

Nebraska Blind Licensees Committee Meeting
Nebraska Commission for the Blind & Visually Impaired
1313 Farnam Street, Omaha, NE
March 5, 2016

Meeting Called To Order by Chair Sandy Alvarado at 10:22 AM.

Note: Start of meeting was delayed due to technical issues with phone system.

Board Members in Attendance:

Chair: Sandy Alvarado

Vice-Chair: Victor Ireland

Secretary: Ross Pollpeter

Antonio Aguilar

Todd Shumaker

Blind Licensees in attendance: Jeremy Cash, Dave Johnson (phone), Chris Nolan, Tom Scheibeler, Jason Thompson (phone), and three prospective Blind Licensees including Tracey Bradley, Nathan Keyes and Luz Gomez.

NCBVI Staff in attendance:

Bill Brown, Business Manager

Don Ward, Program Coordinator

NCBVI Commissioner, Mark Bulger

NCBVI Commissioner, Mike Hansen (phone)

NCBVI Commissioner, Robert Newman

Omaha District Supervisor, Nancy Flearl

Vocational Rehabilitation Counselor, John Schmitt

Guests:

Preston Clark, Ofelia Galvan (Spanish-speaking interpreter), Deb Nolan, Rita Scheibeler, Brian Tornquist of Vistar, Gina Washburn of Three Squared Markets, Aelene Whitehead

Open Meeting Act:

A copy of the Nebraska Open Meeting Act was available. The Notice of the Meeting was published in the Omaha World Herald, NCBVI Website, and NFB Newsline®. The Notice was also sent to the NCBVI List Serve.

APPROVAL OF MINUTES:

Motion was made by Antonio Aguilar to approve the minutes from the last meeting on December 5, 2015 as distributed. Seconded by Victor Ireland. Motion passed.

EXECUTIVE REPORT:

Report from Don Ward, Program Coordinator - NBE: (Secretary's note: Below is the report given by Mr. Ward. When comments or questions were made a () will enclose the additional comments/questions.

NBE Report to the Committee March 5, 2016

Update on Department of Roads (DOR) ADA rest area project. DOR is updating all rest areas and have completed the York rest area. They are currently working on the Milford Rest areas. They will then move on to Grand Island. Milford has reopened and we will put our machines back in soon. No word on when they will move further west. I just heard Friday they closed Grand Island, I will check on Monday to find out why.

To continue to Improve NBE; Carlos Servan and Dr. Pearl Van Zandt are having ongoing discussions with A.S. to talk about the Randolph – Sheppard Act, and ways to improve our laws, here in Nebraska. One main topic being discussed, includes ways to remove or reduce rent currently being paid on state property.

Pay Range: We have added Pay Range cashless devices on machines at 1526 K Street in Lincoln and at the National Guard. They are working and sales are improving. This will be on-going from now on as we add more and others offer Pay Range.

As mentioned last meeting, Greg Stroh has retired and we have a new person. Wyley Elmshouser has now taken over Greg's locations in Sidney. He has a wife and son who will drive for him. He took over a month ago. As of year-end, NBE currently has 15 licensees and I am working with a new person to start in Norfolk. Who is here today Tracey Bradley.

I just this week completed a signed contract with the Nebraska Historical Society museum in Lincoln. Notice was just sent out Monday to all vendors on that opportunity. Good news is that this is a state property with no rent! It will open April 1st.

Through ongoing meetings with Todd and the Army National Guard, the Guard has told us they are renewing our contract with the dining hall at Camp Ashland April 1st for another year. They also have said they will offer us the operation of dining at Grienlief Dining Hall in Hastings as it comes up, if we are able to do both.

REPORT FROM THE COMMITTEE CHAIR, Sandy Alvarado:

I continue to meet with our NBE team at least once a month so I can keep informed on what they are doing for us and be able to add input for the licensees. I attended a national training in February called Sagebrush. It was put on by the Randolph-Sheppard Vendors of America. It was very informative and had several topics covered. There was a speaker from SCORE. They are a nonprofit organization that can help with many aspects to running a small business. The topic they spoke to was the hiring and firing of employees. I want to try to find our local group and see what we may be able to use for a future training or for ourselves.

Mark Green from NFP Advisor services, LLC spoke on retirement and insurance options.

A representative for the National Council of State Agencies for the Blind gave an update that roughly consisted of the numbers of Randolph-Sheppard licensees across the country and the average incomes. The speaker said we need to keep thinking of new ways to keep our numbers growing. She suggested we all take advantage of this year of campaigning since our congress members will be closer to our own home area instead of in D.C. She suggested at the very least simply thank them for supporting the Randolph-Sheppard Act.

There was a panel of several companies who offer cashless payment systems.

Pepsi presented some statistics on beverage trends.

Sandra Larson with National Automatic Merchandising Association gave an update with what's going on with the government changes. NAMA had recently sent out a petition to bring awareness to congress on how financially burdensome some of the energy regulations they were trying to get passed on refrigeration equipment would be for the small business owners. It was successful and the regulations were withdrawn. The next issue we should pay attention to is the government wants to change the metal content of the coins being made. The suggested changes would require coin mechs to be replaced on all vending machines so they could be properly identified. Keep aware of this issue and take action when you can.

Three Square Market spoke about the future of micro markets. I was very interested since I knew we would be having Gina Washbern speaking to us. The options you can offer in a micro market are so large, I truly feel it can be a definite benefit to any Randolph-Sheppard business. Three Square is the hardware and software for a micro market. They are working on getting their software accessible and they know that is of high importance to us as a group.

I have been contacted by a few licensees about some issues with our SLA team. I plan to present their concerns and hope to open up a dialog with our SLA team. Please contact me with any issues no matter how small you feel they may be so if there is a consistent type of issue I can try to address it before things may get out of hand.

NBE Budget, Expenses, Set Aside Issues:

Presented by Bill Brown (Bill Brown's report is lengthy, so I have attached it to the end of the minutes.)

A discussion on the Set Aside funds was held by the blind licensees and Mr. Brown. He explained how the retirement match is paid using Set Aside funds. Many blind licensees believed matching funds from NCBVI was coming from a different source than the Set Aside fund. Some felt it was not fair that those who do not contribute to the Set Aside fund will still receive matching funds towards their retirement from other blind licensees who do contribute to the to the Set Aside fund. Further discussion was held. A discussion was also held about Fair Minimum Return with major contribution from our guest speaker, Gina Washburn of Three Squared Markets, formerly of the Idaho Business Enterprise Program.

Bill Brown suggested we Google 34C FR Code of Federal Regulations 395, which are the Federal Regulations for the Randolph Shepherd Program, and 361.49a.5 which are the Federal Regulations for VR Program.

Timely and accurate profit/loss submissions /Jan Stokebrand's Report:

Presented by Don Ward on behalf of Jan Stokebrand:

For the set aside monies received, for the last few months, seven vendors are paying close to zero for set aside. Six other vendors are paying an average amount, one vendor has submitted neither their check nor their paper work for January.

Another vendor is two months behind on his DOR payments. We need to talk about what we can do to increase business for those not doing so well.

(Victor Ireland stated blind licensees are struggling due to continuous maintenance issues causing loss in profit. Victor stated he had made a request for new machines without a response from NCBVI. Blind licensees who are struggling need to have assistance reviewing their business to see where they are having issues. Victor Ireland stated he would like to see a better working relationship between the blind licensees and the SLA.)

Update on Licensees, Introduce New Licensee:

Don Ward introduced Tracey Bradley, who will be in training for NBE in Norfolk, NE. He also introduced Nathan Keyes, who is interested in the program and wants to work in La Vista, NE.

Discuss Training for next Quarterly Meeting:

Sandy Alvarado suggested having Patty from Abilities Fund to discuss her program. It would be a long training to take an entire afternoon. Ross Pollpeter suggested business management to improve business practices and proper handling of food for those who do not have cafeterias.

New Business:

Don Ward presented a letter from Coca-Cola stating how Chesterman Coca-Cola bought local distributors and will now be serving us blind licensees. He says there is paperwork to complete. Most blind licensees have been contacted as well, but many were informed that nothing has changed except the phone number for customer service.

SET DATE FOR NEXT MEETING:

After a brief discussion of what days and time works best for most members, Ross Pollpeter made a motion to hold our next BLC meeting on Saturday, June 11, 2016 starting at 10:00 am. It will be held in a western Nebraska location such as Kearney or Grand Island. Motion was seconded by Victor Ireland.

Motion passed.

ADJOURN:

Following the adjournment of the meeting, we will have two presenters: Gina Washburn of Three Squared Markets who will discuss micro markets, and Brian Tornquist of Vistar who will discuss Pay Range.

Victor Ireland made a motion for the meeting to be adjourned, it was seconded by Todd Shumaker. Motion passed. Meeting adjourned at 1:08 PM.

Respectfully submitted by:
Ross Pollpeter, BLC Secretary

NBE Nebraska Business Enterprises
Funding and Expenditures
Presented by Bill Brown, Business Manager

Funding the Randolph Sheppard program in Nebraska has traditionally been accomplished using two funding sources used in combination with each other. Most of the program is funded splitting the agency funding using the Vendor Set Aside Cash fund deposits 21.3% and federal Vocational Rehabilitation Grant funding 78.7%. This combination of funds is used on all expenditures that qualify under the paragraphs in Nebraska administrative rules;

007.02A1. Maintenance and replacement of equipment;

007.02A2. Purchase of new equipment;

007.02A3. Management services;

The cost of Management Services as it relates to Personnel costs was suspended in January 2016, at this time those expenses are paid for by the Federal Vocational Rehabilitation Services Grant 100%. Other management services remain split 21.3/78.7. These are the only services that can be paid using federal funds for Randolph Sheppard purposes.

Provision of initial stocks and technical assistance can be purchased for active VR Clients who have a SelfEmployment/Randolph Sheppard vocational goal if the services are provided in the VR IPE plan for services.

Set Aside can also provide the following services if agreed to by the Agency and the Licensees. They are:

007.02A4. Assuring a fair minimum return to vendors;

007.02A5. Establishment and maintenance of retirement or pension funds, health insurance, and paid sick leave, and/or vacation time, if it is so determined by a majority vote of blind vendors licensed by the State Licensing Agency, after such agency provides to each such vendor information on all matters relevant to such proposed purposes.

The Nebraska Business Enterprise program has elected to provide a retirement program but none of the other benefits. Any of these other benefits do not qualify for federal funding under the grant and thus would need to be funded fully from set aside assessments. The Nebraska Business Enterprise program has elected to match all vendor personal retirement contributions dollar for dollar from the Set Aside fund up to a maximum of \$900 per calendar year. As written below, federal Vocational Rehabilitation Regulations do not allow for Vocational Rehabilitation grant funds to be used for Licensee retirement contributions.

§361.49 Scope of vocational rehabilitation services for groups of individuals with disabilities.

(a). The designated State unit may also provide for the following vocational rehabilitation services for the benefit of groups of individuals with disabilities:

In the case of any small business enterprise operated by individuals with significant disabilities under the supervision of the designated State unit, including enterprises established under the Randolph-Sheppard program, management services and supervision provided by the State unit along with the acquisition by the State unit of vending facilities or other equipment, initial stocks and supplies, and initial operating expenses, in accordance with the following requirements:

(i) "Management services and supervision" includes inspection, quality control, consultation, accounting, regulating, in-service training, and related services provided on a systematic basis to support and improve small business enterprises operated by individuals with significant disabilities. "Management services and supervision" may be provided throughout the operation of the small business enterprise.

(ii) "Initial stocks and supplies" includes those items necessary to the establishment of a new business enterprise during the initial establishment period, which may not exceed 6 months.

(iii) Costs of establishing a small business enterprise may include operational costs during the initial establishment period, which may not exceed 6 months.

(iv) If the designated State unit provides for these services, it must ensure that only individuals with significant disabilities will be selected to participate in this supervised program.

(v) If the designated State unit provides for these services and chooses to set aside funds from the proceeds of the operation of the small business enterprises, the State unit must maintain a description of the methods used in setting aside funds and the purposes for which funds are set aside. Funds may be used only for small business enterprises purposes, and benefits that are provided to operators from set-aside funds must be provided on an equitable basis.

007. Set-Aside Funds

007.01. Amount of Set-Aside Funds: The State Licensing Agency shall determine annually with the active participation of the Committee of Blind Vendors, the percentage of the net proceeds of each vending facility that shall accrue to the State Licensing Agency.

007.02. Use of Set-Aside Funds: The State Licensing Agency shall establish, with the active participation of the Committee of Blind Vendors, a set-aside schedule which covers the purposes for which any and all set-aside funds are used and the method of determining the charge for each intended purpose.

007.02A. Funds Shall be set aside in accordance with this rule for any of the following purposes:

007.02A1. Maintenance and replacement of equipment;

007.02A2. Purchase of new equipment;

007.02A3. Management services;

007.02A4. Assuring a fair minimum return to vendors;

007.02A5. Establishment and maintenance of retirement or pension funds, health insurance, and paid sick leave, and/or vacation time, if it is so determined by a majority vote of blind vendors licensed by the State Licensing Agency, after such agency provides to each such vendor information on all matters relevant to such proposed purposes.

007.02B. The conditions of 007.02A5 having been satisfied, there is hereby established a retirement plan for blind vendors with contributions from each blind vendor who chooses to participate being matched with an equivalent approved contribution from the Small Business Enterprise Cash Fund, said amount to be reviewed annually by the State Committee of Blind Vendors and the State Licensing Agency.

007.02C. Set-aside funds may not be used for any purpose not listed in 007.02A.

007.02D. The State Licensing Agency shall keep and maintain adequate record to support the reasonableness of each charge in the set-aside scheduled for each of the purposes listed in

007.02A. The State Licensing Agency shall submit any and all charges in the set-aside schedule to the Commissioner of the Federal Rehabilitation Services Administration for approval prior to taking effect.

007.02E. The State Licensing Agency shall design the set aside scheduled to prevent, so far as is practicable, a greater charge for any purpose than is reasonably required. Allowances must be made for the retention of reasonable reserves necessary to assure that each such purpose can be provided on a continuing basis.