

BEP VENDOR COMMITTEE MEETING MINUTES

January 24, 2020 • NRB, Olympia, WA

Vendor Committee Members Present

- Robert Miller, At-Large, Committee Chairman
- James Janney, NW Region
- Stephanie Hilton, NW Region
- Robert Ott, SW Region, Committee Co-Chair
- Shannon Warnke, SW Region

Committee not present: Gloria Walling

BEP Staff Present

- Jim Hemmen, BEP Manager
- Elvis Pruett, BEP Program Specialist
- Wendy Werner, BEP Contract Specialist

Others in Attendance

- Keith Klimek – BEP trainee

Meeting Agenda – January 24, 2020

1. Introductions

- a) 2020 Committee Intro & Elections

2. Financial Report P&L Format

- a) Benefit Check payout and voting
- b) Debts past due through January
- c) Cash in Bank minus warrants outstanding
- d) State & Federal Revenues
- e) Expenditures
- f) Set aside of monthly fees for program

3. Training Program update

- a) Current Students
- b) Potential Clients

4. Vendor Involvement 2020

- a) Determine meeting locations for year

January 24 - Olympia
 March 27 - Seattle
 June 19 - TBD
 September 11 - TBD
 October 16/17 – All State

b) Potential topics

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

6. Report on Existing Facilities

- a) Clark County Courthouse – January 2019
- b) NOAA- September 2018
- c) US Courthouse Seattle- April 2019
- d) Goodrich – April 2019
- e) FAA
- f) L & I - Facility turnover 9/30/19 & Remodel
- g) Potential Bids – DOT & Pritchard

7. New Facilities & Opportunities

- a) Dragonfly Café, Vancouver

8. Other Business – Robert Miller

MEETING MINUTES

1. Introductions

- Everyone present introduced themselves. Wendy Werner shared her background and has visited some of the sites. Bob Miller introduce the new committee member, Shannon Warnke in the SW region.
- Agenda was read. Robert Ott request addition of recent invoice issue, and it was added to the financial report discussion.
- Elections.
 - James Janney nominate Robert Miller for Vendor Committee Chairperson. Robert Ott second nomination.
 - James Janney nominated Robert Ott for Vice Chairperson for the Vendor Committee. Robert Miller second nomination.

- A review of what the two positions do for the Vendor Committee. The Chairperson is the first point of contact for the agency staff, to works with committee members as issue arise between meetings, establishes the agenda and ensure everyone has opportunity to participate. Vice Chairperson substitutes for the chair in their absence and provide second opinion to the chair. They go to places for representing the committee and working with Jim Hemmen.
- The vendor committee has 6 members and are 2 year terms.
 - NW region: Gloria Walling (new term), James Janney (new term), Stephanie Hilton (mid-term)
 - SW region: Robert Ott (mid-term), Shannon Warnke (new)
 - At large: Robert Miller (mid-term)
- Shannon Warnke thanked everyone for putting their trust in her, and hopes to contribute in some way.
- We had more participation in voting this time. Vendor Committee members need to reach out to those in their region to get them voting and obtaining advise from their region members.

2. Financial Report P&L Format

- **Benefit Payout and voting:** The benefit check payout had 2 ballot choices: 100% to vendors or \$25,000 to vendor and rest to BEP program. The first time in history it was a tie vote. It went out to vote for a second time: 15 vendors voted and results 100% went to vendors. This year the 100% payout was just over \$30,000 per person. Anyone with a debt to BEP was written a letter and each agreed to do a withhold and pay off any debt. Consumable inventory was not included and no need to ask for arears. Around \$25,000 of debt was paid off.
 - In future at all state meeting we can make the decision when they are going to be mailed out.

- Prior to all state meeting, Committee does need to have something in writing on what would happen next time there is a possible tied vote.
- Noted that several vendors have become dependent on the benefit check versus what the benefit check is meant for health insurance, retirement, and future planning.
- **Financial Report**
 - BEP operating funds is over \$1.4 million in the bank.
 - Approximately \$400k of federal moneys for next year benefit came in, this is in part of a check that was around \$390k.
 - BEP has about \$500k in the operating funds. BEP has about \$600k to work with.
 - Some of our vending revenues are strong in the fall but seeing a decrease in December.
 - BEP is about \$80k ahead of where we were a year ago in terms of the operating funds. This is having to do with BEP not having any major operations to invest in, being prudent to spending in the field, and not paying for Newslite (\$40k/year). We have done some creative solutions related to leasing equipment or product vendors providing the cooler for their product versus purchase of cooler.
- **Profit & Loss Statement.** There is an ongoing problem of getting financial statements on a timely basis. A reminder was sent out to the vendors of their responsibility to turn in accurate financial documentation, this is in accordance with the WAC. The due date for P&L report is the 15th of each month. The accountability of the report is the vendors. P&L is not only a requirement; it is also a benefit for the vendor. This allows vendors to catch a problem and get assistance early. P&L come in late is an indicator. Discussion occurred on potential options to get these P&Ls timely without being punitive;
 - One suggestion is a point system in the file if you get them in on time and used on year on year to make sure seniority doesn't apply to the review.

- Topic for next meeting and encourage vendor committee members to think how this can be done.
- **Payments.** There is no ability to do payee service (ACH) at DSB. Reason no ACH: Any money that comes into state funds and automatically goes to department of treasury and there is no ear mark on it so it isn't traceable back to DSB. You can do bill pay from the bank that can send a physical check to DSB; you just need to set it up with your bank.
- **Policy.** There are no defined criteria when it comes to what is considered actions that would danger a vending facility within the WAC 67-35 and a creation of a policy of what is an identification of this would allow BEP parameters to taken action when vendors are not completing required activities. Other states have these policies and Jim can look around to see what states have in place.
- **Catering Invoicing.** There was a recent issue related to invoicing with address not on file as the mailing address was different then the new location address. The invoice was updated to include both addresses and in this case the State vendor number. Any time you change business information, such as address, you should let us know.
- **Future discussions.** To start the discussion of how we can invest into the future and will keep on the agenda for March, minimizing expenses and increasing revenue
 - Set aside a monthly fee to the program.
 - Discuss increasing the expense on repairs to the vendor; currently \$500.
 - Within WAC committee can define what is essential equipment. Vendor would pay for non-essential equipment. Example: Who is responsible for the television screens? To start the conversation, BEP can bring back the list of what we have and what is considered an essential item to start and keeping it maintained.
 - Robert Miller is the discussion of transition of one vendor to next. Making sure all the equipment is there and functioning and smallware is all accounted for. Committee needs to come

up with a plan that the outgoing vendor knows what they are responsibility

- Robert Miller if the budget dwindles to a certain level that some other states do a flat percent of profitability. ??? missed section. Robert Miller recommends doing a flat rate that is done in a three tier system based on: cafeteria, espresso/deli and independent dry stand. That would like to pursue the conversation of this and this committee needs to be tuned into the longevity of the program.
- Increase revenue from the outside.

3. Training Program update

- Current Students: BEP has Keith Klimek as a training student.
- Potential Clients: Two right now are in the middle of the pre-requisites. There is one that will be getting through the pre-requisites; he currently is an assistant manager, going to college and has a very extensive business plan already written. He has all the paperwork for DSB in getting assistance but wants to get through the college first.
- Jim is working with counselors in how to find folks. The process length has been a reason for not moving forward but this has been streamlined line. Jim shared that one person wanted to tell BEP what business they will be purchasing and Jim let them know that this isn't what the expectation. The vocation is re-evaluating parameters and making sure it is clear the difference between self-employment track and BEP program.
- Keith shared his experience so far in understanding what is needed for a thorough business plan and sticking to that business plan. The on the job training has shown more of what is needed in a business plan for this industry. Started on the job training on Jan 6th, in third week, a few highlights: understand reason for Jim being as hard as he is as he wanted to make I get it; I am struggling with math and is going to get this down; love being able to try the different sections such as the deli and grill section. Bob and employees are encouraging and willing to work with him even in times of frustration.

- Vendor involvement 2020 reviewed the meeting dates. The next meeting to be recommended at Criminal Justice and BEP will confirm this location. June 19 - OB2 location and September 11 - Shannon facility. All State will be October 16 and 17th; BEP is working on confirming the other activity dates to make sure there is no conflict and having conversation with Ramada Inn who may be able to assist us with the fee.
- There were only 7 vendor who showed up last year All State. BEP has sent out the meeting schedule so vendors can get it on their schedules. Suggestions for improvement in participation:
 - Peer to peer training - comment after last one is that there was great training but it was an outside vendor; suggestion is we build the topic and the vendor participate in training;
 - Enhance the training
 - One of the areas we should concentrate on is the profit and loss reports and the value of proper financial statement.
 - This discussion will happen again at the next meeting. If you can reach out to your constituents to find out what we can do to improve attendance.
 - Jim will check to see if there is the ability to do vote during all state.

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

- Jim Hemmen attended December 1st and able to provide a report of some of the work we are doing at BEP, along with the high concerns of the mobile workforce as headcount in building keeps changing and the affects business. For those that pay rent, it is calculated based on number of square footage is charged out based on entire campus and when it is fewer people in those facilities it increases the amount to the vendor.
- To note, a 32 work week was mentioned and is a potential issue; what is it going to be based on 8-5, 7 days a week, with less people in building. A potential opportunity to have speak is Cyrus Habib (connected to Governor).

5. Report on Existing Facilities

a) Clark County Courthouse – January 2019

- Billy doing really well. He is networking with community and is marketing what he is offering. We have seen about 30-40% increase in net sales; viable facility. He is there every day and doing a great job.

b) NOAA- September 2018

- NOAA sales have increased in the past 6 months and are starting to show growth. There has been question on what to do in the future and the manager has mentioned a potential 50% growth in campus. This will be going out to bid.

c) US Courthouse Seattle- April 8, 2019

- US Courthouse will be a year in April. We are struggling in sales and not near the projection of what we hoped to be. Profit in sales has been almost non-existence. Something to think about in keeping this in the program.

d) Goodrich – April 2019

- Patricia has had ups and downs. She is comfortable in the growth and has been testing the market. She is growing in sales; 15% up from where she was 3 months ago. She continues to struggle with staffing.

e) FAA Des Moines

- Randy continue to monitor sales are in a solid place and continue to grow. Labor appears to be in a better place. Financially seems to be stabilizing.

f) Labor & Industries – Facility turnover 9/30/19 & Remodel

- Shannon reported that lost 10% of customers as prices were raised by about 10%. Sales are staying at what Roy had but haven't changed much waiting for the remodel. With the raise of prices saw a drop off in catering, Shannon made an adjustment for catering in the building for L&I staff they receive 50% off and those staff are back.

- Remodel is in the drafting stage. There will be cost to the program as there will be need for new equipment.

g) Potential Bids – DOT & Pritchard

- DOT, Pritchard, NOAA and HLB will be going out for bid this year.

6. New Facilities & Opportunities

a) Dragonfly Café, Vancouver

- Adjacent to Courthouse is a facility that BEP has looked at previously but issues was 10k for rent. Jim recently visited again and does provide an opportunity of a little coffee stand. Seeing BEP has nominal rent, then BEP could get this. Billy does see himself being able to go into this space and able to match what he has there. County is determining if they are going to RFP it.

7. Other Business – Robert Miller

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