

## **NFM Regular Board Meeting 2/22/2017 Minutes**

The regularly scheduled meeting of the Nashville Farmers' Market Board was called to order by Board Chair Frank Cardenas at 9:31 am February 22, 2017

In attendance were Board members Cardenas, Priscilla Norman, Tyler Brown and Brian Copeland. NFM Staff members present were Tasha Kennard, Carolyn Sanders, Charles Kizer, Jackie Conteras, Rebecah Boynton and Kay West, and Metro Legal representative Susan Jones. A quorum was present.

Also in attendance vendors Tim McKinney, Talha Haseen, Supe (Butter Cake Babe), Rob Williams and former Board member Kia Jarmon.

Chair Cardenas read the following standard announcement.

*As information for our audience, if you are not satisfied with a decision made by the Farmers' Market Board today, you may appeal the decision by petitioning for a writ of cert with the Davidson County Chancery or Circuit Court. Your appeal must be filed within 60 days of the date of entry of the Board's decision. To ensure that your appeal is filed in a timely manner, and that all procedural requirements have been met, please be advised that you should contact your own independent legal counsel.*

Public comments were invited at the start of the meeting to ensure that anyone who wants to comment can do so prior to the Board discussing the business on the agenda. Vice-Chair Norman read the following standard announcement:

*Individuals, requesting to address the Board; will be limited three (3) minutes unless granted more time by the Board Chair. Each person authorized to speak is expected to state her/his name and address and the organization represented if any, and if the speaker reads prepared text, to provide a copy to Board staff.*

No public comments at that time.

Chair Cardenas asks for approval of 1/25/16 regular meeting minutes. Moved, seconded and approved. Asks for approval of 2/8/17 specially called meeting minutes. Moved, seconded and approved.

## **Financial Overview & Fee Waivers**

Executive Director Tasha Kennard reports. Effective July 1, 2016 the NFM operating budget is \$1,952,700 which includes total revenue of \$952,700 and an operating subsidy of \$1 million. The operating subsidy will utilize funds from the State lease agreement. That means we are not requesting a supplemental appropriation this year. The process for Metro Budget FY 2018 is just beginning and we have confirmed to Metro Council we are not requesting a supplement this year which means about 3 less public meetings we will have to attend over the spring.

As of January 31, 2016 the Market earned \$607,696 in revenue collections. Revenue collections are ahead approximately \$70,000 at this time due to a special event and shed occupancy revenue collections. (NYs Eve event and anchor tenant Smiley's Farm payment). The Market expenses total \$943,778 per the attached BAR. Expenses are under budget by \$150,000 at this time and are not projected to exceed the operating budget.

During January, NFM management invoiced all past due accounts totaling \$11,560. Unpaid accounts will be turned over to collections at this time. Past due accounts must be paid in full in order to renew by April for peak season placement. She recognizes Carolyn Sanders.

There are no additional fee waivers to report at this time but there will be some in the March meeting.

The analysis snapshot is attached and is based on forecast and actuals and includes the variance to forecast. She asks for questions and there are none.

### **FY18 Budget Overview**

ED Kennard reports that the FY18 Budget was submitted on February 10<sup>th</sup> and our Capital Budget was submitted on February 13<sup>th</sup>. That was the first pass. Board will be receiving a calendar invite to attend the Mayor's hearing and will be week of March 13<sup>th</sup>. Have not received Council invite as of yet. The Mayor's hearing will be very similar to last year. A pre-meeting with Finance Department will set the tone for Mayor's hearing. Mayor Barry's hearings are very conversational. This year the instruction from the Mayor's office and Finance was for departments to look at their current budget and try to find ways to reallocate existing dollars to new initiatives or improved services to citizens. If departments have to ask for additional funds they were asked to be very thoughtful about budgetary improvements. Charles Kizer and ED Kennard are looking at ways to reduce operating expenses further. Increased funding was not requested for repair of the facility, maintenance or security.

The Market is in a position to reallocate about \$65,000 worth of existing funds and that request would cover cost of living or incremental pay increases for staff that will be due in FY18 and increase any community engagement and strategic planning consultation the Market may need as strategic plan is updated. The only improvement requested going forward in the new budget is for a new position which would be a program coordinator position that would report to Jackie Contreras, to help extend neighborhood market program and be able to do more outreach in neighborhoods the Market serves, as well as the Fresh Savings initiative.

ED Kennard feels very prepared for the hearing and subsequent meetings.

From a Capital Budget standpoint, departments were asked to submit requests for the next several years and ED Kennard submitted for the next three years. Last year the Market received funding for Capital improvements that will take place over next 3 years. In discussions with Project Management Team Gobbel Hayes there is potential NFM will need additional funds to complete renovations of the loading dock and waste dock. NFM re-submitted requests submitted last year that were not funded, re-prioritized those, and submitted a request for additional funding to complete those renovation

packages. It is currently under review at the Planning Department. Planning will come back to Market management with recommendations in response to the submission and then final requests will be submitted with input from Planning Department to the Mayor's office.

Chair Cardenas asks if funds are still allocated for business manager position. ED Kennard says yes and in reallocation of \$65,000, the feedback received from HR is that position is classed too low to recruit the talent needed for that position. In the reallocation, additional funds have been allocated in order to increase the salary for the finance position.

### **Market House Lease Rate Discussion**

ED Kennard passes out information. She reports she has met with the Market House Merchant representative Ed Smith. They went through discussion at the January board meeting about lease rate increases and all three options presented. She took his feedback. They will call a special Market House Merchant meeting on March 6 at 3 pm. At that time they want to present the details to existing MH merchants and talk to them about the rate proposal and implementation options. ED Kennard proposes that meeting be held before the Board continues the implementation of proposals at the Board level. In addition to the large MH merchant meeting, each MH merchant will be offered the opportunity to meet individually with FM management to discuss in more detail the implications specific to their business. That was done last year during the Lease Amendment process. They were important and helpful meetings.

The plan is to come to the March Board meeting with feedback from those individual meetings and a recommendation. There will be an additional packet of information for the Board based on requests from the last Board meeting.

One of the action items completed was a snapshot of what it might look like for any new leases that have become available. That projection is attached. No decision is needed at this time. None of the spaces are named. Seven options are presented.

- First is the former SLOCO location, 250 SF. If the applicant selected for that location also requests the enclosed seating across from the space, about 300 SF, that is the first package listed. Total of 550 SF
- Second is SLOCO space without the seating 250 SF
- Third option is the 180 SF next to Bowl & Roll.
- Fourth option is enclosed space (corral) 300 SF
- Fifth option is the incoming Delta 61 location
- Sixth and 7<sup>th</sup> are for existing concepts that are seeking to extend their seating through patio leasing.

ED Kennard requests the Board look over the breakdown before the next Board meeting. She notes she has done the same breakdown for each existing MH tenant specific to their business that they will receive. As a reminder, most of the merchants on the \$9.63 lease rate end between February and April 2018. A handful of merchants will expire in FY 17 (the current FY). NFM would like to get the newly

approved rate on the books no later than the end of April 2017 so management can move forward with renewals and implementing the new rates. ED Kennard asks if Board feels more dedicated discussion is needed with the Board or if what has transpired so far, the Merchant meeting on March 6 and the individual meetings are sufficient before the March board meeting. She also notes that the proposed MH rate increases have been announced at three previous general Merchant meetings, as well as several Board meetings dating back to last fall.

Chair Cardenas asks which Board meeting she is requesting the vote be taken and decision made on the options. ED Kennard replies the April board meeting.

Ms. Norman asks if ED Kennard can share any feedback so far. She says she has only spoken to 4 merchants so does not want to misrepresent, but that so far it has been positive. Mr. Copeland asks her to define positive. She replies that feedback so far indicates those merchants understand that the Market needs to be financially self-sufficient in the future.

Ms. Jones asks if the Board votes at the April board meeting, is there a plan in place for the increases to start rolling out.

ED Kennard says the goal is that in April a decision will be made on what the rate model will be going forward as well as the implementation. There are two options: an immediate implementation where every lease would be revised in two groups in one fiscal year, and there is a rolling plan where implementation would be addressed over a 2-year period as lease renewals or new leases are established. The latter is easier but takes longer to gain the new revenue.

Mr. Copeland clarifies that it is the Board's duty when it is time to vote upon and approve new lease rates and implementation. ED Kennard says she will bring merchant feedback from the March 6<sup>th</sup> special meeting and from individual meetings to the March Board meeting for discussion. The Board will also have received their packets with more information.

Mr. Copeland points out this is also a scenario management issue, and staff and board need to anticipate there will be merchants who are unhappy with the increase and implementation.

Mr. Brown feels that the plan and options were well-explained at the January Board meeting, that he has reviewed it further and that there is one scenario that makes the most sense to him. Chair Cardenas asks that in time before March 6<sup>th</sup> that staff communicate what will be discussed at that meeting. ED Kennard confirms that each merchant will receive a printed plan of how each option would affect them and that there is sufficient time for individual meetings before the March Board meeting. Mr. Brown asks if there is one of the 3 options that looks strongest. ED Kennard replies that over the 5 year span of each of the options, the \$14/\$16/\$18 model on an immediate or rolling schedule is the best option for financial self-sufficiency over the next 5 years. Another rate option is \$14.79/\$16.79/\$18.79 and the .79 cents makes a significant difference but the \$14/\$16/\$18 can achieve the goal of financial self-sufficiency. For some merchants, that will be a big jump and NFM is committed to being a location where it can incubate small business and is not out of the realm for small start-ups. The NFM is 60%

immigrant owned start-ups and the NFM wants to continue to foster that. At the same time, the NFM needs to be financially sustainable.

Mr. Copeland emphasizes the message must be clear that this financial sustainability is coming from above, not from the staff and Board. Staying the same is not an option. The Market can no longer depend on the subsidy to keep the Market going. That directive is from the top down and is a necessity. The Market must be sustainable and self-sufficient to continue.

Chair Cardenas asks how we can best communicate all of this with the community we serve as well. Chair Kennard says Metro Channel 3 has been requested to cover the meetings and that a community meeting will be scheduled as well so the community understands this is part of an overall strategy to becoming a stronger market for everyone.

Ms. Jones says legal notice is required for all meetings and that the Market staff is already doing that and following policy. She asks if there has been communication with Metro Council and committees.

Ms. Kennard has requested a meeting with Codes, Fair and Market committee. She has shared the rate increase plan with the Mayor's staff as well and it will be discussed in Budget hearings.

### **Executive Director Report**

Jackie Contreras reports that renewal and new applications are coming in. Renewals are due March 1 and new applications are due March 10. There were about 150 applications last year. She has received about 25 renewals so far. The extension for new applicants to March 10<sup>th</sup> is to give her and Carolyn Sanders time to start mapping to have merchants in place by April 1 for start of peak season. She expects lots of applications to continue coming in, two new farmers have applied so far. The application process has been easier for renewals.

Winter Market has been very successful especially compared to last year. Winter Wednesday takes place inside the Market House and Saturdays have been very successful even when there is inclement weather. Lots of positive marketing is helping and strong word of mouth. Many merchants feel very good about Winter Market this year and in the future.

There are 21 farms signed up to participate in the CSA Fair 2/25 and some appearances on local radio and television to promote it.

Charles Kizer reports that they are working on cost reduction opportunities. He notes that security has been on duty 24/7 in part because of the fire suppression system not functioning properly. That is being repaired and when it is a new security system will be discussed to reduce the number of guards on property. Other improvements include the patios and painting.

Kay West reports that the first 4-day residency with the Conexion Americas partnership with the Grow Local Kitchen went well in February. There are some new renters in GLK, including two different southern food pop-ups which have been popular.

The CSA Fair is the last Saturday of February, there are third party rentals the first two Friday nights of March, fundraisers for Benton Hall and Ronald McDonald House, a Senior Enrollment Fair on Saturday March 4, and an Arts presentation immediately following the Edible Kitchen demos. Edible Kitchen is significantly growing its audience each demo.

Rebecah Boynton reports that after a year working for the Market she feels that the public perception of the Market is much more positive, that there is very good response to the newsletter and to social media.

ED Kennard reports that an editorial calendar, led by Ms. Boynton, is being put in place and that former Board member Kia Jarmon was very helpful. She believes it will put in place a more robust marketing and communications plan.

The Market participated in the PickTn Conference. Kia Jarmon did a great story-telling workshop. Margot McCormack led a chef's panel to promote more partnerships between chefs and farmers. NFM is working with Seema Prasad at Miel to organize a collaborative meeting with chefs and farmers. The NFM is working with the Howell family to determine their next steps. Typically they leave the Market in January for a few months. They are still settling Mr. Howell's estate and don't know if they will continue farming or if they will be able to come back to the Market. The NFM is working with the Smiley family on their anchor tenant renewal. It will expire the end of March. Discussions have started and will continue and it will be on the March Board meeting agenda.

Applications are still being accepted for the leasable space in the Market House. She has had four meetings so far. ED Kennard is reviewing the applications and will hold meetings with each before they are invited to present to the Board. One is an Ethiopian food concept already operating in the GLK on Mondays. One is a global street food concept from a restaurateur who already has a couple of places in Nashville. One is Italian street food from Danny and Gep who presented for the Village space. One is from the Trailer Perk who wants to expand their business. Caracasville is concerned about the lack of a hood, as is City Farm. Natchez Hill Winery has expressed interest in any space available. The majority of places that have applied for the SLOCO space need a hood so that will be part of that decision. They will have five minutes each to present at the March board meeting. The plan is for the Board to make a decision at the April Board meeting.

### **Other Business**

Chair Cardenas takes the opportunity to thank Kia Jarmon for excellent leadership and facilitation of the Strategic Planning meeting and notes that the Board and staff felt very positive, focused and energized after that meeting and very optimistic about the future of the NFM.

He asks for the Board to study the lease options, and try to attend the March 6<sup>th</sup> meeting for MH merchants. ED Kennard says that meeting will be public noticed since the Board has been invited to attend.

Chair Cardenas asks for discussion of changing the date of March board meeting to accommodate MNPS spring break schedule. A motion is made to change the date of the March 22<sup>nd</sup> Board meeting to March 29<sup>th</sup>. Motion made, seconded and approved.

Mr. Copeland asks Ms. Jarmon if there are any updates from the strategic planning meeting. Ms. Jarmon says she sent ED Kennard a summary report of the discussion. She put the feedback under the umbrella of four goals. She will schedule another meeting with Tasha to discuss further. She feels the Board and staff are moving in a good direction.

Chair Cardenas thanks those in attendance, thanks the staff for their hard work and reminds merchants the Board is there for them. He adjourns the meeting at 10:24 am.