

All State Business Meeting Minutes

OB-2 Building, 1115 Washington St, Olympia, WA 98501

October 19, 2019 ■ 1:30 – 4:00 pm

Vendors Present:

- Billy Albertson
- Mark Erickson
- Stephanie Hilton
- James Janney
- Robert Miller
- Robert Ott
- Roderick Roberts

Licensees Present:

- Tami Dawes
- Tim Scharff
- Kathy Watkinson (Friday only)
- Larry Watkinson (Friday only)

Guests / Trainees Present:

- Melinda Albertson
- John Chang
- Tanner Deck (Friday only)
- Keith Klimek
- Rachelle Klimek
- Holly Munroe (Saturday)
- Harry Whiting (Friday)

Staff Present:

- Jim Hemmen
- Elvis Pruett

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.

Current Committee Members at 2-year mark:

- **NW Region:** James Janney
- **NW Region:** Gloria Walling
- **SW Region:** Roy Gappert

5. Health Benefit Open Season from November 1 - 30, 2019
6. Other Business and Time to Share.

VENDORS' BUSINESS MEETING MINUTES

1. Financial Status of the BERF Fund as of September 2018

- **Operating Fund Balance:** The cash in bank is approximately \$582,630. This was positively affected by minimizing expenses though the year and no new openings of significant cost otherwise current balance would be approximately 400,000.
- **Federal Revenue:** Approximately \$484,000. It was \$446,000 last year. This increase is due to a large commission payment from a Department of Defense location. Not anticipating this to continue to be the norm.

- **State & Local Revenue:** Current vending forecast is not available due to lagging information and payment. All indications are that is even with last year. This is primarily due to the installation of micromarkets in various state agencies.
- **Program Spending:** Approximately \$450,000, which is about \$150,000 less than last year due to no new locations or major renovations. Capital preservation is due to BEP's efforts to monitor spending when possible.

2. State of the Business Enterprise Program

- While cash in bank is about \$465K, when asked what a comfort level would be for the program, Jim felt at least \$700K. This would allow BEP to comfortably go into a new facility or handle much needed refreshes in the older facilities.
- BEP is striving to spend less where possible and save when able. An example of this is buying more affordable brands of replacement refrigerant units. Committee shared appreciation of efforts to improve BEP's financial standing.
- BEP is solely funded by vending commissions earned from state and local locations. These funds, just like vendor's facilities, are impacted by uncontrollable things such as healthy option requirements, Seattle sugar tax and building staff telecommuting more regularly.
- Other potential revenue sources were discussed. They include:
 - Donations (includes vendor's donating portion of benefit package).
 - Improved maintenance of equipment to save money.
 - Increasing equipment repair deductible. Pros and cons debated with no plan to change at this time.

- Cost of equipment repairs was discussed. Continually a fine line of weighing when to fix versus replace.

3. Nominating Vendors Benefit Package Distribution Parameters

- Approximately \$484k to be distributed by 16 current vendors and 2 that left during 2019.
- There was discussion regarding the purpose of the Benefit Package, which is that to pay for health insurance and/or as retirement savings. Vendors discussed the high cost of doing business. There was further conversation about the state of the program and its ability to financially take on new opportunities and/or improve existing ones.
- Five options were nominated and discussed before a formal vote to narrow down to two alternatives for the ballots.
 - The 5 options were:
 1. 75% going vendors; 25% going to BEP.
 2. \$100,000 going to vendors.
 3. 50% going to vendors and 50% going to BEP.
 4. \$20,000 max going to each vendor and remainder going to BEP.
 5. \$25,000 max going to each vendor and remainder going to BEP.
 - A silent vote was taken and the results were narrowed down to either 100% being distributed to vendors or \$25,000 going to each vendors with remaining funds going to BEP. There were 3 votes for option 2 and 2 votes for option 5. 1 vote each for options 4 and option 1 with no vote for option 3.

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

4. Declaration by Vendors for Vendor Committee Representation

- **Current Committee Members at 2-year mark:**
 - **NW Region: James Janney**
 - **NW Region: Gloria Walling**
 - **SW Region: Roy Gappert**
- Nominations were taken, seconded and closed.
 - For NW Region #1 position, the following vendor was nominated: James Janney.
 - For NW Region position #2, Gloria Walling and Roderick Roberts were nominated.
 - For SW Region position, Shannon Warnke and Billy Albertson were nominated.
- 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.

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

- Explained that vendors and immediate family were allowed to participate in Washington State health care plan. Vendors are responsible for paying monthly fees.
- Rates were emailed out. They start at approximately \$778 per month for a single person and \$1488 for a couple.
- Open Season is November 1-30th.
- Insurance would kick in on January 1, 2019.

6. Time to Share:

- All in attendance encouraged vendors, licensees and trainees to be open to reaching out to one another for feedback and experience sharing. Everyone can learn from the many of experience in the business. Being able to mentor and share best practices helps the program succeed. Everyone is an expert.
- Suggested to look at ongoing training possibilities throughout the year to be re-revisited at Vendor committee. Large concern over All-State Conference attendance.
- Elvis announced he is willing to teach anyone as well as their manager and/or staff how to perform maintenance in their own facility. Please ask him to schedule a time to do so. Preventative maintenance will help everyone save money as well as keep equipment running more efficiently.

Meeting concluded just prior to 4:00pm.