

NEVADA COMMITTEE OF BLIND VENDORS MEETING MINUTES

08/28/2024

10:00 AM

I. Roll Call and Confirmation of Quorum: **Ivan Delgado, NCBV Chair**

Ivan Delgado, Chair

Joe Urbanek, Vice Chair

Bernetta Schlechter - Secretary

Harold Petrofsky, Southern Representative

Nels Brown, Northern Representative

II. Verification of Posting: **Kaye-Lani Tiafau, AA II**

Kaye-Lani Tiafau confirmed that the agenda was posted in a timely and correct manner.

III. First Public Comment Session **Ivan Delgado, NCBV Chair**

No public comment

IV. For Possible Action - Vote to Accept the Agenda **Ivan Delgado, NCBV Chair**

Ivan Delgado asked for a motion to accept the agenda.

Harold Petrofsky motioned to accept the agenda.

Nels Brown seconded it.

Motion Passed.

V. Welcome and Introduction of Guests: **Ivan Delgado, NCBV Chair**

South: Bernetta Schlechter, Joe Urbanek, Marcos Hurtado, Mikie Yamada, Dion Williams, Jason Bustillo, Shehan Peries, Jason Birmingham, Donna Bates, Regina Mitchell, Kaye-Lani Tiafau, Rosa Hurtado, Lynn Urbanek, Chris Mazza

Telephone South: Elizabeth Perring, Sweet Daughtery, Harold Petrofsky, Jordan Laub

North: Janette Parish, Nels Brown, Richard Eberly,

Telephone North: Richard Taylor, Eugenio Chavez

VI. For Possible Action –

Ivan Delgado, NCBV Chair

Approval of the minutes for the
NCBV meeting, May 23, 2024

Ivan Delgado asked for a motion to approve minutes.

Harold Petrofsky motioned.

Nels Brown seconded the motion.

Motion passed.

VII. Old Business

Discussion – BEN project and status update:

Chris Mazza, BEN Chief

Chris provided an update noting that due to the end of the state fiscal year, P&L statements for the last month are not yet available, so updates will be based on year-end figures. For fiscal year 24, nearly 94% of licensed operators achieved the SGA benchmark of 2590. The year ended with 13 licensed operators, one interim operator, and two trainees, totaling 16 participants. Pre-COVID, there were nearly 20 participants, and the program is gradually approaching that number again.

Program-wide sales reached just over \$9.6 million, a 2.5% increase from the previous year. The median income, which includes license operators' earnings, medical reimbursements, retirement, and net profits, was just over \$4,700 per month.

Ongoing projects include Red Rock Canyon, with legal consultations underway regarding internet issues raised by the Bureau of Land Management. In the South, the state campus continues to expand, and the Department of Health and Human Services has acquired a building with nearly 400 occupants, potentially offering a new market opportunity. The Gaming Control Board's market is performing adequately but might merge with the DHHS facility to create a BEN site. The Legislative Council Bureau is renovating two new buildings in the South, expected to be occupied by late January or early February. In the North, the Bryan building is available for new operators, and there is potential for expansion into the Reno USPS sorting facility on Vassar if it remains in the area.

VIII. New Business

Discussion -

- Trainee update

Shehan Peries, BEO II

Trainee Regina Mitchell has finished her Chicago Lighthouse training and is now undergoing on-the-job training at the Hoover Dam Café. Additionally, three candidates are in the process of joining the BEN program and will begin their BEN training after completing community-based assessments.

Donna Bates has also completed BEN training.

- Vending machines

Richard Taylor

Richard has researched vending machines and believes that the decision to use a third-party vendor should be up to the operator. He mentioned that the card reader and internet have a single fee, and the funds would directly support the BEN program. While the initial cost of purchasing vending machines is a concern, the profit generated would cover these costs and contribute additional funds to their set-asides.

Beth Perring shared that owning her own vending machine at a previous location was financially challenging, but the profit she gained from it was more than what she earned at her store. However, she noted the benefit of getting to know her customers and their needs. When she used a third-party vendor, she scheduled her visits to coincide with their days at the market. Owning a vending machine not only increased her income and savings but also allowed her to enjoy the advantages of having a third-party vendor.

Joe Urbanek stated that he owns his own vending machines but is considering switching to a third-party vendor. He acknowledged that this would likely result in lower earnings but is contemplating the transition due to the effort required for maintenance and managing the vending machines.

Ivan Delgado suggested that other operators should take Joe's comments into account. Despite Joe earning more than anyone else in the room, he mentioned that his vending machines are costing him money. Ivan then discussed various scenarios to support his view that owning vending machines can be very expensive and nearly impossible to recoup the costs without a high volume of sales.

Richard Taylor maintains that the decision on how to manage a vending machine should remain with the operator. For example, while he can hire a third party to stock the machine, operators should still handle maintenance and address any issues themselves like they've done previously.

Beth Perring added that vending success varies by location and used the vending machine at the water pollution site as an example. She estimated that it doesn't generate significant profit due to its placement in a parking garage.

Harold Petrofsky mentioned that he has always believed that owning or using a vending machine should be the operator's choice. He clarified that operators, being independent, naturally have the option to manage their own vending machines. He also pointed out additional costs, such as replacing machines when they become obsolete or due to vandalism. Joe Urbanek supported Harold's statement, adding that his machine was damaged from being shot.

Marcos Hurtado wanted to share his perspective on the matter. He emphasized that as operators under the Randolph-Sheppard Act, the program provides valuable opportunities in the labor market, such as managing a vending machine. He believes that the focus should not be

solely on the income. Marcos highlighted that before joining the program, operators were dependent on government support. By choosing to manage a vending machine, stocking it, collecting funds, and exploring new opportunities, operators can demonstrate their independence, strength, and capability. He further argued that if operators do not seize this opportunity, they'll be giving up power and may send a negative message to the public, implying that only certain companies, like First Class Vending and SkyTop, are capable of running vending machines. Managing their own machines would show the government—and other blind individuals—that they have the strength and capability to be successful. Marcos pointed out that vending operators in other states are thriving and achieving self-sufficiency. He urged operators to consider the broader picture and reflect on their reasons for entering the program.

Beth Perring agreed with Richard and Harold, saying that as independent operators, it's up to them to decide if they want to manage their own vending machines. She shared again that back when she was at the post office, she would visit the sites whenever her third-party vendor was around. Beth added that the success of a vending machine comes down to its location.

Richard Taylor asks Chris to confirm if it's true that the independent operators have the option to either bring in a third-party vendor or do their own vending.

Beth Perring added that at the time she was at the post office, the average cost of a machine was \$5,000 a machine and they did all the servicing. Which is another example of lost costs when it comes to managing your own vending machine.

Chris Mazza advised Richard that he can request to purchase vending machines if he wants, but he should be aware that each machine will cost around \$6,000. He mentioned that it's uncertain whether these machines will generate enough revenue. Chris pointed out that owning a machine comes with both pros and cons: you'll need to handle stocking, servicing, and deal with potential waste if items expire. He states there's a risk of neglecting the machine if it doesn't get much traffic, which could lead to complaints from the host about the machines not being stocked. Chris added another potential issue: if an operator finds that the vending machines aren't generating enough profit and decides to switch to third parties, the program might face challenges such as having to auction off the machines; profiting only pennies compared to what they're worth. He elaborated on his perspective regarding Marcos' point. Chris said, "Yes, you are businesspeople making business decisions, but if I were in your position, I'd say you're making a smart choice by having someone else handle it. Why waste your time when you could be making just as much or more by delegating the task? You have your own business to run. I don't see it as giving up power; rather, it's a smart decision on your part."

Chris empathized with Richard, acknowledging that his situation is different because commission rates are lower in the North. He mentioned that while filling the vending machines himself could save money, the commission rates in the South are more favorable. Chris encouraged attendees at the Blast Convention to speak with vendors and operators from other states to find out their vending machine percentages and what they're actually taking home—since it might not always be 39%.

Chris added that while you might be able to make more money and increase your set-aside by handling vending machines yourself, it could take time to recover any potential losses from machines that aren't performing well. He also discussed leasing options: with a lease costing \$350-\$400 per month versus a third party handling maintenance and replacements of the

machines every five years. However, some machines may not generate enough income to justify the lease within a year.

Chris also pointed out that while individual operators might see higher profits, as a program, the organization could lose money. Therefore, some operators may find it beneficial to work with third-party vendors. Chris invited anyone interested in purchasing individual vending machines to discuss their specific scenarios and evaluate them based on location. He also stated that some hosts might request vending machines for their break rooms. Using Beth's previous situation as an example, Chris explained that despite having 17 vending machines, not all performed well. Ultimately, Chris's business opinion is that partnering with a third party is generally a more sensible approach.

Ivan Delgado wrapped up the discussion by saying that not having vending machines doesn't mean they're incompetent. He challenged others to find a state without a military base that matches Joe's numbers, and to find a state offering retirement, medical benefits, and life insurance. Ivan emphasized that they're in this position for a reason. He acknowledges Marcos' point about the opportunity vending machines can provide. He also mentioned that he calls the office with issues and believes that getting more vending machines isn't practical and doesn't make much money.

Donna Bates agreed with Ivan, stating that her experience in Alabama confirmed everything he said about other states. She pointed out that there are no retirement funds, and based on her experience after being released from prison, there aren't many other opportunities. Donna added that unless you're setting up in a high-traffic location like a car dealership, managing vending machines is a tough grind and won't be profitable without high-volume machines.

For Possible Action-

IX. Second Public Comment:

Ivan Delgado, NCBV Chair

No Public Comments

X. Discussion - Date for Next NCBV Meeting:

Ivan Delgado, NCBV Chair

Wednesday, November 13th at 10AM

XI. Adjournment:

Ivan Delgado, NCBV Chair

Harold Petrofsky made a motion to adjourn.

Nels Brown seconded the motion to adjourn.

The meeting adjourned.