

# ECM Meeting

October 16th, 2015

Omni Southpark

4140 Governor's Row

Austin, TX

## Call to Order

Introduction of Guests: As this was the annual training conference, attendance was quite large and a number of individuals arrived and left during the meeting. Not all are recorded. What follows are those that were clearly identified:

- Paul Parker
- Kingsley Fier
- Dave Corbett
- Clayton Hell
- Zach David
- Aloha Cook
- Karla Martinez
- Manny Sifuentes
- Beverly Hell
- Beverly Corbett
- Tommy Crawford
- Rufino Acosta
- Michael Vandervoort
- Mark Harris
- Mrs. Harris
- Harvey Stavinoha
- Ronnie Watson
- John Watson Sr.
- John Watson Jr.
- Lyndon Lee
- Zach Davis' wife
- Tom Chepey
- Kim Chepey
- Mark Russell
- Tony Campbell
- Mike Hooks
- Calvin Shepherd
- Cecilia Wilson
- Esta Scott
- Kathy Roberts
- Sandra Carter
- Dwayne Zuppardo

The minutes from the July meeting were approved.

Clayton Hell requested that people abide by the Robert's Rules by addressing everyone as Mr. or Ms.

## **Director's Report**

Mike Hooks provided a condensed version of the Director's Report since he would be repeating the information during the General Session the next day.

There are currently 117 BET facilities. One new facility opened this year, LaSalle Rest Area. Three facilities were closed this year, the largest being the Barbara Jordan Post Office. There were ten facilities that had operational areas of the business upgraded. There are two facilities run by out sourced management, the VA in Waco run by Beverly Evans and NASA run by Shemika Fills.

There are five facilities with temporary management: San Antonio USPO vending, Camp Hubbard, Hardeman County Rest Area, AAFES HQ and IRS Snack Bar. Two six figure facilities have been advertised in the last twelve months.

There are currently 110 managers assigned. Seven managers left the program this year – Billy Joe Hutchison, Duane Welty, Tim Shaw, Jack Wilson, Marlene Beeson, Bunk Goodrum and Frank Riojas. Marlene and Bunk retired from the program. There are three unassigned managers, Russ Olson, Dave Stanczak and Boice Best. There are five managers initially employed this year, Cornell Pardue, Jenna Norwood, Matthew Brewerton, Mayra Escalante and Arnold Martinez. There are two trainees, Rhonda Ezeb and Elizabeth Chaney. Graduation day is November 13, 2015.

Last year the Trust Fund income was \$423,513. This year it is \$440,831. December 11<sup>th</sup> is the scheduled date for the arbitration regarding a Ft. Sam solicitation. January 20<sup>th</sup> is the date for the Fort Bliss arbitration.

Tom Chepey asked what expenses come out of the trust fund. Mr. Hooks replied that of the \$440,831, \$4,759 was interest earned. The biggest expense was last year's RHIVS payment of \$365,362. The trust fund is also a pass through account for equalization payments received by NASA and Choppers Cove. \$240,679 was deposited, but then taken out. There is also a Statewide Comptroller Accounting Fee, (SWCAP), for \$4,400 charged.

Kingsley Fier asked if any new facilities would be coming up in 2016. Mr. Hooks replied that there are seven facilities available now, and some six figure facilities with few applicants. There are no new facilities scheduled to open as of this report,

Tammy Nowell said that the dining facility at SAMMC has a Coke contract and undersells her by one half – and she can't compete. Mr. Hooks stated that there are six figure facilities available.

## **Chairman's Report**

Clayton Hell reported that he paid a visit to Oklahoma in August. Oklahoma has 34 facilities and 27 managers. Their conference was very small and their program has some issues. One of the breakout sessions was how to file a grievance against the SLA. They haven't had any new equipment in 15 years and there is only one contractor in the state who can do machine repairs. It can take weeks for a service call to be answered and more time for the parts to come in and the repair actually made. Oklahoma does pay a set aside fee. Another session was with an IRS Auditor who discussed what can be taken off on taxes. Mr. Hell suggested that Texas have this type of speaker at next year's conference. Oklahoma also does election on the spot with the people on hand.

Texas ECM elections for Districts 1, 3 and 5 (odd year, and odd district #'s) are due with nominations ending on November 16<sup>th</sup>.

Mr. Hell attended the National Automated Machine Association (NAMA) convention in Las Vegas in April. The big discussion was about FitBit 2.0 and how to market healthy options in your vending machines and how to make healthy vending affordable as well as profitable.

## **District Reports**

### **District 1 – Food – Manny Sifuentes**

Mr. Sifuentes thanked Mark Russell for assisting with securing vendors for the conference. Wayne Sibson is having trouble with the VA. He has hiring issues because it takes so long to get security clearance. Harvey Stavinoha is running a great business. Edgar Mendez is busy and happy. Mayra Escalante is doing well. Keith Turner discussed some tax issues. Manny Sifuentes has been having major plumbing issues after a Time Warner Cable guy drilled through the grease trap line while installing cable. It caused plumbing backups and flooding and extensive repairs which cause Manny to have to shut down the facility several times.

### **District 1 – Vending – Calvin Shepherd**

Irwin Orcutt with Guadalupe County Vending is doing fine. Mike Sparks with South Austin Vending is very ill and unable to attend the conference. He is getting rid of Coke and putting in Big Red. Robert Johnson had card readers installed and is doing well and generating new contracts. Austin State School has been saved thanks to a legislator. Jaime Garza is always looking for new ways to make money. His location at Victoria Highway Vending suffers from a lot of vandalism, but is doing well. Mark VanLaningham at the Federal Building vending is doing fine. Cornell Pardue at IRS vending is doing fine. Leroy DelaGarza runs Texas Workforce Commission and is dealing with food trucks parking outside his building and food sales going on inside. He is looking forward to getting his cold food machines so he might be able to draw in more customers. Debra Weston has just moved into a new house and her business is doing well. Bobby Allan at Parks and Wildlife is doing fine. He just took over the School for the Blind vending. Calvin reported that he is doing fine. He recently added 20oz Coke machines and will be adding card readers to his drink machines.

## **District 2 – Food – Zach Davis**

Steve Saltzman has been having some bad medical issues, but his business is doing well and sales are up. He is engaging with others in the building and donating products to assist with functions in an effort to build good will and community. Tommy Crawford at Alpha Road, Farmers Branch is doing well and likes his new vending route. He is hopeful that a trainee will be interested in Alpha Road. Alvertis McClurge is doing well. There are seasonal dips in sales that both he and Zach experience in the same building. Alvertis' side of the building had an evacuation because of a huge rat infestation. He is getting the machines moved to another floor. He has launched a private coffee label; McClurge's Coffee and will be sampling it at the trade show tomorrow. Ed Marlow has transitioned from the old FAA to a brand new building. He is extremely dissatisfied with the ECM financial data not being provided in a timely fashion. JD Stewart has been hard to reach recently, but he spoke to her a few months ago and she is doing fine. Scott Smith tried to implement healthy options at the request of employees who wanted turkey burgers. He said in three months he couldn't move a case of turkey burgers and lost most of them to freezer burn. The people requesting them did not come through when it came to buying them. Zach Davis has also experienced a dip in employees. He is trying out healthy grab n goes. The Chicken Cesar salads are moving really well. He will try wraps soon and is trying to build excitement over new menu items. Employees in his building have short lunch breaks, so he likes to provide quick options.

## **District 2 – Vending – Dwayne Zuppardo**

Mr. Zuppardo contacted everyone in his district and they are all doing fine – no one had anything outstanding to add. Fernando Lopez said that there was a fire at his location, but he didn't find out about it until he saw it on the news.

Mr. Zuppardo welcomed Tommy Crawford to the district. Mr. Crawford is now running the Cowtown Vending route. Ranger Hill will open later this year and Palo Pinto will be closed. Mr. Zuppardo thanked Chung Ahn for satelliting the AAFES location and bringing it back to life.

## **District 3 – Food – Greg Stavinoha**

Not in attendance – no report

## **District 3 – Vending – Kingsley Fier**

Lowell Covington resigned his facility, Dawson Prison, due to illness. He has not resigned from the program. There have been 4 applicants for the facility. Boice Best is currently satelliting the location. Roger Best is at TSA which has been combined with Richmond State School. Kingsley encouraged managers to look at available facilities and possibly consider making changes. He mentioned how Luis Cantu applied for a facility, was assigned and moved to another city to grow his business.

## **District 4 – Food – Dave Corbett**

Mr. Corbett stated that he spoke to some of the managers in his district. Jerry House, Alex Gaytan – everything is fine. He called Roland Marshall and was told he was at a seminar.

#### **District 4 – Vending – Clayton Hell**

Mr. Hell spoke to Rufino Acosta, Gay Nimitz, Ken Ballard and Dave Corbett who are all at the ECM meeting today and they are all doing well in their businesses. Gay Nimitz has been satelliting her previous facility, the San Antonio Post Office and has taken over the San Antonio vending route. Mr. Hell contacted Mark Harris who is in attendance and has resigned from the Brownsville Vending route. Robert Chaney took over Mark Harris' facility. Richard Flores is happy to be moving on. He will be doing the changeover with Luis Cantu for the Port Isabel Processing Center (PIPC).

Mr. Hell was unable to reach Paul Zapata or Jenna Norwood and hasn't heard from Bill Pearce in a while. Tammy Nowell responded to his email and is doing OK except for Coca Cola undercutting her. Pablo Cantu is doing fine. With regards to his own facility, Frustration Station, there have been several times when the water was cut off or the sump pump backed up making the bathrooms unusable. He said that people are not inclined to spend money in the machines if the bathrooms aren't working.

#### **District 5 – Food – Harvey Johnson**

Not in attendance at this time.

#### **District 5 – Vending – Paul Parker**

Several managers have health issues, but other than that they are OK.

#### **District 6 – Food – Karla Martinez**

Kristin McNabb at the Winter's building convenience store is happy that her sales are up and she is growing her business. Tom Chepey at the Winter's Building is doing fine, but wants to know about the trust fund report. Mr. Chepey spoke up and said what he was asking for was the numbers from the ECM operations. Ms. Martinez continued with her report and said that Maria Bosch at DSHS reported steady sales. Arnold Martinez has taken over TCEQ and is reviving the business. He reported \$23,000 last month. Ms. Martinez said how proud she was of Ronnie Watson and how he runs his business, and that he is a great example to follow. John Latigo at TxDot, Camp Hubbard has resolved some equipment issues. John Desimone has some health issues, but his business is doing fine. Travis Warren said his business is OK, but he had an issue with his cornea transplant. Ms. Martinez reported on her location, the Brown Heatly Building that she is happy there and sales are great. About 100 new employees have moved into the building. She is collaborating with HHSC to raise money for charities to host a Karaoke Lunch. She will donate \$5 for every person who sings plus a percentage of her lunch sales. This is her way of building a good relationship with her host and customers.

#### **District 6 – Vending – Aloha Cook**

Ms. Cook reported that she spoke to almost everyone in her district. Dwayne Sparks resigned from his facility in Navasota, but has not resigned from the program. Barbie Pacheco is satelliting Robert Chaney's old location since he left to take over the Brownsville vending route. Ozzie Figueroa is doing fine. ChaCha Lima is having some health issues. Ms. Cook is happy that all the employees are coming back to her location. One manager in her district who runs a roadside vending location said that the water is so hard that it causes his coffee machine to go out frequently. He requested

that TxDot add a water softener. He gets written up for the machines not being up and running plus he loses sales. The hard water ruins the valves and clogs the filters every other week. The repairs are over \$500, and he says he can't afford it. Jerry Ramirez spoke up to ask for the machine to be repaired. Mr. Ramirez claimed that, if he has to pay up front, he has to wait 60-90 days to get reimbursed, and he can't afford to wait that long. Mr. Hooks said to give him or Lewis a call when he has an issue like that.

## **Committee Reports**

### **By Law Committee:**

Greg Stavinoha was not available, so Zach Davis stepped in for him. He stated that the by laws require an annual audit at the end of each calendar year. He said the ECM wants to be in compliance, but to hire a CPA to conduct an audit would cost a thousand dollars or more. He talked about posting all the financial information on line so everyone could see how much money was coming in and how it was being spent. He said that unless the feds are asking for an audit, he didn't see that one was necessary. He said the most they have ever had was \$20,000 and it is down now because donations were not requested last year. Normally a conference costs about \$7,500, but it was voted on that to get BLAST to come to Texas would be worth the \$15,000 cost. The size and scope of the training and food show from BLAST was well worth the cost.

Mr. Davis spoke about the proposed changes to the bylaws.

1. Remove "audit" from the bylaws and replace with "annual review".
2. Require the ECM to be financially transparent and not incur the financial cost of an audit.
3. Change the bylaws so they will be compliant.
4. If ECM review is required, results must be posted on the website.

Mr. Chepey spoke up and congratulated Mr. Davis on his work on the ECM website where payments could be made on line. He said he appreciated the discussions on the ECM data and that they were off to a good start. However, he pointed out that the ECM is not currently compliant and wants to know what is going to be disclosed about the past 6 years.

Mr. Davis said that Wells Fargo can pull up data from a few years back, but not sure how far back. Mr. Parker said he did not want his donations to go to hiring a CPA for an audit. Unless there were accusations of misappropriations of funds, he saw no reason to conduct an audit.

Mr. Chepey commented that there are no accusations; it is just the principal of following the bylaws.

There was discussion about whether names should be listed on the website or not when a donation is made.

### **Budget and Finance Committee: Harvey Johnson**

Mr. Johnson deferred to Manny Sifuentes. Mr. Sifuentes reported that about \$6,000 will be coming in from vendors and about \$6,500 from donations.

### **Election Committee: Zach Davis**

Text or email nominations for Districts 1, 3 and 5 will be taken until November 16<sup>th</sup>. Voting is December 15<sup>th</sup>.

### **Training Conference: Manny Sifuentes**

Mr. Sifuentes reported that lots of donations were made so that the very best training conference could be put together. He also wants to be able to send managers to advocate for the program to other trainings and conventions with the donation money. He will be selling raffle tickets at the manager's reception to raise more money.

Aloha Cook asked where the vending training was on the agenda. Mr. Sifuentes went on to say how the training is a social setting for people to grow their businesses and network. He said that Arizona and Kahala will be here to speak to the managers; the Comptroller will provide sales tax information and several vendors will provide info on the latest technology to improve a business.

### **Training Committee: Aloha Cooks**

There are two trainees, and both are eager and ready to graduate. Mr. Hooks mentioned that both Rhonda Ezeb and Elizabeth Chaney were in attendance today.

The next meeting will be in San Antonio on January 16<sup>th</sup> at the Drury Hotel, Riverwalk.

Harvey Johnson nominated Manny Sifuentes for District 1 Food Service.

Meeting Adjourned