M I N U T E S

BUDGET AND FINANCE SUB-COMMITTEE MEETING of the HAWAII STATE COMMITTEE OF BLIND VENDORS

DATE: Saturday, May 17, 2014

PLACE: Ho’opono Auditorium

1901 Bachelot Street

Honolulu, Hawaii 96817

PRESENT:

1. Sub-Committee: Donald Patterson, Stan Young, Dane Alani, and Ivy Galariada
2. Members: Myles Tamashiro, Kyle Aihara, and Lynn Schempp
3. Ho`opono: SBA Lea Grupen Business Manager Kat Fujimoto, and VFS Bruce Nitta
4. Guests: John Schempp and Dan Purcell

CALL TO ORDER:

Noting the presence of a quorum, Don called the meeting to order at 10:20 a.m.

OLD BUSINESS:

1. Review 10 DAGS Renovation Projects:

a. BM Kat presented her summary of tri-party contracts between 1) Department of Human Services, 2) Department of Accounting and General Services, 3) the contractors involved:

Project #1

Kakuhiewa, Kalanimoku, and Keelikolani:

DAGS Support Services, $21,000

Planning and Design, $40,684

Lowest Qualified Bid (still under review), $240,750

Total: $302,434

Project #2

King Kalakaua, Ho’opono, and the State Capitol:

DAGS Support Services $16,000

Planning and Design, $55,003

Lowest Qualified Bid (still under review), $143,685

Total: $214,688

Project #3

Kona Airport North and Kona Airport South:

DAGS Support Services, $17,000

Planning and Design, $25,000

Estimated Construction, $180,000

Total: $222,000

The total for the three projects that will be going through for fiscal year 2014 is $858,222.

b. Discussion on Current and Future Renovation Process:

1) Stan pointed out four issues on current renovations:

a) Should’ve had more active participation

b) Not enough time given to committee to review bids

c) The committee should’ve had the chance to look at final solicitation before going out for bids

d) Miscommunication on stove at Liliuokalani – stove was to be repaired and at the same time commercial stove ordered to replace broken stove

2) For future renovations, he noted:

a) Kona Airport - DAGS wants to put in electrical engineer to relocate the panel to expand the store room. He’s suggesting if maybe VFS Bruce can look to see if the expansion can still be done without moving the panel.

Myles noted that it’s more than just moving the panel, some electrical outlets need to be added and the box is also corroded.

The general consensus is they want the work to be done without any problems.

b) He’s hoping the agency will agree and can commit to use the remaining funds to do some emergency repairs and possibly prioritized renovations that need to be done.

BM Kat suggested that the committee start working on the prioritized list immediately before the bids come in. Don will work with the committee to prepare list along with cost estimates and funds encumbered by September.

Lea added that regarding obligated or encumbered funds, signed contracts have to be in place or monies tied up to something in order to encumber the monies.

c) Maui Hospital – He expressed concern because of the huge disparity on actual costs spent on facility. He suspects the county used some of the funds to build their facility. He feels we shouldn’t be putting up more money for the air conditioning unit and is asking for a review of documents to see what happened. There is also a large disparity on the size of air conditioner needed to support the facility.

Kyle recommended that VFS Bruce and Stan conduct a site visit to Maui Hospital to assess the situation.

Dan Purcell added that we should be able to get information over the phone.

d) West Hawaii Civic Center – Stan noted that it’s been over four years since Dane has been waiting for facility. He feels that the delay is due to the lack of funding and suggests that if there are any funds left from the renovation projects that $65K be used to help complete the project because the county has been very cooperative overall.

BM Kat noted that there was a delay with the project because the original selected contractor was non-compliant so they solicited bids again and the same contractor came in, this time he was compliant and they’re moving forward. She added that she hasn’t heard anything about lack of funds.

Kyle suggested that the committee make an effort to communicate with the county to get more information. He added that he supports spending the money to help Dane get into the facility.

BM Kat noted the following actions to be taken:

(1) The agency will contact David Lyman to get an update

(2) We will find out what else is needed for the county to do to get the project completed and turned over to us

(3) We will request for a timeline to complete the project and if there’s a financial need, we’ll ask what the needs are then we’ll see if we have any funds to help.

2. Review Budget for State Fiscal Year 2015:

a. Current Balance: BM Kat reported that the balance as of May 9, 2014 was $1,363,450.15.

b. Current and Projected Expenses: BM Kat provided a summary report, a copy of which is attached.

c. Current and Projected Income: Included in attached report.

d. Benefits Recommendation: BM Kat provided the following projected gain/loss summary for the committee to consider when working on the budget:

SFY 2014 Gain of $37,124

SFY 2015 Gain of $9,000

SFY 2016 Loss of $15,800

SFY 2017 Loss of $42,500

SFY 2018 Loss of $61,460

Following discussion, Stan moved that the committee recommend the expenditure of $4,000 each for medical, $4,000 each for retirement, $2,000 each for medical supplement in the fall, and consider another supplement in April if there are surplus monies. Ivy seconded and the motion passed unanimously by voice vote.

Following discussion, Stan moved that the committee approved the budget for 2015 as presented. Ivy seconded and the motion passed unanimously by voice vote.

NEW BUSINESS:

1. Prioritizing Locations for Upcoming Renovations, Including the Maui County Building, Airport Post Office, and Maui Airport: Deferred. Don will be contacting vendors to see what their needs are.

2. Determine Additional Expenditures for Current Federal Fiscal Year, 110 Funds: Dan moved that the committee accept the 2/1 match up to the maximum level for SFY 2015 and consider the 2016 offer later based on the analysis of the need. Stan seconded and the motion passed unanimously by voice vote.

NEXT MEETING: The next meeting will be announced.

ADJOURNMENT: There being no further business to discuss, Dane moved to adjourn the meeting. Stan seconded and motion carried unanimously. The meeting was adjourned at 12:16 a.m.

Transcribed by:

MJ Andres, Secretary

SBB/Employment Section

SUMMARY

STATE FISCAL YEAR 2015 RSRA BUDGET ANALYSIS – May 9, 2014

RANDOLPH SHEPPARD REVOLVING ACCOUNT (RSRA)

EXPENDITURES SFY 2014 SFY 2014 SFY 2015

10 Months Projected Projected

Other Management Services $3,054.61 $3,665.53 $4,142.00

Travel – Employee $4,488.80 $5,386.56 $6,087.00

Travel – Blind Vendor $12,290.19 $14,748.23 $16,665.00

Repair & Maintenance $15,614.77 $18,737.72 $21,174.00

New Equipment $14,132.47 $16,958.96 $19,164.00

New Furnishing $31,142.03 $37,370.44 $42,229.00

Initial Inventory $3,319.01 $3,982.81 $4,501.00

Retirement Benefit $3,466.06 $170,000.00 $176,000.00

Medical & Life Insurance Benefit $275,491.00 $255,000.00 $264,000.00

TOTAL $362,998.94 $525,850.26 $553,961.00

INCOME (Based on Average of 4 Years from SFY 2010 – SFY 2013)

Blind Vendors Ohana $384,577.13

\*Vending Machine + Other $178,396.95

Average Total Income $562,974.08

\*Note: Unassigned vending machine + interest earned + other income