
**CALIFORNIA VENDORS
POLICY COMMITTEE
(CVPC)**

**Meeting Minutes
March 10, 2005**

CALIFORNIA VENDORS POLICY COMMITTEE

Location: Department of Rehabilitation in Sacramento, California

Meeting commenced at 9:00 am, Thursday, March 10, 2005.

ROLL CALL

Chair Rompal called the meeting to order at 9:00 am and announced that there will be several guests attending the meeting to discuss important subjects of interest to BEP vendors. Lynda Bardis will announce her retirement (11:00 am). Other guests will discuss the privatization of California's roadside rest areas (1:00 pm). Dr. Richard Jackson, from the Department of Health Services will discuss the Governor's agenda on the obesity epidemic and the future initiatives that may affect BEP vendors (2:30 pm). The delegates approved the revised agenda later in the meeting.

Chair Rompal began the meeting by taking a roll call. Meeting is in compliance with November 1995 Motion 95.212 disclosure requirements for delegates.

There were **five (5) delegates and three (3) alternates** in attendance, which satisfied the requirements of a Quorum.

Delegates in Attendance

District	Delegate	Location
District 1	Russell Kishida	California Public Utility Commissions, San Francisco Interim: H. Johnson Cafeteria in San Francisco
District 2	Joe Murphy	Turlock Roadside Rest Area, Vending Machine Facility.
District 3	Paul Patche	Carol Miller Justice Center, 301 Bicentennial Way, Sacramento. Vending Machine Facility

District 4	Frank Rompal, Jr.	East End Project, Sacramento Restaurant/Cafeteria Interim: Ventura County Government Center.
District 7	Al Barnes	LA County Superior Courthouse Interim: Pasadena Superior Court

Alternates in Attendance

District 5	Michael Hatch <i>Position previously held by Alice Johnson (retired)</i>	Corcoran State Prison
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District 9	Max Duarte <i>Position previously held by Patty Evans (deceased)</i>	California State Prison for Women in Corona
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Chair Rompal dedicated some time to pay his respects to the late Delegate Patty Evans and shared his condolences to her family and friends. Delegate Evans volunteered her time and expertise to the BEP and the CVPC. She was an invaluable resource in heading CVPC subcommittees and initiating numerous projects, always upholding the interests and rights of the BEP vendors.

Delegate Murphy shared some kind words about Delegate Evans and advised the CVPC delegates to carry on the same passion and professionalism she always displayed.

Delegate Patche and Michael Hatch reiterated that she would be missed. She has mentored dozens of vendors in the program and really had a heartfelt desire to see all vendors succeed in the program.

District 10	Ken Croxton <i>David Hanlon is the current delegate for this district.</i>	Regional Center in El Cajon, CA
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Absent

District 6 Jeana Martin-Hanlon California State Prison,
Lancaster

Janis Friesen reported that Delegate Martin-Hanlon had heart surgery recently and is expected to make a full recovery.

Vacant Districts

District 8 – vacant position

INTRODUCTION OF STAFF

John Westbrook – BEP Program Manager

Janis Friesen - CVPC Executive Secretary

INTRODUCTION OF GUESTS

Tom Evans – BEP vendor who has a vending machine location in San Jose

Nicole Smith - contractor taking the CVPC Meeting Minutes.

MINUTES – Recommended Action

Approve the minutes of the CVPC meeting held on December 9, 2004. Responses to CVPC Motions of December 9, 2004 Meeting.

MOTION 2005.022. Moved that the committee accept the minutes of the December 9, 2004 California Vendors Policy Committee meeting and the responses to the motions for December 9, 2004 as distributed

Moved: Delegate Patche
Seconded: Delegate Kishida
Absent: Delegates Martin-Hanlon, Hanlon
Vote: Passed Unanimously.

John Westbrook reported that the responses to the CVPC motions for the September 16th, 2004 CVPC meeting have not been distributed to vendors. He will notify Mrs. Friesen of the status.

Mrs. Friesen stated that because the initial agenda has been revised to incorporate the guest speakers, the CVPC would need to pass a motion on the amended agenda.

MOTION 2005.023. Moved that the committee will hear Lynda Bardis speak at 11:30 am, International Trade Finance Corporation speak at 1:00pm and Dr. Richard Jackson will be heard at 2:30 pm.

Moved: Delegate Murphy
Seconded: Delegate Patche
Absent: Delegate Martin-Hanlon, Hanlon
Vote: Passed Unanimously

EXECUTIVE OFFICERS REPORTS

Report of the Chair

Chair Rompal reported that the Executive Meeting took place on March 9th. In attendance were Director Campisi, Lynda Bardis, Gary Kuwabara, Chair Rompal, Delegate Murphy, and Janis Friesen. He reiterated that this meeting would occur before each CVPC meeting. The late Delegate Evans insisted that these meetings occur regularly in order to keep the lines communication open between the DOR and the CVPC. There are pending concerns and issues that need to be addressed and there must be a collaborative effort between all parties involved. At the last CVPC meeting, she openly expressed her concern regarding the many CVPC projects still pending review by the Legal Department.

One of the items discussed was the impact of the California Obesity Prevention Initiative on the BEP program and vendors. Part of the initiative is get support from everyone, including the vendors of the BEP program and encourages vendors to offer healthy alternative food choices. The success of this initiative is largely based on effective marketing and advertising success stories. The concern for most vendors is not only costs but also seeing if there really is a

large demand for such food items. Dr. Jackson addressed this topic at length later in the CVPC meeting.

Chair Rompal mentioned in the Executive meeting that there would be better support among the vendors for this program if vendors were **“encouraged”** to participate and also showing that their participation is crucial in the fight against obesity. Chair Rompal feels that mandating (or forcing) vendors to comply will probably not work; mandates fail to take into account “supply and demand” for these food items and how supplying these higher priced, healthy food items may affect the livelihood of the vendor. The best way to gain support for this initiative is to listen to the vendor’s concerns, show vendors actual success stories, give vendors time to test the “supply and demand”, and provide vendors with a comprehensive list of food products that meet the nutritional guidelines.

The Executive Committee was informed that the revised BEP fee schedule has been reviewed, accepted and will be implemented for the March 2005 P&L.

There was also concern regarding the timeliness of informing BEP vendors when there are revisions in health insurance benefits and rates. Vendors are not being adequately informed about changes until the effective date, leaving them little time to research other health insurance options. Representatives from the DOR, Mrs. Bardis and Mr. Kuwabara will meet with the Director of DGS to ensure BEP vendors are well- informed in a more timely manner about all their insurance options.

John Westbrook made a solid commitment to submit the DOR responses to all CVPC motions within 10 days of receiving the motions.

Because of serious understaffing issues in the Legal Department, review of the BEP Regulations has been delayed. To adhere to some of the commitments, the Legal Department will review parts of the Regulations. The two areas of the regulations that will be addressed first are the policies and rules pertaining to DOD locations and the Vendor Loan Program. Chair Rompal reviewed the CVPC recommendation surrounding the administration of the Vendor Loan Program. The state legislature approved and mandated \$100,000 to

be disbursed solely for vendor loans up to \$10,000. The Legal Department made a commitment to prioritize and review these items within the next 30 days.

Also addressed in this meeting was the hiring of outside legal counsel by the CVPC to research the Living Wage Act, an ordinance currently in effect in San Francisco. The minimum wage is \$10.00 with health insurance and \$12.00 without health insurance. The CVPC has taken the position that the ordinance should not be applicable to BEP vendors. The Attorney General's office concluded that they would pursue the issue further.

Retention of outside legal counsel by the CVPC has been an ongoing issue. It will be reviewed in the appropriate CVPC subcommittee and subsequent communication and action will be forwarded to the DOR for review. The Attorney General has affirmed that there is appropriate staff and resources to represent the CVPC on the referenced legal and business matters. The DOR understands the CVPC's position but the CVPC must seek the approval of the Attorney General's office in order to retain outside legal counsel.

The DOR welcomes the CVPC's input and recommendations on the potential candidates for the Assistant Program Manager's position. The filing deadline for this position was March 18th. Two candidates have applied for the position. Jean Walker was the previous Assistant Program Manager and is now working as a manager at Cal Pers.

Chair Rompal summarized the situation surrounding the CVPC Convention Fund account. CVPC is unable to access the funds to the account. Joe Xavier and Alice Johnson will need to sign off on the account. Director Campisi and Gary Kuwabara will pursue the matter further with Catherine Brown in the Legal Department and get the funds released back to CVPC for appropriate action.

Report of the Vice Chair

Report of the Vice Chair

Delegate Murphy remarked that he was pleased to see how Director Campisi was in support of many of the CVPC's positions and concerns. He also added that the key to a positive relationship with the DOR is to continue keeping the lines of communication open.

The elections will be held for District 5 and 9. The DOR will send out nominations for District 5 and 9, including the vacant position District 8, which has remained vacant for the last three (3) CVPC terms.

Report of the Secretary-Treasurer

No report given during this section of the meeting.

EXECUTIVE COMMITTEE REPORT

Discussed at length earlier in the meeting under "Executive Officers Report".

EXECUTIVE SECRETARY'S REPORT— Janis Friesen

Janis Friesen was very pleased on how the Executive Committee has been utilizing conference calls to conduct CVPC business. It has proven to be a cost effective tool especially when traveling can be difficult.

Mrs. Friesen celebrated her 3rd year anniversary with the CVPC on March 5th.

Chair Rompal open the discussion regarding the privatization of the roadside rest area system throughout California. Delegates openly expressed their concerns regarding this activity and the possibility of losing priority status on these locations. The main concern was the detrimental effect on a vendor's income and the likelihood of privatizing other areas of the program such as prisons.

INTERNATIONAL TRADE FINANCE CORPORATION

Chair Rompal gave an overview of the International Trade Corporation (ITFC) and introduced the presenters Matthew Talbert, President of ITFC and Tim Bruinsma, General Legal Counsel to ITFC. Also in attendance was Andrew Kiefer, Legislative Director for Senator John Campbell. Their main goal is presenting the proposal to the CVPC and have an open dialogue with vendors in an effort to gain support for their project. (See Attachment 1 - California Roadside Rest Areas Privatization Project)

In the proposal, ITFC's objective is to privatize and develop the roadside rest areas statewide by giving them a "brand" feel, making them more modern and commercialized, and remodeling them to be safe and appealing for travelers. They wanted to start with a pilot program using 6 roadside rest areas for the project. Landscaping, clean and safe bathrooms, commercial facilities (i.e. Starbucks, Togos, etc.) were some of the plans and ideas being presented in this venture.

They have presented their proposal to Cal Trans and Senator Campbell and are gaining support. Andrew Kiefer confirms that Senator Campbell supports the pilot program but in no way wants to jeopardize the program and the BEP priority status. They believe their project will be very beneficial to the state and will create a net cash flow to the state.

Their intention is to have an open dialogue with vendors of the program because they do not want to be in conflict with the BEP program nor affect a vendor's livelihood. ITFC understands the priority status of the BEP program on the roadside rest areas. The ideal situation is to make it a win-win project for all interested parties.

Currently, there is no legislation being developed to support this privatization effort nor has been a RFP (Request for Proposal) been solicited.

The CVPC suggested that ITFC continue the conversation at the next QLDC meeting headed by Chair Rompal. The CVPC would like the opportunity to invite interested roadside vendors at this meeting

so that vendors can openly expressed their own concerns and views on this privatization project.

Action Item: Chair Rompal and Mrs. Friesen will coordinate schedules with ITFC and set a date for the meeting.

COMMITTEE REPORTS

GRIEVANCE—Delegate Kishida

A. Report on Pending Grievances

Delegate Kishida reported that there have been no new grievances since the last CVPC meeting.

John Westbrook summarized a pending grievance that has not been resolved. Although a selection committee selected the vendor to operate a facility, the building management did not support the decision. The DOR decided that it was in the best interests of the program to close the facility primarily because of the lack of income generated. The vendor filed a grievance against the DOR seeking a lost of potential, future income if he still operated the facility. The vendor also invested his own money into the location in an effort to keep the facility operating. The grievance claim is still pending.

BUDGET AND FINANCE—Delegate Patche

A. Status report of proposed new fee schedule

John Westbrook reported that the revised fee schedule has been reviewed and implemented into the P&L accounting system and will be effective March 2005.

B. Recommendations from committee on BEP Budget information

Delegate Patche held a subcommittee meeting to discuss and review the DOR report which summarizes all expenditures and/or payments from the vendor fund.

Delegate Patche commented that the report is difficult to interpret. He is inviting Erica Behling from the Accounting

Department to the next subcommittee in an effort to streamline the report and make it easier to read,

John Westbrook confirmed that BEP program would receive matching funds for repairs. He also confirmed that the DOR responses to CVPC motion would continue to be distributed to vendors in a timely manner.

The Vendor Loan Program and the BEP Regulations pertaining to DOD locations are priority items that the Legal Department is currently reviewing.

STANDARDS AND PROCEDURES—Vacant

Chair Rompal requested nominations to head the Standards and Procedures subcommittee previously headed by the late Delegate Patty Evans.

Chair Rompal and Delegate Murphy volunteered to co-chair this subcommittee. Both will solicit vendors to participate on subcommittee and increase vendor involvement.

MOTION 2005.024. Moved that Chair Frank Rompal and Vice Chair Murphy will co-chair the Standards and Procedures subcommittee.

Moved: Delegate Patche
Seconded: Delegate Kishida
Absent: Delegate Martin-Hanlon, Hanlon
Vote: Passed Unanimously

A. Review of election procedures

Janis Friesen will review the pending items that Patty Evans was working on and she will provide more details on the election procedures at the next CVPC meeting.

B. Status of BEP Regulations

Chair Rompal reported that the BEP Regulations are still pending in the Legal department.

C. Recommendation for determining which CVPC District multi site facilities are represented by.

Chair Rompal and Delegate Murphy will review and address the issue of when a vendor has multi site facilities located in different districts. The subcommittee will work on defining what the primary facility should be and make recommendations to the CVPC. Currently when these situations arise, the BEP has decided on a case-by-case basis what the primary location should be. Delegate Evans' primary goal was to institute standards and criteria so that the BEP can make decisions based on those set standards.

Chair Rompal requested nominations for the Secretary-Treasurer, a position previously held by Delegate Evans.

Nomination: Delegate Patche was nominated to be the Secretary-Treasurer for remainder of the 2004-2005 term.

Nominated by:	Delegate Murphy
Vote:	Unanimous vote
Absent:	Delegate Martin-Hanlon, Hanlon

Delegate Patche appreciated the nominations and accepted the position as Secretary-Treasurer.

TRAINING/UPWARD MOBILITY—Delegate Murphy

Delegate Murphy reported that the new training class started on October 4, 2004 and the class is still in session. The class began with 13 students; 11 students remain in the program. All 11 students took the option to take the full course and complete the entire training curriculum. Students are given the option to complete certain sections of the training.

The CVPC delegates agreed that the revised training program has been very successful with more students doing well in the program upon completion. Chair Rompal and John Westbrook agreed that the candidates are very diverse, goal-oriented and highly educated. There are higher and stricter standards for being accepted into the program. Students graduate with a well rounded training with higher chances to succeed in the BEP program.

VENDOR BENEFITS AND REVENUE ENHANCEMENTS—Vacant
Chair Rompal opened the floor for chair nominations. Chair Rompal gave a brief overview of this subcommittee, its role and purpose, and the pending projects the subcommittee was working on.

Nomination: Delegate Barnes was nominated to Chair the Vendor Benefits subcommittee.

Nominated by: Delegate Kishida
Vote: Unanimous vote
Absent: Delegate Martin-Hanlon, Hanlon

A. Recommendation on Liability Insurance for Vendor initiated contracts

Mr. Westbrook reiterated that a vendor would be held responsible in ensuring that a Certificate of Insurance covers any outside vendors or subcontractors that are used for services. The DOR must be placed as additionally insured. The vendor should report to his or her BEC any subcontract that they use and have a certificate on file at the DOR. Mr. Westbrook reported that the DOR is actively collecting this information from vendors, however there still is neither a tracking system nor strict enforcement code in place.

It was stated that if this policy is not reinforced, the BEP can be left liable and could be in jeopardy of losing coverage.

B. Change in deductible fund for BEP Property & Crime Insurance

The subcommittee was informed by DGS that the deductible for BEP property and crime insurance was increasing from \$1000 to \$5000. To offset the costs of the deductible it was recommended to increase the BEP matching contribution to \$4500, with the balance being the responsibility of the vendor - \$500. The primary goal is to minimize the impact of meeting the high deductible.

Mrs. Friesen will investigate and research this issue further and provide additional details at the next CVPC meeting.

Mrs. Friesen added that the current commissions collected year to date is \$279,365.41. These are fees collected from July 2004 to January 2005 (See Attachment 2 – Accumulative Vending Machine Commissions Report).

LYNDA BARDIS ANNOUNCEMENT – 11:30 am

Lynda Bardis attended the CVPC and wanted to personally announce her retirement from the DOR. She thanked the CVPC delegates for the dedication to the program and summarized the many accomplishments and successes of the CVPC and the program. She has always been impressed by the vendors who have volunteered their time and expertise to the CVPC, in addition to managing their own locations. She believes that active vendor participation is critical for the future success of the program. It is also crucial to continue to have a working relationship between the CVPC and the DOR. Over the years she has witnessed an increased collaboration and improved relationship between the DOR and the CVPC.

Chair Rompal remarked that Lynda Bardis has been very supportive of the CVPC and it was a pleasure working with her over the years. Her dedication and commitment to the program will be extremely missed.

Her retirement is effective around the middle of June 2005.

QUALITY LOCATION DEVELOPMENT—Delegate Rompal

A. Status Report on SRRA

1. Priorities 1, 2 & 3

There was an open discussion regarding the privatization of the roadside rest areas. Some of the delegates concerns expressed were:

- Who is responsible for paving the way for this privatization?
- What types of partnerships can vendors expect?

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- If privatization of the roadside rest areas becomes a reality, what other locations will be privatized – prisons?
 - Is this legal? What is the Attorney General's opinion?

Action Item: Chair Rompal will inform all roadside rest area vendors of the upcoming meeting with ITF. The privatization issue has been a long debated concern with vendors because of the potential affect on their income, on the BEP priority status and the legalities involved. Delegates Barnes and Murphy will be in attendance to this meeting.

Michael Hatch volunteered to participate on the QLDC subcommittee.

B. Status report on federal prison facilities

Nothing reported during this session of the meeting.

C. Status report on California Youth Authority facilities

Nothing reported during this session of the meeting.

Dr. RICHARD JACKSON, STATE PUBLIC HEALTH OFFICER – 2:30 PM

Dr. Richard Jackson addressed the CVPC delegates about the Anti-Obesity Health Initiative being supported by Governor Schwarzenegger and promoted throughout California. The obesity crisis has become an epidemic. The prevalence of obesity has doubled in the last 15 years which has caused increased health concerns, including health disease and diabetes, rising medical costs, reduction in life expectancy, employee absenteeism and a whole host of other social and health issues. A major concern is the rise of Type II Diabetes in children. It is foreseen that 1/3 of all children will develop diabetes before adulthood.

The Governor's primary goal is to start an effective marketing program promoting healthier food choices everywhere. To control this epidemic, everyone must be involved including vendors, teachers, parents, operators of food facilities, etc. It is essential that healthier food choices and alternatives are marketed, promoted and

offered to the public. Dr. Jackson believes that showing success stories and testimonials are the best and most effective marketing tools to help promote this initiative.

Mandates have proven to be less effective. People in general do not respond well to mandated initiatives, especially with little support or initiatives.

The DOR and CVPC fully support this initiative. Some delegates shared their own success stories and concerns. One recommendation was offering vendors a list of actual food products that the Health Department consider “healthy” or that meets the criteria for healthy foods. A vendor may consider certain products to be healthy but they may not meet the nutritional guidelines.

LEGISLATION—Delegate Rompal

Chair Rompal reported that the proposed SB 74 has been revised and reintroduced as the new SB 522 legislation authored by Senator Torlakson. (See Attachment 3 – SB 522).

SB 522 “would require each vendor that operates or maintains a vending machine on designated state property to satisfy the requirement that at least 50% of the food and beverages offered in the vending machines meets accepted nutrition guidelines, as defined, and to provide to users, upon request, information about the nutritional of food and beverages offered in the vending machine and procedures for requesting a change in vending machine offerings.”

The bill targets the BEP vending machine businesses. The bill is currently gaining support in the legislature. Chair Rompal urged vendors to get involves and contact their local representatives and let their voices be heard. Dr. Richard Jackson, from the Department of Health Services also offered his assistance and support to the CVPC.

PUBLIC RELATIONS AND CONVENTION—Delegate Hanlon

A. Status report on 2005 CVPC Educational Conference

Delegate Hanlon submitted a subcommittee report that Mrs. Friesen read to the CVPC. He announced the cancellation of the highly anticipated 2005 CVPC Educational

Conference. It has been extremely difficult to organize this event without the assistance of an event coordinator. There have been several attempts to procure an event coordinator but all have been unsuccessful due to legalities involved.

Chair Rompal commented that the Educational Conference would have been a great opportunity for vendors to network and learn the tools to becoming successful in the program. He was disappointed by the news and hopes the CVPC continues to push for this event in 2006 and is successful in procuring an event coordinator.

MOTION 2005.025. Moved that CVPC postpone the CVPC Conference scheduled for October 2005. And that the Hilton Hotel will be notified that we wish to cancel the contract for this conference.

Moved: Delegate Patche
Seconded: Delegate Barnes
Absent: Delegate Martin-Hanlon, Hanlon
Vote: Passed Unanimously

B. Status report on CVPC web site

Delegate Hanlon also reported that the benevolence fund and CVPC web site would be placed on hold temporarily until the issues surrounding the CVPC treasury account has been resolved. The chair of this subcommittee is unable to be reimbursed for expenses.

The benevolence fund was set up in order to contribute a donation to the chosen charity of the deceased vendor. If there were no charity indicated, the CVPC would contribute \$100 to the Guide Dogs for the Blind/Guide Dogs of America on behalf of the deceased vendor.

The CVPC website was a pending project. Mrs. Friesen was going to create and have it hosted for a nominal fee. The website would contain information on the CVPC meetings and minutes, location announcements, recent developments and achievements and contact information. It would be a great way for the CVPC to communicate to the vendor

community and for vendors to keep abreast of new developments within the program.

Currently, the CVPC treasury account has three designated signers. Before any changes can be made to the account, two (2) signers are required. One signer has recently deceased, one is in retirement, and the other will not sign for legal reasons.

Action Item: Chair Rompal and Mrs. Friesen will contact the bank to describe the situation and find out what can be done to access the funds in the account and open another account.

DEPARTMENT REPORTS

Financial Report

Legislation/Regulations Report

The financial report is detailed in the Program Manager's newsletter that is distributed to all vendors.

Program Manager's Report

John Westbrook reported that the DOR is trying to find ways to support the Governor's health initiative against obesity. DOR staff is already participating in programs that promote healthy food choices. He stated that the BEP will be educating BECs and vendors on what is considered health food alternatives. The commercial industry is also getting involved and major restaurant chains are offering healthier food choices. Support for this initiative has been very positive and strong; it has shown that everyone plays an important role in controlling this epidemic.

For the Governor's program to work, it will take the support of the Department of Health to help promote and market this initiative. One supportive measure would be to supply vendors with a list of actual food products that meet the nutritional requirements set forth by the Department of Health. Vendors need to know what products are appropriate and be able to test "supply and demand".

Mrs. Friesen created an excel spreadsheet that will automatically calculate the amount of calories, carbohydrates, and fat to see if the product(s) meet the nutritional guidelines.

Personal and Staffing Issues.

Mr. Westbrook reported that the BEP is actively interviewing candidates for the open architect position. A license is required for this position. Currently the program has two highly experienced senior architects applicants.

To improve service responses to vendors in Southern California, another BEC will be added to the Los Angeles office, for a total of 3 BECs.

DISTRICT REPORTS

District 1 – Delegate Kishida reported a BEC in his district is retiring. The BEC, Les Willis will be missed; he has made significant contributions and always supported the vendor. Delegate Kishida wished him well in his retirement.

District 2 – Delegate Murphy reported that vendors are concerned about the vending machine master service contract. John Westbrook commented that the BEP program needed a new contract for the next 10 months so there may have been a temporary disruption of service to vendors. The new contract should be effective and implemented now.

In order for the BEP to address any issues with the contract, all concerns regarding the service providers need to be documented and/or reported to the BEC. The BEP is continually trying to improve service response times. Doug Sale of the Contract Division of the DOR will continue to work closely with the CVPC to see if there are any service issues that he needs to address.

Delegate Murphy remarked that Steve Christenson is doing well at his location but there are several vendors struggling financially at their locations and may need additional help from the BEC.

District 3 – Delegate Patche reported that there are still complaints regarding the response times for equipment repairs.

He opened discussion about operating larger locations and what kind of return a vendor should expect. Chair Rompal commented that with larger locations especially cafeteria type facilities, a vendor should expect a return within 3 to 5 years because of the larger capitalization involved and need during the start-up phase. It may take some time to recap costs invested, which is very similar to operating a restaurant in the private sector.

Chair Rompal commented that having these larger facilities and financial opportunities in the program is a great testament to the quality and improvement of the BEP program over the years.

District 4 - Chair Rompal reported that several vendors have made comments about BECs not returning phone calls. Also equipment orders and deliveries are delayed and not being received.

District 5 – Vacant

District 6 – Delegate Martin-Hanlon was absent due to illness.

District 7 – Delegate Barnes had no major issues to report.

District 8 – Vacant

District 9 – Nominations for this position will be sent out in the next upcoming weeks. This position was previously held by Delegate Patty Evans who passed away in January.

District 10 – Delegate Hanlon was absent for this meeting due to his wife's illness.

NEW BUSINESS

No discussion.

OPEN FORUM

Tom Evans commented that it was a great and informative meeting and he was glad to be in attendance.

The delegates had an open discussion about the presentation regarding the privatization of California roadside rest areas.

ADJOURNMENT

Chair Rompal commented that the next meeting would be scheduled for June 2005.

MOTION 2005.026. Moved to adjourn at 5:05 p.m.

Moved: Delegate Patche
Seconded: Delegate Barnes
Absent: Delegate Martin-Hanlon, Hanlon
Vote: Passed Unanimously

ATTACHMENT 1

California Roadside Rest Areas Privatization Project

International Trade Finance Corporation (ITF)

ATTACHMENT 2

DOR Accumulative Vending Machine Commissions Report (7/04 –1/05)

ATTACHMENT 3

Senate Bill (SB) 522
