

BEP VENDOR COMMITTEE MEETING MINUTES

February 23, 2018 • NRB Olympia

Vendor Committee Members Present

- Roy Gappert, SW Region
- Stephanie Hilton, NW Region
- James Janney, NW Region
- Robert Miller, At-Large, Committee Chairman
- Robert Ott, SW Region
- Gloria Walling, NW Region

BEP Staff Present

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

Others in Attendance

- John Bechtel, BEP Vendor
- Shannon Warnke, BEP Vendor
- Larry Watkinson, BEP Licensee
- Kathy Watkinson, BEP Licensee

MEETING AGENDA- February 23, 2018

- 1. Introductions**
- 2. New Committee Members and alignment of Committee**
- 3. Financial Report for October 2017 – January 2018**
 - a. Consumable Inventory Debt owed through January.
 - b. Rent past due through January.
 - c. Cash in Bank minus warrants outstanding.
 - d. State & Federal Revenues.
 - e. Expenditures.
- 4. Program challenges/priorities**
 - a. Recruitment
 - b. Retention

5. Legislative updates

- a. Commercialization – Federal / State
- b. Beverage tax Seattle – implementation update
- c. Sick leave – implementation update
- d. Other

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

- a. Upcoming Meetings: State Rehab Council (SRC): March 2nd, Seattle DSB

7. Executive Order update – Nutrition Guidelines

8. Training Updates

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
- e. Clark County Courthouse (C.C.C)
- f. Dome
- g. FAA HQ Des Moines
- h. US Courthouse Seattle

10. Other Business – Robert Miller

MEETING MINUTES- February 23, 2018

1. Introductions:

- All present introduced themselves.

2. New Committee Members and alignment of Committee

- Robert Miller was nominated and voted to continue his role as Vendor Committee Chair.
- Robert Ott was also nominated and voted to continue his role as Vendor Committee Vice Chair.

3. Financial Report for October 2017 – January 2018

- a. Consumable Inventory Debt owed through January is \$26,694. This balance is shared between 4 current vendors.
- b. Rent past due through January is \$2267.75 and it's owed by one current vendor. They are on a payment plan and are using vending pass thru towards rent debt.
- c. Cash in Bank minus Warrants Outstanding is \$827,766. This does include an approximately \$350,000 commission payment from the naval base which means there is about \$477,766 available for BEP.
- d. State & Federal Revenues: \$162,919 in state revenue and \$403,000 in federal. Revenue similar to be tracking very similar to prior year.
- e. Expenditures:
 - BEP has spent just under \$100k on the new FAA Café thus far. There will still be some invoicing for assorted smallwares and consulting. BEP was able to utilize items in storage and GSA donated some equipment from former facility for new location thus allowing some financial savings for the program. A lot of these costs were covered by the portion of the Benefit payout that the vendors voted to leave to the program.
 - The Benefit payout was approximately \$190,000 which was up about \$50,000 from prior year. After the payout to vendors, about \$74,000 was gifted to the program.

4. Program challenges and priorities

- a. Recruitment: Finding potential BEP entrepreneurs.
 - Bobby invited VR counselors to Olympia to tour various BEP facilities in hopes to put a “face” to the program. Great feedback from those in attendance.
 - Bobby continues to attend VR meetings to promote BEP. Would like to bring current vendors with him to share their story and successes. Several vendors volunteered to participate.
 - Ideas were discussed in how to further expose BEP to DSB clients and staff including vendors catering meetings, OTC field trips to BEP sites and staff meetings in BEP locations.
 - There was also discussion regarding the turnoffs and deterrents of clients wanting to partake in the program including length and location of training and no guarantee of immediate job placement. There is also feedback that BEP has a negative image across the nation in general. There is also the challenge

of potential clients seeing BEP strictly as a food service job when they may only be interested in an office type setting.

- BEP is interested in updating training methodology and structure for the benefit of future students and staff. Use of the online Hadley BEP training course is something that will be considered.

b. Retention:

- BEP wants to ensure the success of new vendors and help them flourish as business owners. They, along with current vendors, want them to reach out when they need guidance or mentorship in order for them to grow and be successful no matter the hurdle.
- Some of the newer vendors shared some of their challenges as new business owners such as creating systems (both on the floor and in the office), organizing paperwork and payments, setting aside money for taxes and bills, paying everyone else before self, investing in the business, being present in the business and learning to reach out to other experienced vendors for ideas.

c. Budget:

- These concerns continue as discussed in prior meetings and will continue to be a conversation in order for BEP to sustain and grow.

5. Legislative updates

- a. Commercializing rest areas: This was 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. If passed at Federal level, it would be up to the state's to determine if they want to privatize.
- b. Seattle Sugary Beverage Tax: The idea is to discourage consumers from buying sugary drinks while raising revenue for nutrition and education programs. Seattle area vendors shared how they are handling the tax and the necessary price increases. There is the concern that this tax will eventually extend statewide and there has already been introduction of that idea in legislation (HB 1975 - 2017-18).
- c. Paid Sick Leave: Initiative 1433 that requires employers to provide paid sick leave beginning January 1, 2018. Most vendors are relying on payroll company to track.
- d. Other: In 2020 Washington will require 12 weeks of paid leave for each parent after a child is born, adopted or placed with a family. Workers can also get up to 12 weeks off to care for a sick family member or 16 total weeks of both types of leave. The leave will operate similar to insurance, with both employers and

employees paying into the system. The total tax will amount to .4 percent of wages, with employers paying about 63 percent and employees paying about 37 percent. Small employers aren't required to pay in but their workers will pay in and can receive the benefit. Pay-ins start in 2019 and benefits start in 2020.

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

- a. Next Meeting is March 2, 2018 in Seattle.
- b. Gloria will present on Bobby's behalf and will discuss the potential impact of commercialization of rest areas.
- c. SRC has been supportive of asking DSB to cover cost of Newslite rather than BEP. Agency is seriously considering but will be contingent on budget.
- d. SRC will be bidding farewell to the retiring Debbie Cook.
- e. Next year Gloria's term is up and another vendor should consider applying for the position. Important for a BEP member to be present.

7. Executive Order 13-06 (Nutritional Guidelines) Update

- a. Verbiage is being updated as the Executive Order is moving focus from implementation to maintenance. It's currently open to public comment.
- b. BEP hasn't seen results of last visit by UW's site visits. Bobby will reach out to Dept. of Health.

8. Training Updates

- a. No class currently scheduled. Bobby wants to wait until there are 3 students before starting.
- b. Bobby did meet with a potential student this week.

9. Report on Facilities

- a. Department of Transportation (D.O.T.) Olympia & Employment Security Espresso (E.S.D.) – July 2017
 - Vendor was present to share some successes and challenges. Sales are growing and are improving at the ESD espresso stand. Vendor is considering a method to bring over simple menu items from DOT Café if customers pre-order. Been reaching out to other vendors for ideas in building the business. Vendor did share the lesson learned in planning for the holidays as unfortunately much of the building's staff took extended time off greatly impacting sales. Vendor will be more prepared next season!
- b. Highway Licensing Building (H.L.B.) & Health Care Authority (H.C.A.) –August 2017
 - Vendor was present to share status of facility. Sales are increasing at HCA. They are now offering a daily special that is brought over from HLB. Sales at

HLB are slightly down, but there has been a loss of staff in the building due to relocation. The business is now offering some signature items. They are making biscuits from scratch and getting rave reviews. Vendor reports some learning curves upon taking over the business so abruptly, but now systems are in place and things are smoother. There is concern with lack of sales last 90 minutes.

c. NOAA- September 1, 2017

- Sales are down from prior operator. Mondays and Fridays are very slow. No more daycare catering, but this was already being phased out. Quality of food is good, but service speeds needs to be increased. Been the only feedback from facility and has been observed as well by BEP staff and consultants.

d. Snohomish County Courthouse (S.C.C.)- September 1, 2017

- Everything is going smooth and received positive feedback from the facility.
- Mandatory remodel starting very soon. Required to put in 3 compartment sink. Will need to expand kitchen space by taking over existing hallway.

e. Clark County Courthouse

- Current vendor announced retirement at the end of 2018.
- Bobby will meet Vancouver VR counselor and potential student soon.
- Also discussion about updating format of existing business. Should it stay as-is or convert to a business similar to Jackson Federal? BEP is considering options to improve location's viability. Will meet with current vendor to discuss ideas.

f. Legislative Building (Dome)

- Bid for location ended this week. Two vendors bid as non-primary and interviews will be scheduled soon. Agreement will be for 1 year.
- Suggested that agreement end with Session.
- Bobby is considering putting next bid out earlier so, if necessary, the incoming vendor could observe/shadow during Session. Would also have to be approved by current vendor.

g. FAA HQ Des Moines

- Opening was pushed from January to February 26th. Will be soft opening with groups moving in each week over a month's time.
- Café is centered on burger and fries per facility's request. They will be serving higher quality burgers.

h. US Courthouse Seattle

- BEP was able to put in a bid was put in, but winner hasn't been announced.

- It's a contract opportunity. Potentially may require owner to pay designated competitive wages and benefits. Employees may also be part of union. Facility also had large number of healthy food requirements.
- It's a large facility with access from the street. Would be a Seattle flagship for the program.

10. Other Business – Robert Miller

- a. Bobby shared that in Florida, the RSA won arbitration that would require AAFES to pay commissions on vending machines (outside of stores). Unsure if this will ever become a nationwide rule.
- b. Bobby was contacted by JBLM and asked hypothetically if the contract came up again, would BEP bid on it. Nothing more has been heard on the topic and currently no RFPs have been posted.
- c. In trying to find ways to get more vendors to participate in the annual All-State Vendor Committee Meeting, James Janney donated a future door prize. Encourages other vendors to donate items to be used as door prizes as a draw to get vendors and licensees to the meeting. Another attendee suggested making it a requirement for vendors like it is for licensees.
- d. Next Vendor meeting will be held in April.