

BET Elected Committee of Managers

April 25, 2015 – Quarterly Meeting
Crown Plaza Dallas – Market Center

Call to Order

ECM in Attendance:

- Manny Sifuentes
- Calvin Shepard
- Zach Davis
- Dwayne Zuppardo
- Dave Corbett
- Clayton Hell
- Paul Parker
- Karla Martinez
- Aloha Cook

Audience:

- Mike Hooks
- Steve Saltzman
- Sylvia Delaney
- Tommy Crawford
- Tom and Kim Chepey
- Chelsea Davis
- Alan Crites and Steve Zwerling from Blimpie/Kahala
- Beverly Hell
- Beverly Corbett.

The minutes from the January meeting were approved.

Director's Report – Mike Hooks

There are currently 118 BET facilities. One new location has opened this year – the LaSalle County Rest Area. There are no pending facilities and there were 2 facilities that closed – the Ysleta Bridge and Medina/Kerr Rest Area vending. Eight facilities were upgraded this year and 3 will be upgraded. BET has 2 out sourced facilities – Waco VA and NASA. There are 4 facilities being run by temporary managers – the San Antonio Downtown Vending route is being run by Gay Nimitz. Camp Hubbard is being run by John DeSimone. TCEQ Snack bar is run by Tom Chepey and Hardeman County Rest area is run by Dylan Williams. These 4 locations have been advertised.

There are currently 111 assigned managers in the program. Three managers have left the program, Billy Joe Hutchison, Duane Welty and Tim Shaw. There are 3 currently

unassigned managers – Frank Riojas, Bunk Goodrum and Russ Olson. Three managers entered the program, Carnell Pardue, Jenna Norwood and Matthew Brewerton. All were licensed on 11-14-2014.

The current BET training class has one trainee – Arnoldo Martinez.

During the 2nd quarter 546 visitations were completed by the Business Consultants. There were 1,373 employees with no disability employed in a BET facility, 10 blind employees and 76 employees with other disabilities.

Construction on a roadside rest area has started on IH 20 between Abilene and Ft. Worth, one mile east of Ranger in Eastland County.

Financials: \$1.7 in cash reserves. \$600,000 in set aside last year – this year estimated to \$700,000. State vending \$880,000 last year. This year estimated to be \$875,000.

Legislative Session bills being tracked:

HB 2824 – covers nutritional requirements for vending machines

HB 2831 – mirrors federal regulations for posting calorie counts on vending machines

HB 3706 – regards posting peanut warnings signs in food establishments

Sunset Review: Discussion of DARS being combined with HHSC and putting VR, BET and CCRC under Texas Workforce Commission. Hooks has been in meetings with TWC to aid in the transition.

Arbitrations: Fort Sam Houston and Fort Bliss arbitrations with Department of Defense are underway.

American Counsel of the Blind Convention in Dallas: Received request for staff and managers to attend meeting over the 4th of July weekend.

Chairman's Report – Clayton Hell

Attended the NAMA – National Automated Merchandising Association meeting and met vending people from all over the US and spoke to many vendors about the Randolph Sheppard Act. Nicky Gacos was voted into the Board of Directors of NAMA. There was a lot of discussion about the new version of Fit Pick. Micro Markets are big right now and have seen profit increases of 180% in some locations. Next year's convention will be in Vegas and Clayton encouraged everyone to attend and join NAMA.

June 2-3: Clayton did a fly in to Washington D.C. to participate in lobbying on Transportation and the Department of Defense

Manny Sifuentes testified at a hearing regarding House Bill 2824 Sponsored by Representative Lucio that regards providing healthy options in vending machines on state property. Manny talked about the Business Enterprises of Texas, (BET), the number of locations and managers on state property. He emphasized that blind business owners would feel the effects of this bill. Manny mentioned that the managers are working with the state wellness committee and that the bill was not necessary because the ECM, SLA and wellness committee were already promoting wellness. Managers have been made aware of healthy options and are looking for purveyors to provide the products. They are also checking into Fit Pick and Better Eating Today marketing. Manny suggested that managers who promote healthy options should be given points on their performance reviews. He also suggested that the state purveyors get on board with providing healthy options. Clayton reported that Rep. Lucio's office was not aware that initiatives were already in place. He also mentioned that anyone with 20 or more vending machines would have to provide a label with calorie counts.

Guest Speakers:

Steve Zwerling, Director of Franchise Development for Kahala and Alan Crites, Area Developer and Owner of Blimpie. They spoke about partnering with the Business Enterprise Program in Arizona and recently assisted with converting the Capitol Café there into a Blimpie Sub and Salad, a smoothie shop and Cold Stone Creamery. Sales increased by 3 times over last year's sales. They provide operational systems, marketing and training. Kahala represents 15 brands and thought that Blimpie, Rollerz and Energize Life Café (high quality fitness smoothies) would work well in the Texas market. The franchise start-up costs would be less within BET than for a privately owned franchise. There is a 6% annual fee on gross sales. 4% for royalties and 2% for advertising. There is usually a 5 year franchise agreement with extensions. Several managers expressed interest.

District Reports

District 1 Food – Manny Sifuentes

Mike Sparks is doing OK. Robert Jones at Johnson Building loves his card readers. Mark Van Laningham would like to be able to pay his set aside fee online. Everyone else is doing OK.

District 1 Vending – Calvin Shepherd

Unable to reach Jaime Garza because neither phone number was working. Unable to reach Irwin Orcutt, Leroy Delagarza or Debra Weston. Looking forward to school being out so people will travel and stop at the road side vending.

District 2 Food – Zachary Davis

Ed Marlow said that the FAA relocation is coming along. Steve Saltzman is contemplating new ideas for his lunch line. Alvertis McClurge is doing well and his sales are fine. Tommy Crawford's sales are up. Zach is doing fine and just received Better Eating Today materials for his machines.

District 2 Vending – Dwayne Zuppardo

Everyone in his district is doing fine.

District 3 Food – Greg Stavinoha

Unable to attend meeting.

District 3 Vending – La Roi Fier

Kingsley was unable to get out of Houston due to weather

District 4 Food – Dave Corbett

Not a lot going on in his district. Sylvia Delaney is adding new items to her facility. Roland Marshall is having issues at Ft Sam. Dave has been trying to reach Rebecca Chambers, an newly licensed manager, but has not been able to reach her.

District 4 Vending – Clayton Hell

Everyone doing well in his district. Ken Ballard mentioned that he is getting lots of requests for healthy food in the prison. Clayton suggested talking to Vistar. Their healthy eating program is called Good to Go. Jenna Norwood started April 1 at Corpus Christi State Supported Living Center. The new rest area in LaSalle is showing steady sales, but nothing impressive.

District 1 Food – Manny Sifuentes

Harvey Stavinoha and his wife, Georgie have been hosting get togethers at their Party Barn where they eat and discuss business, particularly HB 2824. Manny spoke to Keith Turner who is doing OK. Wayne Sibson at the VA is having some repairs done and is looking for a cook. He is finding out how hard it is to hire someone with all the required background checks. Harvey Stavinoha is handling IRS vending with Aloha Cook's assistance. Myra Escalante would like more customers. Matt Brewerton is trying to keep numbers up but is having some trouble reporting sales on the data base. Manny advised him to talk to his Business Consultant about data base issues – that numbers could be corrected.

District 5 Food – Harvey Johnson

Not in attendance, but Clayton reported that everything is fine at Ft. Bliss.

District 5 Vending – Paul Parker

District 6 Food – Karla Martinez

Kristan McNabb Pattison has seen an increase in sales and would like to bring in more product. Ronnie Watson said that business is stable and he would like his correspondence by phone or regular mail. Travis Warren is getting a new floor at DPS and sales have increased. John Latigo was worried about a sales drop in January, but it came back up in March. He has some equipment issues. John DeSimone has hired someone with marketing skills at Camp Mabry and customers are very happy. John would like a food truck and thinks that the business consultants should be on the lookout for new facilities to grow the program. Maria Bosch's facility is stable and sales have increased. Tom Chepey had a price increase in January. He is satelliting TCEQ and doing well with a 12-19% increase in sales. Karla is doing well in her facility with an increase in sales by \$30,000 since last year. She will be hosting a Cinco de Mayo celebration with her Mariachi band. She heard that managers would like to have their visitations emailed to them so they have a copy for their records. Mike said that if they ask their Business Consultant to email it to them, they will.

District 6 Vending – Aloha Cook

Left voice messages with everyone in her district, but had no return calls. She did hear that numbers entered into the data base were sometimes being transposed.

Subcommittee Reports

Rules and Bylaws Subcommittee – Zach Davis standing in for Greg Stavinoha

Proposed changes - 1. move towards electronic voting and add 'email' and 'text' to by laws. Discussion about doing away with snail mail voting. Some want to provide options since not every manager has a phone or computer. Others want to switch to online voting once the ECM website is up and running. 2 – clarify deadline for voting. 3 – by laws would state that the treasurer provide an electronic financial report to ECM before each meeting and also add it to the website. Also, the current bylaws state 'annual audit'. The revision would state that the audit should be emailed to the ECM and posted on the website for all managers to see. 4 – the Chairperson shall enforce the Roberts Rules of Order, (RRO) in meetings. Voting on revisions can be done in a conference call.

Training Conference Subcommittee – Manny Sifuentes

The conference is scheduled for October 16-18 at the Omni Hotel in Austin. If managers have suggestions for content of the meeting, please speak up. So far, suggestions have been to have training on Better Eating Today or Fit Pick. Bring in a

chef for a healthy food demonstration. The committee is still looking to recruit vendors for the food show. Clayton Hell suggested that Manny contact the RSA Buying Group who can recruit vendors at the national level. Zach Davis mentioned that the Lottery people are interested in getting involved. Manny has forms for signing up vendors.

Manny discussed the donation request to fund the Training Conference. There are different levels of donations, each one gives a different level of banquet and drink tickets. If a manager chooses to not make a donation, they can just purchase a banquet ticket if they want to attend. Friday night's happy hour is free for everyone. Manny is making the first \$500 donation and will be calling the managers in his district to request donations. A report will be issued to show how the donations were spent. Clayton Hell suggested setting up a PayPal account to receive donations.

Tom Chepey asked if an audit of last years' Training Conference was done and if the managers could see the results.

Election Committee – Zach Davis

Discussion was to keep snail mail but also make voting possible online so that everyone has options and a chance to vote.

Training Potential – Aloha Cook

Arnold Martinez is the only trainee right now and is learning a lot from one on one classes with Joe Gonzalez and training under Tom Chepey. Tom let Arnold run his café so Tom could attend this meeting. Arnold has attended some of Harvey's Party Barn events. The next training class will possibly be 5-6 people. The interviews are Jul 7th.

Vending Subcommittee – La Roi Fier (Kingsley)

Kingsley was unable to attend due to Houston weather. Clayton Hell reported that Kingsley will step down from this position. Clayton will select another chairperson.

ECM Website update – Zach Davis

www.texasecm.org

The website is up and running – at least the infrastructure is in place. Data, training options, rules and bylaws are all linked and forms are down loadable. The website is usable but still needs to be cleaned up so he is not ready to send out the link.

Clayton Hell suggested that a Website Subcommittee should be created and added to the bylaws. He suggested that Zach Davis chair this committee.

Set Date and City for next meeting – July 18, 2015 in El Paso

Meeting Adjourned