

Meeting Minutes - Elected Committee of Managers (E C M)

The **July 31, 2021** E C M third quarter meeting was conducted through the E C M conference call line due to the COVID-19 pandemic. This meeting helped kick-off the Upward Mobility and Training Conference which will take place on Saturday morning, July 31st at 9:00 am with an exciting line-up of conference speakers and information.

Instructions to access the conference call line were distributed as follows:

Conference number: 1-832-917-1510 access code: 172170 (after the voice prompt press *)

Press 5* to be recognized for questions or comments (This will let the conference manager know you have raised your hand and you will be recognized by the E C M Chairman.)

Press 4* to mute or unmute

NOTE: conference call was recorded

Attendees were urged to register the phone number they would be calling in with in advance with Mr. Tommy Crawford by calling him at 254-654-0119 or calling Mr. Tom Chepey at 210-789-3191. This helps the E C M recognize who is attending the meeting and helps to make communications more efficient.

Roll call of E C M, Guests and State Licensing Agency (S L A) Staff

Mrs. Chepey read a list of audience members names on the call and named each of the E C M Representatives that were present.

Call to order at 5:00 p.m. by Chairman Sparks

Approval of Minutes for April 24, 2021 Meeting

Chairman Sparks announced a delay with the transcription of the second quarter meeting minutes by the S L A; meeting minutes would be approved during a future E C M conference call.

Business Enterprises of Texas (B E T) Staff Attending

Lizet Hinojosa, B E T Director

Director's Report

B E T Director Lizet Hinojosa's presentation of the Director's Report to take place during the Upward Mobility and Training Conference, Saturday, July 31st.

Chairman's Report

Chairman Sparks announced a condensed version of this third quarter meeting as Mr. Terry Smith's informative national update report, the Chairman's Report and the Director's Report will take place on Saturday morning during the Upward Mobility and Training Conference; agenda's first items are the presentation of the District Reports to allow for a timely evening.

District Reports

Each representative provided a report on events occurring in their district. Chairman Sparks reminded everyone to adhere to a 2-

minute time frame per each representative's report. However, the individual committee reports may adhere to a 5-minute limit.

District 1 – Chairman Mike Sparks and Tamara Nowell

Chairman Sparks gave an update concerning the replacement inventory project underway by the S L A.

Ms. Nowell expanded on her update and expressed managers concerns and gratitude towards the S L A extending the replacement inventory endeavor after September 1st. She touched on the approval by V R towards the Randolph-Sheppard Financial Relief and Restoration Payments (FRRP) Appropriation. Ms. Nowell also shared commentary provided by manager Harvey Stavinoha based on his experience while working through the COVID-19 crisis; said that managers need to re-evaluate their expectations and prepare as the volume of employees occupying state and federal building's will continue to be less but with the work amount as the same as before the pandemic. Ms. Nowell wrapped up her report by citing a notice of gratitude from manager Manny Sifuentes towards the Business Consultants in district 1 as their work has been phenomenal; both Aaron Hanna and Ren'ee Britt have demonstrated the highest initiative and a strong work ethic.

District 2 – Zachary Davis and Larry Watson

Mr. Davis shared his strategy for keeping managers informed in his district; he noted the F R R P and the Replacement Inventory project as being the most relevant topics on every one's minds. Also, mentioned the temporary changeover at the Federal Aviation Administration (F A A) facility.

Mr. Watson discussed people's frustration with the inventory assistance plan and the prolonged wait with the F R R P funds. He provided data acknowledging managers operating at 10 to 15% of what they normally produce in sales during a normal period while citing that the biggest reason may be attributed to the various requirements and restrictions that have been put in place by each individual prison warden. Mr. Watson concludes his report by citing a couple of managers with older equipment that needs to be replaced by the S L A.

District 3 – Ashley Edwards and Elizabeth Chaney

Ms. Edwards reports all cafés in Houston are open but operating at a slower pace, same scenario for many of the vending routes. Ms. Ashley reports that the Houston district managers are also experiencing the same confusion with the Replacement Inventory project and the expectations surrounding the timeframe with the F R R P funds. Ms. Edwards concludes her report by citing awareness towards the new COVID surge with the anticipation that it does not alter or regress the progress many facilities are making albeit at a slow moving state.

Ms. Elizabeth Chaney discussed her progress with contacting managers. However, she did comment that there are a few managers she's been unsuccessful in reaching. Ms. Chaney provided information from managers that are not experiencing any issues with the replacement inventory venture. Ms. Chaney finalized her report by citing the positive uptick with prison vending.

District 4 – Dave Corbett and Jerry House

Mr. Jerry House initiates the district 4 report by recognizing the same issues being relevant, the F R R P and the inventory

replacement plan. Mr. House expressed and thanked the tireless work coming from the Business Consultants as being beneficial in getting the inventory plan working while pointing out that some managers have successfully received their inventory as he offered hope to those that have not with the upcoming extension into fiscal year 2022 by the S L A.

Mr. Corbett touched on the same issues, the F R R P and the inventory assistance initiative, which surround his district. He talked about his strategy using email with providing updates to managers related to the F R R P and the inventory plan. Mr. Corbett discussed the status of his communications with a few managers in his district; he shared his personal experience with a slight increase in prison vending at the facility he manages while informing every one of the rigorous COVID testing that is required in prisons as the new variant has emerged.

District 5 – Travis Warren and Tommy Crawford

Mr. Travis Warren initiates his report by discussing how district 5 may have the highest number of prison vending in comparison to the other districts. The feedback within district 5 managers mirrors much of the same concerns brought up about COVID and prison vending. However, Mr. Warren conveyed an issue that has not been discussed by other districts – he says that even though district 5 prison vending managers are vaccinated, they are still subjected COVID testing requirements prior to entry into the prison unit because of the new and emerging COVID strain. Mr. Warren acknowledged that some managers are currently operating at about 50% prior to the pandemic although there are other managers in district 5 that are only operating at about 5 to 10%; the differences are diverse. Other issues that Mr. Warren

touched on were the replacement inventory plan and the struggles that managers are experiencing. Mr. Warren conveyed a thank you to BET Director, Ms. Hinojosa, with her efforts in getting the replacement inventory off the ground as this was an extremely vital necessity to the welfare of all managers. Mr. Warren acknowledged district 5 as having only one Business Consultant, Mr. Carlos Aguirre, who has singlehandedly done an outstanding job. Mr. Travis wrapped up his report by citing a manager that is awaiting a vending repair and his eagerness for one day getting credit card readers.

Mr. Tommy Crawford confirmed speaking to most managers. His objective was to discuss new issues that have come up within district 5 as he relayed a conversation between himself and manager Mario Valles concerning the William Beaumont Army Medical Center (W B A M C) facility that is underperforming based on the projections that were given prior to the opening of this facility. Mr. Crawford did say that Mr. Valles is optimistic and considers that the W B A M C is understaffed due to COVID. Another concern that was addressed by Mr. Crawford was the report from Mr. Valles about food trucks around the W B A M C. Mr. Crawford requests that the E C M make a consideration to look at this issue; another issue that came up by manager Valles is the escalating challenges that have come up with doing business with Coca-Cola. Mr. Crawford cited the continued hardship of dealing with Coca-Cola in terms of the company not replacing machines and the higher costs they are charging to complete any repairs. Mr. Crawford shared an idea that originated with Mr. Valles about the E C M structuring a plan that looks very similar to a "profit and loss statement" to demonstrate to the S L A that not purchasing any drink machines would be more productive

and beneficial to the managers and the program. Mr. Crawford listed names of the managers who he contacted in support of such a plan. He finalized his report by mentioning a manager that would also benefit from replacing an old snack machine.

District 6 – Tom Chepey and Aloha Cook

Ms. Aloha Cook reports on a few managers not receiving some of their ordered replacement inventory products due to supplier shortages but she did remind everyone that this issue was brought up and what to do, by B E T Director, Lizet Hinojosa. Several managers have called to ask when F R R P is going to be issued. Ms. Cook also addressed concerns brought to her by managers that operate prisons which continue to produce sales at a much slower pace. Ms. Cook also discussed events taking place at her facility, the new construction of a building addition where vending machines will be utilized by the construction personnel. Ms. Cook concludes her report by citing a sense of gratitude from managers towards the replacement inventory plan.

Mr. Tom Chepey reports having great conversations with managers that are hopeful about facilities re-opening and are planning for happier times. Mr. Chepey encouraged managers to take advantage of this down time to pursue any technology based training by contacting a V R counselor. He continued his report by citing the status of managers that were responsive to his communication and he offered praise to manager Brandi Bengner who is always very responsive. Mr. Chepey gave an update on the status of the Winters Building and new facility, The Triangle.

Chairman Sparks asked if B E T Director, Ms. Lizet Hinojosa, had any comments or input, before the meeting continued onto the next

agenda item. Ms. Hinojosa did reflect on the two most important issues that seemed to be relevant in each district – the F R R P and the inventory replacement. Ms. Hinojosa confirmed that T W C Finance has not given the S L A a date yet as to when managers will be paid; those managers that have direct deposit will inevitably be the first to see those funds. Ms. Hinojosa also confirmed that the S L A was granted approval by T W C to extend this initiative after September 1st. Ms. Hinojosa gave an informative breakdown regarding the process of the replacement inventory project and reminded everyone about the importance of getting the invoices submitted by the managers to the Business Consultants / S L A to initiate the receiving documents and payment to the vendors.

Sub Committees Reports:

Rules and By-Laws Sub Committee – Chairman Mike Sparks

Chairman Sparks reports lots of great work and progress have been made. Mr. Sparks reflects on some of the strides accomplished with the completion of section 42. However, he did express that work has been slow but is optimistic that the speed will increase once certain obligations have been met after this E C M quarterly meeting is done.

Communications Sub-Committee – Tommy Crawford

Mr. Crawford cites the accomplishment of the tele-conference call in phone line this past year with a recent upgrade to the system to accommodate the recent annual conference.

Forms Revision Sub-Committee – Tommy Crawford

Mr. Crawford announced that there is not much to report due to other business obligations but is excited to move forward with this committee.

Finance and Budget Sub Committee – Tommy Crawford

Mr. Crawford gave a summary of the E C M committee's financial status as he confirmed the balance and transactions of the Wells Fargo account and the PayPal account. Mr. Crawford reports the E C M 's grand total is \$15,976.00. Chairman Sparks made mention of a future expenditure consisting of the agreement that was passed by the E C M to secure the services of an attorney to review the Rules.

Election Sub Committee – Larry Watson

Mr. Watson reports an update of no elections and is optimistic no future turnovers are expected. Chairman Sparks concurred but reminded everyone that the end of year elections for district 1, 3 and 5 are in the horizon.

Training of Potential Managers Sub Committee – Aloha Cook

Ms. Cook reports the existence of one potential candidate to begin training with B E T Trainer, Mr. Joe Gonzalez, in August 2021. The trainees name is Mr. Mike Chandler who was in the program before and has returned in good standing; his father, Mr. Bill Chandler, was also in the B E T program. Ms. Cook transitioned into the topic of adding potential B E T training to cover the Code of Federal Regulations (C F R) Rules and the Randolph-Sheppard Rules. Ms. Cooks plans to discuss this request with the B E T Trainer, Mr. Joe Gonzalez. Ms. Cook also discussed a suggestion that will be made towards the S L A to divide the B E T training into two modules, vending, micro-market, and grab and go as one module; cafeteria,

snack bars and convenience stores, as the other module. If the S L A approves this request, the duration of the B E T training will most certainly need to be extended. Ms. Cook made several other suggestions to incorporate into B E T training that will be proposed later with the B E T trainer, Mr. Joe Gonzalez and the B E T Director, Ms. Lizet Hinojosa.

G S A Sub Committee – Aloha Cook

Ms. Cook announced that there is not much to report as G S A does not know when re-openings will occur except for manager Harvey Stavinoha' s facility, which has been re-opened. Other issues addressed by Ms. Cook involve a previous discussion by Chairman Sparks concerning G S A's request for pre-packaged foods and items that limit exposure by patrons. Ms. Cook highlighted another important issue that has been addressed before – that is the importance of a B E T manager responding to any G S A request in a prompt and courteous manner. Ms. Cook reiterated that a timely action by B E T managers will serve to maintain a positive working relationship with G S A. Chairman Sparks added to Ms. Cooks report by mentioning that he and the B E T Director, Ms. Hinojosa, are working together to go through a very large federal document that has information on G S A permits and how new requirements will affect many of the B E T managers in relationship to the new labor laws. Chairman Sparks encourages all E C M members to read this new federal document before the next E C M conference call as it will be addressed.

Annual Conference Sub Committee – Tom Chepey

Mr. Chepey graciously thanked his wife for the long hours of work she has poured into the creation of this year's annual conference. Mr. Chepey went through the calling in logistics as he reminded

everyone the start time will be 9:00 am central standard time and that attendance is required as stated in the B E T Rules; he also addressed the process that will be utilized by recording each conference segment which will be used to verify conference attendance.

New Facilities Opportunity Sub Committee – Sophia Sparks

Ms. Sparks reports that this committee reached a halt due to the S L A's expenditure of funds being exhausted for the next 2 to 3 years because of the new future facilities – TxDOT, The Triangle, William Beaumont and the two facilities at the Capital Mall. Ms. Sparks said that the committee realigned its objective and switched gears to focus on combining existing facilities to enable those managers that are earning below the medium average or less than \$30K annually. Ms. Sparks commented that about 10 managers fall under that category as she described a manager that was successfully paired with an additional existing facility rather than placing a facility up for advertisement. Ms. Sparks reports a request made to all E C M members to provide information related to managers in their districts that earn below that threshold. Ms. Sparks gave details of open records requests that have been submitted to the S L A which will enable this committee to complete further research on which facilities may be ideal for being combined. Upon reaching conclusion of this report, Ms. Sparks gave informative details on the committee's other objectives.

Resolutions Sub Committee – Mike Sparks

Chairman Sparks reports no current resolutions are in the works at this current time. Mr. Sparks talked about a previous resolution that was brought to Mr. Ed Serna's attention, TWC's Executive Director;

he described the formation of a positive relationship with Mr. Serna and T W C's upper management.

Vending Sub Committee – Dave Corbett

Mr. Corbett reports that this committee was temporally placed on hold due to the primary focus on the Vending Price Committee; he assured everyone that this work would resume after the conference.

Vending Pricing Sub Committee – Dave Corbett

Mr. Corbett reports that new vending prices have been distributed to all managers.

Chairman Sparks gave a thanks to the S L A for their prompt attention with helping the Vending Pricing Committee to establish the increases in vending prices especially during this unique time in our economy because of the pandemic where every sector has been affected by escalating prices.

Set Date and Location for Next Meeting or Workshop -

E C M members were polled to establish if an in-person 4th quarter meeting would be preferred and the location.

Next meeting will be held in-person in Corpus Christi, Texas, October 22, 2021; details to follow.

Open floor for Questions and Comments:

Chairman Sparks announced the opportunity for questions would be next; instructed anyone interested to press 5* to be recognized for questions or comments.

B E T Director, Ms. Hinojosa, shared that she had nothing new to add and was looking forward to the annual training conference.

A few managers shared some commentary along with questions reflecting topics addressed by the New Facilities Opportunity Sub Committee; G S A's requirements for the re-openings of facilities; the affect of the Delta Variant and how that may impact the replacement inventory initiative. B E T Director, Ms. Hinojosa, gave an update concerning the replacement inventory purchase orders and how the managers could cancel their deliveries by communicating with the vendors and their Business Consultants while reassuring everyone that T W C and B E T would extend the opportunity for these purchases to continue in fiscal year 2022. Several managers acknowledged the unanimous respect they share towards manager Ms. Esta Scott, for her illustrious 50-year B E T career and service. Another issue that struck accord with several managers was the impact that the pandemic has had with not knowing what facilities will re-open, how, and which facilities will need to change business models to accommodate this new economy.

Adjournment -

Motion made to adjourn and seconded.