017: About \$13k outstanding balance between 2 vendors. Both are on payment plans and utilizing vending pass thru.
 - b. Consumable Inventory: Currently \$28k due to 4 recent facility transitions. More will be added with last transition bringing it closer to \$35k. BEP has no concerns that debt will be paid back in appropriate time frame.
 - c. Cash In Bank minus warrants (payments): approximately \$667K
3. **State of the Program**
 - a. Bobby has continually been working to cut spending and raise revenue, but that can only go so far.

- b. From 2009-2012, BEP ran with \$700-800K in the bank. By 2014, it dipped to \$500k and by 2015 it dropped into the \$200k range. By the end of the year, the cash on hand will be approximately \$260-280k.
- c. This amount will take a big hit with build out of new FAA over the next few months although BEP is hoping to repurpose as much existing equipment as possible. There is also a small remodel needed in a facility to meet health code. This came up with there was a transition of vendors and a new health permit had to be obtained.
- d. While Bobby and Elvis strive to keep costs down, revenue is not keeping up with the inflation. The current model for successfully running the program doesn't seem sustainable.
- e. Every facility transition costs the program \$20k in maintenance, cleaning and consulting. Several vendors may be retiring over the next few years and it could result in several costly transitions.
- f. If commercialization of rest areas occurs, BEP could stand to lose about 25% of its funding.
- g. To thrive, Bobby envisioned a yearly increase of \$150-\$200k per year to build up the bank. Thus being able to remodel existing facilities and open new locations to allow more opportunities.
- h. Bobby shared how several other states funded their programs and then asked meeting attendees for ideas.
- i. Suggestions were as follows:
 - Lobbyist for the program. Vendors would have to cover the cost. Reach out to Washington Hospitality Association (WHA) and their government team.
 - Bobby is working with agency to find any potential alternative revenue sources.
 - Vendors would like to set up a meeting with DSB director to discuss having agency take over payments

of NFB Newline service that costs \$40k annually. Asked Bobby to coordinate a meeting.

- Look to see how other states (Colorado) recovered from recent financial hardships.
- Encourage more vendors to participate in meetings so they can assist in finding solutions together as a team. And also to help them grow as successful business operators.
- Bobby and Gloria Walling have reached out to State Rehabilitation Council (SRC) for ideas and support. As Gloria pointed out, developing these relationships takes time, but networking is invaluable.

4. Nominating Vendors Benefit Package Distribution Parameters

- a. Four options were nominated and discussed before a formal vote to narrow down to two alternatives for the ballots.
 - 100% going to vendors
 - 90% going to vendors and 10% back to BEP
 - 75% going to vendors and 25% going back to BEP
 - \$11k going back to vendors and anything over that amount would go back to the program. This would allow those vendors relying on the funds for passing down debts or using for personal benefits like health insurance know the what amount they could anticipate while also giving something back to the program.
 - A silent vote was taken and the results were 2 votes for 100%, 4 votes for 90/10% split and 3 votes for the \$11k cap. The results were verified by 2 BEP staff and 1 vendor.

- Ballots with the 2 top options will be mailed out in November and results determined by the end of the month.

5. Declaration by Vendors for Vendor Committee Representation

- a. Current Committee Members at 2-year mark:
 - NW Region: James Janney
 - NW Region: Jacob Kamaunu
 - NW Region: open position that expires December 2018
 - SW Region: Roy Gappert
- b. Nominations were taken, seconded and closed.
 - For 2 NW Region Positions, the following vendors were nominated: Jacob Kamaunu, Gloria Walling, James Janney, Randy Tedrow and Mark Erickson
 - For SW Region Position, Roy Gappert was nominated.
 - Stephanie Hilton had been nominated via separate ballot to fill the open position that expires in 2018. She accepted so NW vendors will only need to vote for 2 vendors to join the committee next year.
- c. Ballots will be mailed out in November. Vendors will have option to vote for appropriate nominees in their region or fill in the blank with other potential candidates.

6. Health Benefit Open Season – November 1-30th

- a. Explained that vendors and immediate family were allowed to participate in Washington State health care plan. Vendors are responsible for paying monthly fees.
- b. Rates were emailed out. They start at approximately \$700+ per month for a single person and \$1400 for a couple.
- c. Open Season is November 1-30th.

d. Insurance would kick in on January 1, 2018.

7. Time to Share:

Meeting concluded just prior to 4:00 pm.