M I N U T E S

REGULAR MEETING of the HAWAII STATE COMMITTEE OF BLIND VENDORS

DATE: Saturday, March 21, 2015

PLACE: Ho`opono Conference Room

1901 Bachelot Street

Honolulu, Hawaii 96817

PRESENT:

1. Committee: Kyle Aihara, Ivy Galariada, Steve Kim, Dane Alani, Lyn Pasak, Chris Akamine, Clyde Ota, Joel Cho and Don Patterson
2. Members: Stan Young, Lespaul Naki, Ted Chinn, Doug Moises, Myles Tamashiro, Dave Cameron, Norm Ota, Ron Flormata and Gerry Lonergan
3. Ho’opono: VRA Albert Perez, SBA Lea Grupen, BEP Manager Kat Fujimoto, VFS Susan Chong and Secretary MJ Andres
4. Guests: Evelyn Racpan and Gail Sakamoto

CALL TO ORDER:

Noting the presence of a quorum, Chair Kyle called the meeting to order at 10:01 a.m.

At this time, Chair Kyle introduced Mark Tonini of Hawaii Food Alliance who gave a short presentation of their services and products. Sample products were available for vendors.

NEW BUSINESS:

1. Vocational Rehabilitation Report: VRA Albert reported the agency received a grant notification that the budget will be cut by the federal by $1.5 million; subsequently, we won’t be receiving the 3.5% to 4% increase as initially projected for the upcoming year. The budget has been difficult to track especially with the vending stand renovations due to delays to move the project along.

The initial $1.3 million in SFY 2014 came from VR FFY 2013 allotment because we were able to rollover funds for an additional year at the time for various reasons and a lot of funds were available then; however, the 2013 funds are gone and we’re now tapping into FFY 2014 allotment and still trying to finish the initial projects.

With the additional $666 thousand, we had hoped to use FFY 2014 monies and a little of 2015, but that’s not going to happen because of the delays completing these initial projects from the $1.3 million. It’s been a challenge in planning the budget because we’re not able to just put funds aside and move forward. As funds are expended and allotted monies exhausted, there are less and less rollover monies available.

We will try to work with the DHS Director and our budget person to try to talk with DAGS to see what can be done to move these projects along.

Another idea will be to go with smaller projects to move things along much quicker. The problem is the older buildings require significant work. A decision will need to be made as to whether or not there’s sufficient reason to invest those monies in terms of the return on investment.

Regarding how services are procured, we follow state procurement policy otherwise the payment will not get processed. With the new Akamai system, there’s greater scrutiny from fiscal on all expenditures coming through so if there’s anything missing, payments will not get processed.

There are exemptions; one of them is the use of the Randolph Sheppard Revolving Account. VR and fiscal staffs are aware of this exemption so certain purchases can happen that would not normally happen depending if it falls within HRS 103D or 103F, what the purchase is and the cost of purchase. SBA Kat, her staff along with the department fiscal staff will review all the requests submitted. He will speak with SBA Lea and BEP Manager Kat as to the best practice to utilize these exemptions. It may take longer, but it will need to be resolved between the agency, the committee and the individual vendors that have needs.

Filo commented on how the vendors feel DAGS treats the vending program and understands that they were already paid to do the renovations. He asked what the agency plans to do if DAGS doesn’t complete what they’re supposed to do. Can we cancel the agreement and get whatever was paid to them? Can we move on and do the job without DAGS.

VRA Albert first clarified that DAGS has only been paid for work that was completed. He noted he will be meeting with Director Wong and one of the issues he’ll address is her advocacy with DAGS to see how we can expedite things.

Clyde asked why stands were closed for 6 months for cosmetic work, not completed, and costing $100 thousands.

VRA Albert responded that one way to deal with that, again with committee input, BEP Manager Kat and Ho′opono’s input, see if we can do cosmetic work, but warned them about parceling.

Ivy commented that all the vendors whose stands were closed reported that no one was at their stands working.

Filo noted that while the vending stands are all closed for a month or so, the public develops a habit of going to other places.

VRA Albert noted that if there’s cosmetic work that needs to be done and if there’s a way to minimize the impact to the vendor, we need to resolve it although it may not work in all cases.

BEP Manager Kat noted one of the issues that occurred is because of this $1.3 million which just was dropped in our laps. If we were doing only one facility at a time which was the way it was done in the past, you don’t run into a parceling issue because we only had money to do one at a time. When you’re talking about a big pool of money at one time, there is the issue of parceling. You can’t within one year say you’re do electricity at these six facilities and not put it under one contract.

Filo noted we should find ways to eliminate DAGS in the fixing of buildings. He agrees that DAGS should be involved if it affects the building, but feels we can go to other people or even go to Home Depot for projects such as counters.

VRA Albert concurred that because of the large sum of money and because there was technical work, i.e. electrical and plumbing, we used DAGS because of our lack of experience.

Stan expressed his concerns:

a. No active participation.

b. No say on what is to be done noting many excuses were given.

c. DAGS represent the architects and contractors, no one represents us.

d. Feels program was ripped off.

e. Affected vendors had no input because vendors were told in committee meetings they couldn’t contact the contractors. They needed to contact BEP Manager.

Moving forward, he noted we need to learn from this and make use of the money.

VRA Albert again apologized for not including the vendors in the decision; however, per HAR and after consultation with deputy attorney general, it didn’t fall in the parameters of active participation. However, in his opinion, it went against the spirit and admitted to this wrong.

Secondly, he noted we are ignorant so we used DAGS, but we are getting smarter. Moving forward, we need to figure out if there are better ways of doing things. He agrees stands should not be closed for months just for counter work. Again, because of the large sum of money, rolling out the projects out to so many places, and trying to minimize eliminate things that weren’t within the procurement code, we tried. He noted he would like to talk more with the committee on what needs to be done and work more with SBA Lea on things happening at Services for the Blind.

Filo commended VRA Albert and his staff for admitting their mistake and urged the blind vendors we need to move forward because there are many projects coming up and we don’t want to make the same mistakes. We’re not here to point fingers, but we’re here to find a solution on how to move forward and continue to improve the vending program not only for the vendors currently in the program but for our successors.

OLD BUSINESS:

1. Progress of Renovations: BEP Manager Kat reported that six facilities are completed. They include Ho’opono, Kalanimoku, King Kalakaua, Keelikolani, State Capitol and Kakuhihewa. Still holding are the two Kona Airports. A meeting will be set between the contractor, Myles, Joel and the agency to hammer out the logistics of the construction. If it doesn’t meet our expectations, we’re in trouble.

Joel asked if we can’t come to an agreement and decide to cancel with DAGS, what happens to the monies.

BEP Manager Kat said it’s hard to say what the next best step is until we speak to the contractor to see if they can do it within our time frame. If we look at scrapping the whole thing, we need to look at what our options if we scrap the whole thing and how much it will cost at that point.

Joel still asked for a clear answer on the $178 thousand which we may or may not spend in Kona. He noted he is willing to scale back and not alter the store room because he’s concerned about the money being wasted with the upcoming airport modernization. He asked if we should just do light touch-ups. VRA Albert, BEP Manager Kat, Myles and Joel will meet via conference call to discuss this before they meet with the contractors.

2. DOH VS #20 Kinau Hale: BEP Manager Kat reported that fire suppression system in the kitchen needs to be upgraded and dismantle the hood in the front. A DAGS electrician inspected the site and said he won’t touch it due to an exposed wire in the kitchen electrical box. Secondly, there are multiple violations for electrical junction boxes that are covered and obstructed by the stainless counter in the front. She is planning to meet with DAGS Planning Branch and the Kinau Hale building manager to see what needs to be done, what can be done, and an estimate of how much it will cost.

Ivy asked if we can get a second opinion.

Lyn asked if it’s possible to get another contractor with that experience to randomly come in and to look at it.

BEP Manager Kat says she’s meeting with DAGS because it’s their building and there might be issue they are responsible for and need to rectify immediately.

This facility also needs to replace one of the air conditioners.

3. West Hawaii Civic Center: VFS Susan reported that she, Stan, Dane and Joel met with David Lyman at the facility to reassess the needs of the facilities in regards to cabinetry, slat walls, and some other miscellaneous things that the county is graciously willing to look into whether or not they can assist us with. We are currently working through to pull together the bid description so we can go out to bid for the counters and slat walls.

Stan commended VFS Susan for the good amount of time spent at the facility working on the plans.

4. Program Report: BEP Manager Kat reported that the RSRA balance as of March 19, 2015 is $1,358,147.45.

BEP Manager Kat noted that the community should thank the committee for giving an additional $2,000 supplement.

She provided the following renovation expenditure summary as follows:

FFY 2014 Total Expended Renovations $ 69,312.58

(i.e., replacement coolers, repairs)

VR 110 Funds $ 11,185.00

RSRA $ 58,126.00

Additional VR Funds to be paid $ 64,000.00

(for Mid-City equipment)

Contracted Payments $ 7,183.00

FFY 2015 Total Expended Funds $ 44,800.00

VR 110 Funds $ 28,700.00

RSRA $ 16,100.00

Contract Payments $273,300.00

Copies of the reports will be attached to these minutes.

Clyde asked what process was done regarding purchases for Whitmore, specifically purchases without prior approval.

SBA Lea responded there was a miscommunication and misunderstanding in the process.

BEP Manager Kat added that, to correct this, a memo was sent out reminding vendors they cannot purchase and expect reimbursement without prior approval.

Don expressed his concern regarding people bad-mouthing him and asked the people stop bad-mouthing him.

BEP Manager Kat agreed that no one should be bad-mouthing anyone and asked that if anyone hears of anything to stop it. She added that we’re in this program for the betterment of everyone.

5. Hours of Operation: BEP Manager Kat reported that we’ve received comments and complaints about people closing earlier and there have been circumstances where there is no written permit that identifies the hours of operation for each facility noting there’s a lot of ambiguity. She suggested that maybe we can look at standardizing hours of operation for state and county buildings that have set hours of operations, such as state buildings are open from 7:45 a.m. to 4:30 p.m. where majority of our facilities are at.

Chair Kyle noted that there are vendors that don’t open, open late, or close early, and in many cases there are no hours of operation on the permit. He noted we should establish something reasonable in order to provide service to the public.

Joel noted that this is really important because we have facilities that used to be good but are disintegrating and if we keep allowing people to open whenever they feel like it, we will start losing facilities and give building management really good reasons not to have us. He asked BEP Manager Kat if she had any written policy.

She responded this is something that should go to committee and be discussed, but noted that informally they’re looking at 7:00 a.m. to 3:00 p.m. for state and county buildings that have regular work hours.

Lyn noted that if a building is open for a set time that it would be common sense in that instance, you’re a store in that building. For a 7 days-a-week instance, she feels you’re somewhat obligated to be opened 7 days a week and you need to do what it takes or hire people to do the hours, the same for 5 days. Our reputation can only take so many hits; otherwise, they’ll be looking for real business people after a while.

Ivy added we need to protect our program and remain in good standing with the state, county and federal.

Chair Kyle asked BEP Manager Kat to draft the framework for discussion.

6. Biennial Election: Chair Kyle noted that we will be having elections this year at the next annual meeting on May 30, 2015. BEP Manager Kat noted that the deadline to remove their name from the ballot is April 20, 2015 and ballots will be mailed by May 4, 2015.

7. Security Systems for Vending Facilities: BEP Manager Kat noted it’s something for consideration because there have been more and more break-ins, security threats, and shoplifting. She suggested that the committee consider adding security equipment as standard equipment. Chair Kyle asked BEP Manager Kat to draft a proposal. She asked if someone from the committee could also help. Chair Kyle will designate someone from the committee.

8. Vending Machines Sub-Committee Report: Chair Joel noted not much to report. They voted and discussed a lot of things they want to do but noted that everything’s falling into VFS Susan’s lap and she only has 8 hours to work so a lot of projects they wanted to start have been pushed back. He noted it’s really important because it’s a major source of our revenue and VR funds are not going to be plentiful as we move forward.

He reported that VFS Susan has kept him informed about the harbors; they’re still waiting on the permit to place vending machines.

He hasn’t heard anything from program on with the fire department, whether it’s still going or not.

The big project he wanted to do is survey areas where vending machines have been removed from the spreadsheets. He would prefer to physically verify if the machines are still there or not than go by what the vending companies tell us.

Last July, they proposed all neighbor islands to be serviced by Pepsi and do away with third parties; still haven’t heard anything.

They also proposed Coke to service Oahu because they have a better deal as far as servicing small accounts; nothing’s been done, still waiting to hear from program.

They are basically waiting to hear from program.

He asked BEP Manager Kat if the Coke agreement was signed. This moves the commission rate up to a set amount. BEP Manager Kat will follow-up.

9. Budget & Finance: Chair Kyle said that the committee will be meeting to finalize the budget for the next year.

10. Training: Nothing to report.

NEXT MEETING: To be announced.

ADJOURNMENT: There being no further business to discuss, Chair Kyle asked for a motion to adjourn. Don moved to adjourn the meeting, Chris seconded, and the motion passed unanimously by voice vote. The meeting adjourned at 11:52 p.m.

Transcribed by:

KF/mra

SBB/Employment Section