
**CALIFORNIA VENDORS
POLICY COMMITTEE
(CVPC)**

**Meeting Minutes
January 16, 2008**

CALIFORNIA VENDORS POLICY COMMITTEE

Meeting Minutes

Meeting commenced at 9:08 am, Wednesday, January 16, 2008.
Location: California Department of Rehabilitation, Sacramento, CA

INTRODUCTION/CELL PHONE CHECK

Mrs. Friesen reiterated the rules of participating in the meeting, including requesting that all cell phones be turned off during the meeting.

ROLL CALL

Delegate Murphy called the meeting to order at 9:15 am. Mrs. Friesen explained that, at this time, CVPC does not have a Chair or Executive Committee therefore she will conduct the meeting until elections have been completed.

Mrs. Friesen noted the following agenda items: At 1:00 p.m. Director Sauer was to speak, however he will be running late so this agenda item will occur later in the meeting. At 2:00 p.m. picture ID cards will take place.

The meeting was in compliance with November 1995 Motion 95.212 disclosure requirements for delegates. There were **ten (10) delegates** in attendance, which satisfied the requirements of a Quorum.

Delegates in Attendance:

District	Delegate	Location
District 1	Vacant	
District 2	Joe Murphy	Turlock Roadside Rest Area, Turlock, CA
District 3	Vacant	

District 4	Andy Brown	Facility 342, Resources Snack Bar
District 5	Michael Hatch	Concoran State Prison
District 6	Scott Schamber, Absent at time of roll call	Delano State Prison, Delano, CA
District 7	Harry Begian	Cal Trans, Los Angeles, California
District 8	Jack Bedikian	Bulk Mail Center – U.S. Post Office, Bell City, California
District 9	David Collins	California Rehabilitation Center, Norco, California
District 10	Frank Maestas	San Diego Police Department

INTRODUCTION OF STAFF AND GUESTS

Tony Candela, Deputy Director Specialized Services
Stephen Miller, Assistant Program Manager
Cheryl Gorss Huizar, Office Technician
Clint Vigen, BEP - Vending Machines Unit
Janis Friesen - CVPC Executive Secretary

Guests and BEP Vendors:

Roy Harmon - Oceanside
David Hanlon - San Diego
Steve Webb - Licensed Vendor
Ron Long - East End Facility, Sacramento
John Friesen - retired BEP vendor Sacramento
Michael Dowling - BEP Vendor
Reece Griffith – BEP Vendor
Toni Stratton - CVPC Recording Secretary

Election of Officers – Recommended Action

Mrs. Friesen noted that the CVPC Executive Committee consists of the Chairperson, Vice Chair, and the Secretary Treasurer. One of the major responsibilities of the CVPC Executive Committee is they are able to make strategic decisions on behalf of CVPC. Mrs. Friesen reviewed other responsibilities of the Executive Committee, as well as the responsibilities of the Chair. The floor was opened for nominations of CVPC Chairperson for 2008-2009 term.

Nomination: Delegate Hatch was nominated to be the Chairperson for the 2008-2009 term.

Nominated by: Delegate Maestas
Roll Call Vote: All in Favor – Motion Passed
Abstained: Delegate Hatch
Absent: Delegate Schamber
Vacant: District 1
District 3

Motion 2008.001. Michael Hatch has been elected and will serve as Chairperson of the CVPC for the 2008-2009 term.

Mrs. Friesen reviewed the role of the Vice Chair of CVPC and opened the floor for nominations for CVPC Vice Chair.

Nomination: Delegate Murphy was nominated to be the Vice-Chairperson for the 2008-2009 term.

Nominated by: Delegate Began
Roll Call Vote: All in Favor – Motion Passed
Abstained: Delegate Murphy
Absent: Delegate Schamber
Vacant: District 1
District 3

Motion 2008.002. Joe Murphy has been elected and will serve as Vice-Chairperson of the CVPC for the 2008-2009 term.

Mrs. Friesen reviewed the role of the Secretary Treasurer of CVPC and opened the floor for nominations for Secretary Treasurer.

Nomination: Delegate Brown was nominated to be the Secretary-Treasurer for the 2008-2009 term.

Nominated by: Delegate Collins

Roll Call Vote: All in Favor – Motion Passed

Abstained: Delegate Brown

Absent: Delegate Schamber

Vacant: District 1
District 3

Motion 2008.003. Andrew Brown has been elected and will serve as Secretary-Treasurer of the CVPC for the 2008-2009 term.

REVIEW OF SUBCOMMITTEE EXIT REPORTS AND ASSIGNMENT OF SUBCOMMITTEE CHAIRPERSONS AND OTHERS

Chair Hatch said he would like to discuss whether some of the Task Forces should be continued. After this discussion he would like have a break in order to discuss with the new Executive Committee the assignment of subcommittee Chairpersons.

The Task Forces are:

1. Healthy Food Task Force - assists CVPC with recommendations on what healthy foods are and how BEP vendors can use them.
2. LA County Task Force – assists CVPC in understanding the LA County Rent Contract and assists LA County BEP vendors on these issues.
3. Nominee Task Force – Investigate all aspects of the nominee agency and report those findings to CVPC.

Chair Hatch asked if anyone might be interested in assembling a new task force. Mr. Hanlon suggested an ad hoc committee, under

QLDC, for rest area development. Delegate Murphy suggested an ad hoc committee specifically for the educational conference.

After discussion the following motions occurred:

MOTION 2008.004. Moved that the committee continue the Healthy Foods Task Force for the 2008-2009 term.

Moved:	Delegate Brown
Seconded:	Delegate Murphy
Vote:	Passed Unanimously.
Absent:	Delegate Schamber
Vacant:	District 1 District 3

MOTION 2008.005. Moved that the committee continue the LA County Task Force for the 2008-2009 term.

Moved:	Delegate Murphy
Seconded:	Delegate Maestas
Vote:	Passed Unanimously
Absent:	Delegate Schamber
Vacant:	District 1 District 3

MOTION 2008.006. Moved that the committee continue the Nominee Agency Task Force for the 2008-2009 term.

Moved:	Delegate Brown
Seconded:	Delegate Murphy
Vote:	Motion Passed

District One – Vacant
District Two – Yes
District Three - Vacant
District Four – Yes
District Five – Chairperson

District Six – Absent
District Seven – Abstain
District Eight – Yes
District Nine – Yes
District Ten – Yes

MOTION 2008.007. Moved that the committee create an Educational Conference Task Force for the 2008-2009 term.

Moved: Delegate Murphy
Seconded: Delegate Bedikian
Vote: Passed Unanimously
Absent: Delegate Schamber
Vacant: District 1
District 3

Mrs. Friesen provided an overview of each subcommittee as follows:

Grievance Subcommittee is responsible for receiving grievances and evidentiary hearings that are transmitted by the BEP Program Manager and evaluating the substance of the grievance to determine if any action is warranted by CVPC.

Fiscal Subcommittee is responsible for reviewing and reporting all pertinent BEP audits, budgets, federal, and state fiscal reports; annually review the fee schedule DR475, and ascertain if its compliance with W&I Code 19629B.

Rules Subcommittee is responsible for issues related to regulations, procedures, and administrative policies as they relate to BEP vendors. This subcommittee is also responsible for CVPC redistricting.

Training Subcommittee was responsible for the CVPC Educational Conference and the content of the classes presented.

Benefits Subcommittee works with the Office of Insurance and Risk Management with regards to vendors' health, life, and dental insurance policies. In addition it works with BEP to maximize collections of the vendors' fees for the Vendor Retirement Plan.

Quality Location Development works with BEP to identify new facilities for BEP and establish schedules for remodeling of existing facilities.

Assign CVPC Election Coordinator Representatives – the purpose of this assignment is if a delegate from the Committee resigns from the Committee any times during his/her term the Department holds a special election. The CVPC Election Coordinator Representative works closely with the Department to ensure election procedures and policies are followed. The representative confirms the receiving and counting of ballots and the Executive Committee will identify two local representatives to assist in this matter if necessary.

Chair Hatch noted that at this time the Executive Committee does take care of Legislative issues.

Mrs. Friesen noted that Delegate Schamber has just arrived to the meeting.

After the break, and in discussion with the Executive Committee, Chair Hatch made the following recommendations for the assignment of the subcommittee chairpersons:

Nominee Task Force – Delegate Andy Brown
Task Force Healthy Foods – Delegate David Collins
LA County Task Force – Delegate Harry Begian
QLDC – Delegate Joe Murphy
Benefits – Delegate Andy Brown
Training – Delegate Frank Maestas
Rules – With Chair Hatch’s assistance Delegate Frank Maestas has agreed to temporarily chair rules until someone else can be found to Chair Rules permanently.
Fiscal – Chair Hatch will volunteer until someone else can be found to chair Fiscal permanently.
Grievance – Delegate Scott Schamber
Educational Conference Task Force – Delegate Jack Bedikian

MOTION 2008.008. Moved that the committee accept the Chairperson’s recommendations for Sub-Committee and Task Force Chairpersons for the 2008-2009 term.

Moved: Delegate Maestas
Seconded: Delegate Brown
Vote: Passed Unanimously

Vacant: District 1
District 3

Mr. Webb said if he wishes to be on a subcommittee or task force would he contact the Chairperson of that particular subcommittee or task force. Mrs. Friesen said he may, but in his case (as a licensed vendor without a facility) he would need Chairperson approval to sit on a subcommittee and get reimbursement. Mr. Webb said he would be willing to do this at his own expense.

MINUTES – Recommended Action

Approve the minutes of the CVPC meetings held on November 8, 2007 and the responses to the CVPC motion of November 8, 2007.

MOTION 2008.009. Moved that the committee accept the minutes of the November 8, 2007 California Vendors Policy Committee meeting as distributed.

Moved: Delegate Brown
Seconded: Delegate Bedikian
Vote: Passed Unanimously
Vacant: District 1
District 3

Mrs. Friesen noted that responses to the motions from last meeting are as follows:

Delegate Begian's motion regarding the new selection procedure to all vendors was responded to by "BEP fully supports this motion and has already notified vendors of the changes in writing effective December 1, 2007."

Chair Hatch said when the Department representatives arrive, he will mention that responses to the motions from the August and November meetings have not been received. Delegate Murphy

noted that there is also an outstanding request for definition on control and from a QLDC standpoint this would be good to have.

EXECUTIVE SECRETARY'S REPORT

Report of the Executive Secretary

- a. A request for all mailing and e-mail addresses and telephone, fax, cell phone numbers for delegates and facilities operated was made.
- b. A request for delegate preference on method of transmitting information from CVPC.

Chair Hatch encouraged delegates to consider the e-mail option because it is easier, cheaper, and takes less time.

Mrs. Friesen said in sending out mailings a flyer has been included requesting any vendors who would like to receive all of their CVPC by e-mail to provide the information to her. She would like all delegates to sign up agreeing to receive all their information via e-mail.

c. Duties of CVPC Executive Secretary

Works under the direction of the Chairperson of CVPC and he/she is responsible for ensuring that CVPC is fully prepared and informed to fulfill its responsibilities; is the liaison between CVPC and BEP staff; works with the subcommittees at the direction of the Chair; and assists in coordinating CVPC subcommittees and any meetings.

d. Filing Travel Reimbursement Claims with DOR (50 mile rule).

Mrs. Friesen disseminated the travel reimbursement forms and payee data record forms. The travel reimbursement forms are signed by Delegates and kept on file. As delegates send in their travel claims she will complete and submit them for each delegate. Regarding the payee data record form, delegates will need to provide their name, mailing address, social security,

and signature. These forms will be locked for safekeeping and once the travel claim is submitted they are shredded. Travel claims are available to those who travel more than 50 miles and the forms are available electronically. It is important to include name, mailing address, social security number, telephone number, notation of whether it was a CVPC meeting or a subcommittee meeting, time and date of meeting (date and time delegate departed and arrived from his/her home).

When submitting reimbursement for mileage the license number of the car is needed.

Regarding airfare: The State of California has a contract with United Airlines. When United flights are not available other carriers can be used. It was suggested when using a carrier other than United Airlines, the delegate should book travel and he/she can then submit a travel claim for reimbursement.

Original receipts must be submitted for both parking, taxi fares, bridge tolls, train fares, bus fares in order to be reimbursed. Taxi fares must include the date and amount. Not more than 10 percent can be given as a tip.

When seeking reimbursement for long distant telephone calls the original invoice must be submitted and this would include all information. A delegate could then black out any calls that were not CVPC related.

Mrs. Friesen said there probably would not be a need for postage because if a delegate wants to mail information to their district they can contact her and she will mail it out through DOR.

Betty Jong, Chief of Accounting Services, sent out a State of California form called Hotel Motel Transit Occupancy Tax Waiver. The State has an agreement that delegates can have the taxes on a hotel reduced, however not all lodging establishments honor the reduction. Mrs. Friesen disseminated the form.

e. CVPC Binder containing Bagley-Keene Open Meeting Act, Federal Laws, State Laws and Rules and Regulations and CVPC Bylaws

Mrs. Friesen said the CVPC binders, which include the roster of BEP phone numbers, roster for CVPC delegates, copy of the CVPC Bylaws, copy of the Bagley-Keene Act, copies of both the federal law and federal code, the Welfare and Institution code, and the Regulations are available at the back table. If delegates prefer, she can mail the binders to them.

Mrs. Friesen reviewed the CVPC bylaws. She explained that anyone can propose an agenda item but it must be sent to the Chairperson 30 days before the CVPC meeting. The agenda is mailed out 15 days before a meeting.

After CVPC has a meeting the motions for the Committee must be to BEP within 15 working days. BEP has 30 days to respond to the motions. Delegates will receive copies of the motions once the CVPC Secretary/Treasurer has approved them, and again once BEP has responded.

Mrs. Friesen read the following excerpt from the Bylaws: "In all aspects of the program CVPC shall be responsive to the needs of the licensed vendors. CVPC shall seek opinions and views from the blind vendors they represent. CVPC, and its delegates, are charged with communicating all issues to the vendors." Delegates are representing their particular district and it is important that they ascertain their district's opinion; meet with them to discuss issues and draw them in and gather their opinions.

The question was asked how often the mailing list for the vendors is updated. Mrs. Friesen said she gets a copy of the mailing list from BEP monthly, however it is 3 months behind. She compares BEP's list with her database listing and then sends each District their updated list. Mr. Miller suggested using an ad hoc report that sorts by District. Mrs. Friesen said that the ad hoc report is not correct.

Chair Hatch asked what the best avenue would be for delegates to update incorrect information in their District. Mrs. Friesen said, in most cases, vendors notify her of any changes and she then forwards it to Marty. Mr. Miller said the best way for Delegates to make changes in their District is by calling Cheryl at the main line who will forward the information to Marty.

Mrs. Friesen read the following excerpt from the Bylaws: "CVPC shall participate at a minimum with the Department in any major administrative decisions and policy and program development. Any implementation of changes in administrative policy or program development that is within the discretion of the Department shall occur only after review by this Committee of Licensed Blind Vendors. This is as prescribed in California Welfare and Institution Code 19638. Active participation shall be accomplished only through a majority vote of the CVPC." Any decision or active participation must be by a majority vote of this Committee.

Each delegate is responsible for developing effective communication with vendors within the Delegate's district.

If no delegate or his/her alternate is present at two regular meetings per term from any one District, his/her seat shall be vacated and a special election will take place. Mrs. Friesen requested that each Delegate determine an alternate for their district.

If all members of the Executive Committee are absent, any delegate can call the meeting to order and CVPC must immediately elect a Chairperson pro tem to preside during that meeting. Such office is terminated by the entrance of a member of the Executive Committee or when CVPC elects a new Chairperson or Executive Committee.

It is determined that a quorum of the Committee is a majority of the seated Delegates. Subcommittees must also have a quorum present.

Any motion introduced at a regularly scheduled committee meeting, where the subject matter has not been before a subcommittee and does not pertain to procedural or emergency matters, or has not been noticed on the agenda, it may not be heard. For instance, if a vendor brings an agenda item to this Committee, it can be on the agenda but the Committee has a choice to hear it at that time or assign it to a subcommittee. The Chairperson shall assign the issue to the proper subcommittee who will review and return the motion at the next regularly scheduled Committee meeting.

Again, for CVPC to conduct its business, a quorum constitutes a majority of seated delegates.

f. Comment on use of Bagley-Keen Open Meeting Act, CVPC Bylaws and Roberts Rules of Orders in conducting CVPC business.

At all meetings of the CVPC the Rules of Order as prescribed in the latest revised issue of Roberts Rules of Orders shall govern when Bylaws do not cover the issue and may not be used to circumvent the will of the majority vote by CVPC.

At no time may delegates attending a subcommittee meeting cause a quorum of CVPC's body except when that meeting has been properly noticed under the open meeting acts.

g. Subcommittee Guidelines and Reports

CVPC is considered a public entity and because of this CVPC falls under the Bagley-Keene Open Meeting Act. Bagley-Keene requires bodies to publicly notice their meetings, prepare agendas, accept public testimony, and conduct their meetings in public, unless specifically authorized by the Act to meet in closed session.

What is a meeting? A meeting occurs when a quorum of the body convenes either serially or altogether in one place to address issues under the body's jurisdiction. A meeting would include a gathering where members were debating issues or

voting on them. A meeting also includes situations in which the body is merely receiving information.

Typically a serial meeting is a series of communications each of which involves less than a quorum of the legislative body but which is taken as a whole involves a majority of the body's members.

Social gatherings: the Act exempts purely social situations from its coverage; however, this construction is based on the premise that matters under the body's jurisdiction will not be discussed or considered at a social occasion. Avoid shoptalk.

Teleconference meetings – the Act provides for audio or audio and visual teleconference meetings for the benefit of the public and the body. When a teleconference meeting is held, each site from which a member of the body participates must be accessible to the public. Hence, a member cannot participate from his or her car using a car phone, or from his or her home unless the home is open to the public for the duration of the meeting.

Notice and agenda requirements – the notice and agenda provisions require bodies to send the notice of its meetings to persons who have requested it. In addition, at least 10 days prior to the meeting bodies must prepare an agenda of all items to be discussed or acted upon at the meeting. CVPC Bylaws requires the agenda go out 15 days to all interested parties.

Agenda items should be drafted to provide interested laypersons with enough information to allow them to decide whether to attend a meeting or participate in that particular agenda item. Bodies should not schedule items for consideration at particular times unless they assure that the items will not be considered prior to the appointed time.

Regular meetings require a 10-day notice, along with an agenda that sufficiently describes the items of business to be transacted or discussed. Notice of a meeting must also be posted on the internet and the website address must be included on the written agenda. In addition, upon request by

any person with a disability the notice must be made in an appropriate alternative format, such as required by Section 202 of the Americans with Disability Act of 1990 and the applicable federal rules and regulations.

The purposes for which a body can call a special meeting are quite limited. The examples include, pending legislation, litigation, licensing matters, and certain personnel actions.

If the rules are not abided by a fine can be imposed. Delegate Begian asked what the amount of the fine would be. Mrs. Friesen said she believed the fine is between \$1,000 to \$2,500 per incident.

Roberts Rules of Order provide for constructive and democratic meetings to help, not hinder, the business of the assembly. Under no circumstances should undue strictness be allowed to intimidate members or limit full participation.

The assembly rules and has the final say on everything – silence means consent. The Chair must recognize everyone before speaking. Delegates always have first opportunity to speak on a subject and then it is the option of the Chair to go to the audience for input.

Debate cannot begin until the Chair has stated the motion for resolution and asks, “Are you ready for the question?” If no one replies, the Chair calls for the vote. Before the Chair states the motion, members may suggest modification of the motion. The mover can modify as he pleases, or even withdraw the motion without consent of the seconder. If mover modifies, the seconder can withdraw the second. No member can speak twice to the same issue until everyone wishing to speak has spoken to it once. All remarks must be directed to the Chair.

Subcommittee guidelines and reports – each delegate is responsible for holding regular subcommittee meetings. The most effective time to develop a subcommittee meeting is shortly after the CVPC regular meeting. The meetings are extremely important because they initiate vendor involvement and dialogue. When a subcommittee makes a

recommendation it is the responsibility of the Chair of the Subcommittee to present it to the CVPC during a scheduled meeting. The full CVPC will determine the action that will be taken from that recommendation. In turn, any matters or issues arising from a CVPC meeting are forwarded to the appropriate subcommittee for review and recommendation. Subsequently the Chair of the subcommittee is required to forward any agenda items to the Executive Secretary 30 days before the next scheduled CVPC meeting in order to be placed on the agenda for discussion.

Delegate Begian said between the time that an idea is presented at the subcommittee until something actually happens it takes 7 to 8 months. In order to save time he suggested asking the Department for a decision maker to be a part of the subcommittee when the issues are discussed. This was done in the past and it worked. Chair Hatch asked to bring this issue up under new business in order that Mrs. Friesen can complete her report.

Mr. Friesen again mentioned that a quorum for conducting business is a majority of the elected delegates. CVPC business cannot be conducted unless there is a quorum.

NEW BUSINESS

Chair Hatch said there is a new strategic plan completed by the Department in regards to BEP. A previous strategic plan was done in 2003-2005 and responded to a Bureau state audit. He noted that the new strategic plan specifies that "it was developed in consultation with CVPC" when in fact it was developed without any consultation with CVPC whatsoever.

CVPC believes that a strategic plan needs to be an ongoing tool that is used as a reference to be sure that it, as a program, is staying on track. He believes it is important that delegates review the strategic plan that was developed (without consultation of CVPC) and perhaps assign it to the Rules Subcommittee to provide feedback in hopes that it will become a document that was done in consultation with CVPC.

Delegate Begian said he believes that every vendor should have this information regarding the strategic plan. Chair Hatch said CVPC needs to look for a commitment from the Department that they will start sharing information with the vendors as a whole. Mrs. Friesen said she would not want the current Strategic Plan sent to the BEP vendors because it says that “it was developed in consultation with CVPC” which absolutely incorrect and something that CVPC has not agreed to. Delegate Begian said this is the type of thing that CVPC should not ask for cooperation but demand it.

Delegate Maestas asked if CVPC has a plan to ask for a commitment of communication from the Department. Chair Hatch said it has been pointed out to the Department Director that communication is not occurring. There are two choices: CVPC can ask for a commitment of communication and if a response is not received a grievance can be filed. There will be a new program manager coming on Board and it is Chair Hatch’s hope that CVPC will talk with the new program manager as soon as possible to insist on a commitment of communication.

Mrs. Friesen said the internal audit is very supportive of what the Committee is requesting and repeatedly mentions CVPC’s involvement, as well as information that CVPC is legally required to get that it is not currently being provided.

Delegate Bedikian requested that a letter be written requesting a commitment from the Department and that a deadline be specified. Chair Hatch said a request can be made in writing giving the new program manager a background of the lack of communication in the past, and then let him know what CVPC expects to see in the future (which is regular communication with the Committee and the vendors as a whole).

Delegate Begian said if the Department does not meet the deadline then it is his belief a grievance should be filed. They must know that CVPC is serious. Under the law the Department must consult with CVPC.

Delegate Brown said he personally plans to develop some relationships at the Capital with some of the Senators and Legislators

in hopes to get some pressure on the Department from above. He believes that something needs to be done about the Department's inability to communicate with CVPC.

Delegate Murphy said he agrees with everything in the audit. He believes the audit can be used as a tool, in conjunction with Delegate Brown's plan to have a presence above the Department, in hopes to improve the program.

Delegate Maestas asked if the Department has responded to the audit. Mrs. Friesen said they have 30 days to respond and they have not developed their official response yet.

Mr. Webb said what is being discussed at this meeting are sensitive issues that pertain to BEP vendors' lives and their business and no one from the Department is even hearing what is being said because they are walking in and out of this meeting. A Department member should be sitting in this meeting and if they are going to leave, out of respect, they should announce they are leaving. The Department does not address CVPC issues either past or present.

Mr. Hanlon said CVPC must take action. Ten years ago a BOSA Report came out that was almost word-for-word with what the current audit report states. CVPC must pursue an avenue of result. A new department manager will come on board and the Department will ask for six months to a year for him to get up to speed and that is not going to work. CVPC has heard this before and it is just not going to work.

Chair Hatch said when he stated that there is a need to give the new program manager a chance to deal with CVPC's issues he did not mean providing him a year to do so.

Reece Griffith said he agrees with Delegate Begian in that issues that CVPC needs action on should be done through the grievance system.

Mr. Dowling said the latest audit details the criminal negligence of Tony Candela. He does not believe that CVPC will see any changes under Tony Candela's watch. Mr. Dowling said if CVPC does not take this to the Attorney General's office he will. Delegate Begian

asked that CVPC not make this personal – it is not the person it is the system that is not working.

Mr. Hanlon said the program is in an extreme dire situation; there is no more money to spend. The two major issues are (1) communication between CVPC and the Department; (2) something must be done about the health insurance costs.

Chair Hatch there is a lot of frustration. The internal audit brings out issues that CVPC has been bringing up for a long time. He suggested taking this frustration and channel it in an effort to make positive changes. As delegates it begins by communicating with the vendors and apprising them of the issues. The more focus there is on the problems from different areas the stronger CVPC will be providing a better chance for resolution to these problems.

Delegate Begian suggested that delegates come up with some issues and then poll their District on their input.

Chair Hatch said vendors have had their life insurance paid for out of the trust fund monies in the past. There has been a ruling from RSA in Washington stating that the interpretation of federal regulation is that a set aside fund is not an appropriate use for paying for life insurance. The Department is acquiescing to the decision. The Department will give vendors three options: (1) stop life insurance; (2) use vending machine commission on state property to pay for life insurance; or (3) give the vendors an opportunity to pay for their own life insurance. This will be sent out to the vendors for a vote. Mr. Miller said there may be a problem with the third option because there are vendors who do not turn in P&L's.

Mr. Friesen said the differential would that the money would come out of the vending machine revenue and not the set aside which would affect the vendors because it would take away from their retirement.

Delegate Brown provided the Treasurer's report stating that the bank account balance is \$21,388.55. Delegate Murphy asked if there is a regulation on what this money can be spent on. Mrs. Friesen said the expenditure of the money is determined by this Committee on a case-by-case basis.

Chair Hatch said his is the only signature left on the account and there needs to be two out of three signatures to write a check. The three signatures on the account comprise of the Executive Committee, therefore, Delegates Brown and Murphy's signatures must be added to the account.

Chair Hatch spoke about the Victor Screen Reader. He noted that text files can be downloaded to a Victor Screen Reader, for instance on his Reader, he has the audit report, the new regulation package, and the strategic plan that he can listen to at any time. He said it might be a good idea to purchase the Readers for each of the delegates whereby they can download all pertinent CVPC information and listen to it at their convenience.

SB441 – Dan Kysor provided an update on a meeting he had with Senator Torlakson regarding Senate Bill 441. Historically his organization, as well as CVPC, has been opposed to a requirement of nutritious product on state vending machines. However, he has recommended to CCB that they look at the bill a second time because as of May 3 the bill was amended and it has been stripped down; there are now no reporting requirements or surveying of customers. The percentages have been dropped on snack machines to 25% the first year (by January 1, 2009) and 35% after the second year (by January 1, 2010) of nutritious product.

Mrs. Friesen read Section 1, Section 11005.4 is added to the government code to read: "(a) for the purposes of this Section the following items have the following the meanings: (1) accepted nutritional guidelines as used in this section means the following: (a) beverages are the following or meet the following standards: (1) water; (2) milk including, but not limited to, soy milk, rice milk, and other similar dairy or non-dairy milk; (3) electrolyte replacement beverages that do not contain more than 42 grams of added sweeteners per 20 ounce serving; (4) 100% fruit juice; (5) fruit based drinks that are composed of no less than 50% fruit juice and that have no added sweeteners; (b) food that meets the following standards: (1) not more than 35% of its total calories are from fat. This clause does not apply to nuts, seeds, or whole grain products; (2) not more than 10% of its total calories are from saturated fats; (3) not more than 35% of its total weight is from sugar. This clause does

not apply to fruits and vegetables; (3) added sweetener means any additive that enhances the sweetness of a beverage including, but not limited to, added sugar but does not include the natural sugar or sugars that are contained within the fruit juice that is a component of the beverage; (4) state property as used in this section means all real property, or part thereof, used for state purposes and either owned, leased, rented or otherwise controlled by and occupied by any state agency; (5) vending machine means any mechanical device, the operation of which depends on the insertion of a coin or other thing representative of value and that dispenses or vends a food product or beverage but does not include any mechanical device that is unable to dispense any food or beverage meeting accepted nutritional guidelines without physical alteration or any mechanical device that solely dispenses or vends hot beverages or ice cream.”

Mrs. Friesen said c and d were struck out and then it resumes with: “(b) a vendor that operates or maintains a vending machine on state property shall do all of the following: (1) offer at least 35% of food in a vending machine that meets acceptable nutritional guidelines; (2) offer at least one third of beverages in a vending machine that meets acceptable nutritional guidelines. A separate one third of the beverages offered in the vending machine shall either meet acceptable nutritional guidelines or be flavored milk, beverages containing less than 20 calories per 12 ounce serving or beverages that are composed of at least 50% fruit juice that may contain non-caloric sweetener. The remaining one third of the beverage offered in the vending machine may be any beverage allowed by law. (c) a vendor may meet the requirements in subdivision b by offering 25% of the food in a vending machine that meets acceptable nutritional guidelines by January 1, 2009 and by offering the total 35% percent of food required to meet acceptable nutritional guidelines by January 1, 2010. (d) If a vendor operates or maintains two or more vending machines that are located next to each other, the provisions of subdivisions (a) and (c) may be met by calculating the percentage of the total food and beverages offered in all of the adjacent machines.”

Chair Hatch said the original bill stated that 50% of nutritious food be in vending machines on state property. In meeting with Senator Torlakson’s representatives they asked if, with the amendments to the bill, CVPC would consider dropping its opposition. Chair Hatch explained that the new CVPC Committee would need to decide

whether, after discussing the issue, they would want to change their position.

Delegate Brown represented the Committee and its position at a hearing and his feeling is that there is an advantage to a change in CVPC's position because CVPC could win Senator Torlakson to its side and he might be able to help CVPC in the future. With the amendments to the bill there is no enforcement.

Mr. Friesen offered one of three solutions: (1) continue with the "no" position; (2) take a position of neutrality; or (3) offer a position of support if Senator Torlakson is willing to change those things that the members opposed.

MOTION 2008.010. Moved that the CVPC provides the authority to the CVPC Executive Committee to negotiate with Senator Torlakson's office either opposing, being neutral or supporting dependant upon what the Executive Committee believes is in the best interest for the BEP Vendors.

Moved: Delegate Begian
Seconded: Delegate Collins
Vote: Motion Passed

District One – Vacant	District Six – Yes
District Two – Yes	District Seven – Yes
District Three - Vacant	District Eight – Yes
District Four – Yes	District Nine – Yes
District Five – Chairperson	District Ten – No

Mrs. Friesen reported on AB 1566. The author has withdrawn AB 1566 and it will not be going forward.

DEPARTMENT REPORTS

Tony Sauer, Director of the Department of Rehabilitation and Luciana Profaca, Acting Chief Deputy Director introduced themselves to the delegates.

DOR Internal Audit – Mr. Sauer said the Department initiated the audit because it knew there were issues that needed to be brought to the forefront. Thirteen of the twenty findings in the audit were around the BEP program.

(At this point Tony Candela and Lisa Niegel, DOR Senior Staff Counsel entered the meeting.)

Mr. Sauer said some of the 13 findings that were found in the audit are currently being worked on by the Department. Improvements must be made and it is his desire to improve the program. The program is being underutilized and there are some staffing issues that need to be dealt with and CVPC involvement is needed. He would like to develop a task force to look at solutions to the problems and to look at the future of the program.

Mr. Candela said he has the task force almost completely formulated with a schedule to meet in February. He hopes to bring in a professional facilitator. There will be representation from CVPC, two consumer organizations, and other interested parties to look at the future of the program. It is his thought that the first part of the Task Force meeting will talk about the things in the audit report that need to be accomplished and then the focus will turn to the future of the program. Mr. Sauer noted that Mr. Candela could not get anyone to step forward from NFB of California, so he is looking at using Kevan Worley from Colorado who is an NFB member. He asked those present if they knew of someone from NFB of California who might be interested to submit his/her information to him.

Chair Hatch said he will be representing BAC on the Task Force and not CVPC, therefore he asked if one or two members from CVPC could be appointed to serve on the Task Force. Mr. Sauer said he would not want any more than two CVPC members appointed and that those appointed can envision looking forward and think in the

future. Mr. Hanlon requested that the Task Force meeting be scheduled after February 15.

Mr. Sauer said the BEP program has hired Mauro Lara, as the new BEP manager.

Ms. Profaca said in regards to the Audit a Corrective Action Plan is required. Mr. Candela and his staff are working on developing the Corrective Action Plan. She said the Corrective Action Plan has to be accepted by the Director with guidance of the audit team. The plan with specific, thorough, and timeframes will be identified so there will be a mechanism to address every finding in the audit.

Mr. Candela said as soon as the Corrective Action Plan is approved it becomes a public document. Mr. Miller said there are components of the Plan that will involve CVPC and he will be seeking their participation. Mr. Candela said CVPC will definitely be involved in the implementation plan.

Mr. Sauer said the next issue he would like to discuss is the revocation of the license of the vendors who are behind in their payments. Of the four vendors that BEP sought repayment from, two will repay through a payment plan, one vendor walked away, and one is going to a hearing. There are 37 others that are in the queue to pursue.

The next issue Mr. Sauer addressed was the receipt of timely quarterly reports. He has directed the Budget Department to work with Tony Candela to ensure that by the next CVPC meeting a quarterly report will be received, with regular quarterly reports to follow thereafter.

Chair Hatch mentioned to Mr. Sauer that there was some lively discussion that occurred earlier in the meeting dealing with much frustration. There have been a number of audits done before. There have been a number of Corrective Action Plans. CVPC's experience is that the results of the Corrective Action Plans have not met with good results. There has been an exercise in paperwork but not much in the way of follow-up and he stressed the importance that this new Action Plan be taken seriously and acted upon. Ms. Profaca said she, as the new Chief Deputy, takes this very seriously. She

apologized for CVPC's frustration, which is due to the inaction of the Department. She, Mr. Sauer, and Mr. Candela want to correct the problems. The number one priority within the Department and for Specialized Services is the improvement of the Business Enterprise Program. One of Lisa Niegel's primary responsibilities is BEP.

Chair Hatch said the strategic plan was mentioned in the audit report several times. The strategic plan states "it was developed in consultation with CVPC" when in fact it was not, and it needs to be taken out.

Chair Hatch opened the meeting up for questions.

Delegate Begian said he is happy to see the involvement of the Department, however CVPC has been in this place before where Department Directors, Deputy Directors, Chief Deputy Directors promised improvement but it did not happen. He hopes this time it will be made right. The problem arises from this unusual partnership between the business world and the bureaucracy. The core of the problem in this type of relationship is something called "active participation". The single most important lifeline of the program is that vendors have priority in state and federal buildings and in the past term, twice this did not happen.

Delegate Begian said CVPC spent countless hours on the regulations. CVPC gave its comments to the Department. The Department sent it to the Legal Department and then it went to Health and Human Services. CVPC asked to see what was sent to Health and Human Services in order to be sure that their comments were included. The Department denied CVPC's request. These are the types of issues that create mis-trust and produce a dysfunctional working relationship. He asked that the Department treat CVPC as a partner and not as a client. He also requested that the Department work in the subcommittee with CVPC in order to expedite the finished product.

Mr. Sauer said his understanding regarding the regulations was that the first packet of the three packets is now in the review process for public comment. The public comments are being assembled to see what changes need to be made based on the public comments. The second phase is in draft form awaiting final approval internally and

the third phase, which is the partnering agreement issues, has not been started.

Mr. Sauer said he believes it is a good idea to have Department staff at the subcommittees and he will speak to Mr. Candela about this.

Delegate Murphy asked if there is something in place to ensure that the list of 37 vendors who are behind in payments does not grow to a greater number. Mr. Candela said to prevent the list from growing one of the things that will occur is that as soon the BEC sees anything amiss they will get in touch with the vendor immediately. If the vendor does not respond the Department may have to go to an instant termination process. A rapid response process is being built now. Mr. Sauer said he will work with CVPC to try to resolve this issue.

Chair Hatch said the answer is simple. You uphold the law. A vendor can only be in arrears for 90 days. After that they are subject to termination. Mr. Candela said he and his staff will build the mechanisms needed to have systems that work and work fast and won't stop working no matter who comes and goes.

Delegate Murphy asked if there is a plan in place for 30 or more vacated facilities that might be the result of this sudden following of the regulations. Mr. Candela said it will not happen that fast. For example, out of the four pursued, two are still in business, one is out of business, and one is in the last stages of a hearing process. There is not a fully evolved plan for what might happen if we lose too many vendors too fast but he is looking at what can be done to get more training for more people to become vendors faster.

Delegate Maestas asked if the Department is addressing the issue of vendors who live out of state and never visit their location. He also asked if the consultants in the field are being re-educated. Mr. Candela said the Department is working the law and regulations in the revision process to shore the out of state vendors' issue up. In regards to the level of training for staff, the Corrective Action Plan stipulates regular training, mandatory annual training, and routine training for senior staff and BECs.

Delegate Maestas said in looking to future how does the Department see the CVPC being an asset to them. Mr. Candela said one way is

through the traditional way, which is by CVPC providing feedback both with what is right and wrong. The other way CVPC can be an asset is going to the vendors for their input and ideas.

Ms. Profaca said she believes the Department and CVPC have equal responsibility to improve the quality of the BEP cafeterias and vending machines. Chair Hatch said there is no consistency in the quality from one BEP location to another and there needs to be some uniformity. Mr. Miller said he would like CVPC's help in looking at and finding profit centers.

Delegate Brown said there needs to be accountability brought back into the program and it is much easier to deal with a late fee after 90 days rather than waiting three years.

Mr. Webb said he is one of those vendors who got behind with his fees. He kept his consultants apprised of his problems. For the past year he has not been in a facility. He has written numerous letters trying to restructure a payment plan and he has been waiting over a year with no response. He believes the Department should help vendors; perhaps put them on probation and if they break that probation then terminate their license.

He has been at this meeting all day and Steve Miller is the only staff person who has been in attendance in the morning and early afternoon and he has been busy doing his other duties as well. Many important issues have been discussed but no one from the Department was here to listen. CVPC worked for years helping write new regulations, and then the Department comes back with totally different regulations than what CVPC proposed, and more importantly they didn't even tell CVPC what the changes were. Businesses are partnerships.

Mr. Sauer said he takes issue with Mr. Webb's comment that the Department needs to make a special accommodation for him to get a site even though he owes money. Frankly, what he is hearing from CVPC is not to do this. Chair Hatch said the Committee has not taken that specific position. The Department has a pay back policy and they are not taking the regulations strictly and saying 90 days and the vendor's license is gone; they are saying 90 days to set up a

payment plan. CVPC does not have a position on whether that should be extended to someone who does not have a location.

Mr. Friesen said the audit missed looking into the proper collection of the vending machine revenue.

Mr. Candela said the Department is well into the process of collecting the revenues from the unassigned vending machines. The contracting methodology is to have a flat rate payment process from those contractors who are running the unassigned vending machines. The way it is now is the Department is supposed to get a percentage of their revenues and the Department does not have the auditing capability for this.

Delegate Murphy said there was some talk about getting a service that would take strictly a percentage of everything they grow from the baseline. Whatever the Department is collecting now is the baseline and they could theoretically get 20% of everything if they can improve that number. Mr. Candela said the Department is moving away from percentages and going to a flat rate.

Delegate Murphy said his question was different – CVPC wants to grow its vending machine revenue so that hopefully vendor's health insurance can come from this fund instead of the set aside. To grow that vending machine business, is there a way to make it attractive to an outside company to help CVPC grow it through auditing what contracts already exist and then by helping to find new vending machine revenue. Mr. Candela said this could be done through a flat rate methodology.

Delegate Brown said he has an informal proposal from a vendor who would take complete control of the outside vending for a flat 6%. Mr. Candela said he was told by attorneys a year and a half ago that the State of California could not engage in this type of arrangement. He asked Delegate Brown to send it to him and he will take a look at it.

Chair Hatch asked if it would be possible to send a mailing out to the vendors letting them know the DOR Internal Audit has been completed and they can request a copy. He also asked for an update on the RSA audit.

Mr. Candela said Ray Hopkins from RSA said it should be available in early 2008 and the Department has not received it yet. Chair Hatch if CVPC can have access to a copy of the audit once the Department receives it. Mr. Candela said CVPC will be provided a copy.

Chair Hatch said CVPC is concerned about the six-month probationary period for the new program manager. He stressed the importance for the Department to look at that six month period and perform an evaluation before the six months is up to make a determination. He asked Mr. Candela if it would be possible for the CVPC Executive Committee to meet with him sometime before that six-month period is up in order to have an informal discussion of how he is doing. Mr. Miller clarified that it is a one-year probationary period. Mr. Candela said he is responsible for doing probation reports at 2 months, 4 months, and 6 months and he will gather input from CVPC when those reports are due.

Mr. Miller disseminated the Trust Fund Report. As of October 31, 2007 the Trust Fund had \$903,000. Purchases have been made since then of \$349,000 leaving a balance of \$554,000. There is approximately another \$500,000 in funds that are encumbered in the repairs and maintenance area that could become available. Staff is assessing this now. The Trust Fund is not broke but it will not be able to take on anything new for the rest of the year. Everybody's needs will be met in order to take care of their operations but any major expenditures will not occur.

Chair Hatch said it seems as though the trust fund is going backwards. He asked if there will be an improvement in this trend, and if so, what would cause the improvement. Mr. Miller said he does not see an improvement in the trend. Mr. Candela said he believes if things are done in the correct way, the trend could improve. Mr. Miller said there is a need to find profit centers and learn what they are and how to better market the locations.

Mr. Candela said it would be a good idea to get the Department's fiscal forecasting people involved to come up with different scenarios. Mr. Miller said he would also like to get the Department's marketing consultants involved. Chair Hatch said if we don't do something

quick there will not be anything left to save. He believes a strategy needs to be developed.

Mr. Miller said he will be meeting with ten people from the Bay Area and Northern Coastal Region of the Courts to talk about how to begin the transition the courts into the state agency. Southern California has also contacted him. This could be a source for a revenue stream for vending machines.

Mr. Webb said a year ago Steve Miller recommended that the health insurance be raised. This did not happen for 11 months, which means there was 11 months of revenues that were not collected. Mr. Candela said the health insurance cycle is based on law and regulation and that is the earliest it could have happened.

Ms. Fleming is looking to find as many facilities and/or possibilities as she can. She takes a vending machine team member along with her so when she comes across existing facilities they inspect and audit that facility, and they also help her scout out vending machine opportunities.

Mr. Griffith suggested when training new vendors that they have 3 months on-the-job training with vendors and then bring them together for two months to fine tune the book work. In this way the vendors will know at the end of three months whether the new vendor will be able to handle the job or not. He also commented that vendors do not see Department staff often. They should be out visiting vendors to see why a site may not be generating more money.

Mr. Friesen said there is a concern that BEP is running out of money to the degree that it will effect the operation of facilities being able to purchase equipment and such. He asked Mr. Candela if he could get together with Steve and the Executive Committee to talk about a plan for the eventuality if this is the direction BEP is headed. Mr. Candela said he would be happy to talk about this issue.

Delegate Brown said it does not make sense to him that the Department is sending Ms. Fleming out to find new facilities, yet there is not money in the Trust Fund to purchase equipment. Mr. Candela said the idea is to keep Ms. Fleming moving in finding new revenue sources. Many of the facilities can be started with vending

machines, which will establish a presence there. Others can be set up to go into the July 1 budget. It is important to keep pushing forward in order to build up the finances.

Delegate Brown asked if it might be acceptable if he, or other interested vendors, could volunteer their time to help with some of the audits. Mr. Candela said it is absolutely acceptable.

Chair Hatch asked where the Department is with the RS15 Report. Mr. Miller said Mike Davis is out on medical leave and he is working with Clint and Marty on the report. It was due December 31, 2007. Mr. Candela said most state agencies get the RS15 in during the month of January. It should be done very soon.

Chair Hatch said there is a federal arbitration with one of the vendors and he asked if this has been completed. Mr. Miller said the Department has not heard back with the decision on the arbitration.

New Business (Con't)

2008 CVPC Educational Conference – Chair Hatch asked members if they were interested in putting on a 2008 CVPC Educational Conference. The last CVPC committee is suggesting to the current committee that it be held in Los Angeles with the Embassy Suites by the Airport as a potential place for it to be held.

Chair Hatch asked Mr. Candela, if CVPC elects to put on the 2008 CVPC Educational Conference, would the Department be able to help. CVPC has done the conference in the past because it believes it is important for the vendors in the program. Regulations in law denote that this is something the Department should be doing. CVPC is happy to keep working on the conference, but it would like the Department to take a stronger role. Mr. Candela thought it might be a good idea to combine the annual training for BEC's with the CVPC Educational Conference. In this way there could be a sharing of speakers, as well as the sharing of the legwork in getting it together.

Chair Hatch said he would like to see a Task Force, headed by Delegate Bedikian get together with representatives of the

Department fairly quickly to lay the initial groundwork and to come up with a plan.

MOTION 2008.011. Moved that the California Vendors Policy Committee agrees to assist BEP with the 2008 Educational Conference to be held in Los Angeles.

Moved: Delegate Bedikian
Seconded: Delegate Maestas
Vote: Passed Unanimously
Vacant: District 1
District 3

Chair Hatch asked for volunteers who might be interested in serving on the task force Director Sauer is developing. Delegates Maestas and Begian volunteered.

MOTION 2008.012. Moved that the California Vendors Policy Committee has selected Delegate Begian and Delegate Maestas to represent CVPC on the Directors Task Force on BEP.

Moved: Delegate Murphy
Seconded: Delegate Bedikian
Vote: Passed Unanimously
Vacant: District 1
District 3

Mrs. Friesen mentioned that during this meeting Mr. Miller brought her the responses to the motions for August. Members requested that Mrs. Friesen mail the responses to them and if there are any questions it can be discussed at the next meeting.

Mr. Candela provided Mrs. Friesen a letter from the Blind Entrepreneurial Alliance. It states that the dollar coin vending exemption has been enacted. This will exempt vending machines on federal property that dispense less than one dollar in change. Also under updates is: "Defense Authorization Bill Re-opened. In December the BEA reported that the Defense Authorization Conference report had been closed. However, the President rejected the legislation sent to him by Congress and the House and

Senate are now working to address the provision in the bill that prompted the Presidential veto. While we do not anticipate the addition of language addressing Randolph Sheppard, we will be keeping a close eye on any upcoming changes.”

There is still no news regarding the Department of Defense, Inspector General’s Report, or the release of draft regulations by the Department of Education.

Chair Hatch said CVPC just received part two of the regulation package. There was the incident with the first package where it went to Agency without CVPC seeing it first. He asked if regulations for part two has already gone to Agency. Mr. Candela said the way the system works is once the package is put together it goes to the Control Agency. He is following the process that the rules and governance stipulates. When things get moved through levels of government, the next level of government that gets it wants to have it free and clear of anybody else doing an analysis on it at the same time that they are doing an analysis. So if someone else also had it at that moment in time, they would have it to do nothing with except to look at it.

Chair Hatch said that this shows that the Department still does not get what active participation actually means. Once it is given to Agency then that is it – Agency is the only one looking at it. Chair Hatch said he has no problem with that at all. His problem is that CVPC is not allowed to comment on it before it goes to Agency. Mr. Candela said he will take Chair Hatch’s comments back to the proper people to find out what the logic is behind this decision. He said he is very careful to follow the rules of governance as he is told.

Chair Hatch said he has not heard a good explanation of why CVPC cannot see the regulations for comment before it goes to agency. This is an ongoing issue. Mr. Candela will find out the answers and get back to Chair Hatch.

Delegate Maestas asked Mr. Candela when CVPC will receive his response regarding the above issue. Mr. Candela said he will have an answer in two weeks.

Open Forum

Mr. Webb said he would like to see CVPC get back to two-day meetings because one day is not enough time to accomplish all that needs to be done.

Chair Hatch asked that the Chairs of the subcommittees try to get their members within one week and that there be as broad a representation on the subcommittees as possible. Once the subcommittee is established the Chairs should try to set up a meeting as soon as possible. Names of the subcommittee members should be sent to Mrs. Friesen.

Chair Hatch asked Mr. Candela if CVPC will be a part of the development of the regulations for teaming partners, or will CVPC have to wait for the public comment period before it can comment. Mr. Candela said CVPC will definitely be a part of the teaming partners regulations. Buzz will be CVPC's interface on this issue.

Delegate Maestas said he is on the Training Committee and he was wondering if Bill Shirah would be available to him. Mr. Candela said he certainly would be available to him and he can contact Bill directly.

ADJOURNMENT

MOTION 2008.013. Moved to adjourn at 4:49 p.m.

Moved:	Delegate Maestas
Seconded:	Delegate Collins
Vote:	Passed Unanimously
Vacant:	District 1
	District 3