

NFM Regular Board Meeting 8/23/17 Minutes

The regularly scheduled meeting of the Nashville Farmers' Market Board was called to order by Board Chairman Frank Cardenas at 9:30 am August 23, 2017.

In attendance were Board members Frank Cardenas, Priscilla Norman, Tyler Brown, Margot McCormack and Brian Copeland. NFM Staff members present were Tasha Kennard, Charles Kizer, Rebecah Boynton and Kay West. A quorum was present.

Also in attendance were Metro Legal Susan Jones and vendors Rob Williams and Tim McKinney.

Chairman 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. Chair Cardenas 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.

Chair Cardenas calls for approval of July 26, 2017 minutes. Motion made, seconded, carried and approved.

Financial Overview & Fee Waivers

Executive Director Tasha Kennard tells board that the financial packet includes two reports, the year-end wrap up and the month-of report for July 31.

First, the NFM FY17 Financial Overview and Analysis, as of June 30, 2017. The NFM did not go over budget, and brought in more revenue than the previous year.

As of the close of books June 30, 2017, the Market earned \$978,069 in revenue collections. Revenue collections are ahead approximately \$22,000 ahead of budgeted goal. The Market expenses preliminary total \$1,806,734 per the attached BAR. Expenses are currently under budgeted projections by approximately \$106,000 at this time and are not projected to exceed the operating budget. The NFM takes the positive cash balance at the beginning of the last fiscal year (which was not much) and adds it to the Operating Subsidy Funds from the lease amendment. The NFM subsidized its budget by about

\$814,000 total subsidy to that budget. The remaining fund balance will be utilized to subsidize the FY18 operating budget. NFM management believes this is the final for year-end.

ED Kennard reports a 33% increase in revenue going into the new FY, with most of the revenue increase to come from the new MH lease structure that is now in effect.

The second report is the monthly report, as of July 31, 2017. The budget from FY17 and FY18 is flat, meaning the same amount. Effective July 1, 2017, the NFM's operating budget is \$1,952,700 which includes total revenue of \$1,238,000 and a projected operating subsidy of \$714,700. The operating subsidy will utilize the positive cash balance from the state lease agreement. That may not be enough so discussions with Metro finance have determined that NFM management will look at numbers in February and March and if necessary will apply for an operating subsidy as has been done in the past. It could range from \$300K to \$500K which is significantly lower than it has ever been. That gap will become tighter and tighter as the new rates roll out. Revenue is projected to increase by approximately \$260,000 and expenses are projected to remain flat year over year.

The revenue plan includes implementation of new Market House and Garden Center rates, two new Market House lease tenants, and increased occupancy in the farm sheds and increased rental income from special events and Grow Local Kitchen.

Mr. Copeland asks if a 33% increase is expected every year. ED Kennard says it is actually projected to be higher than 33%. ED Kennard believes the Market will be out of subsidy requests by 2020. That is the goal.

Mr. Copeland asks if the Market should be fully self-sustaining. ED Kennard says that it is possible. Mr. Copeland reminds that the Market is not a private entity, it is a public entity.

Chair Cardenas reminds what a hard ask it is to go before the administration and Council to ask for \$1 million and that NFM staff and board were increasingly met with a negative reaction. But the NFM is not a private entity, and is part of Nashville.

ED Kennard says that the Market needs to operate in a manner that it is not subsidizing private for-profit business. But if the Market is asking for subsidizing of programs that benefit the community and the city, such as satellite markets in at-risk areas and increasing access to fresh food, she believes that the city and Council would be willing to work with the Market on those things, subsidize those types of things, or at least have conversations. Versus subsidizing utility costs to subsidize private business.

Mr. Copeland says self-sustainability should not come at a risk to the merchants or vendors. He believes it is important to remind Council that as the Market works towards self-sustainability, it still needs support and assistance from the city.

ED Kennard offers to bring the five-year forecast that she and Finance have been working on to next meeting. While expenses are flat now it is expected they will go up as services increase, but not this year.

ED Kennard explains how the Market will get to a 33% increase in revenue. Most will come from new lease rates. Nine leases will be renewing in the next 7 months, and those will have the new rate structure. There is also a new rate structure with Gardens of Babylon which is a rate increase. Increased occupancy is projected. Increase in special events will be the smallest category of growth because as evening hours are extended, the Market will lose some third-party events on weekends, but the growth of the Friends of the Farmers' Market adds opportunities for sponsorship dollars for special events the Market hosts.

Mr. Copeland asks if Friends of Farmers' Market events should have a sub-contractor so the burden doesn't fall on Market staff. Ms. West replies that if the Market starts doing ticketed, sponsored events, which has been the goal, it is an increase in revenue, and that events are part of her job responsibilities.

ED Kennard uses SIP TN, the wine festival being planned with the TN Winegrowers Farm Association as an example of how events might look in the future. It is a partnership in which NFM and TWFA share expenses and split the gate. That creates an opportunity where instead of renting the space for \$5,000, the Market can make \$35,000 from the event. The goal is not to sub out, but how to utilize and plug in Friends of the Market and other non-profits to benefit better from revenue.

Mr. Copeland says events take a lot of work from the Market staff that perhaps a subcontractor could manage. ED Kennard says the Market staff has work and responsibilities with every event regardless.

ED Kennard reports on July. As of July 31, 2017, the Market earned \$87,964 in revenue collections. Revenue collections are behind approximately \$2,000 at this time due to outstanding payments due. The Market's expenses for the same period total \$57,166 per the BAR. Expenses are under budgeted projections by \$90,000 at this time due to timing of expenses and vacant positions and are not projected to exceed the operating budget. Even filling vacant positions, expenses are not expected to go over budget.

There are no additional fee waivers to report at this time.

ED Kennard asks for further comments or questions.

Merchant Advisory Committee & Survey Feedback

ED Kennard will report on survey. At the July Board meeting, Kia Jarmon requested an extension of the survey. As of this weekend, there are 40 completed Merchant surveys, an increase from 23. There are well over 300 responses to the community survey. It is a good response and representation, done on-line, social media, through distribution of the link to organizations that work in the neighborhood and several tabling set-ups on Fridays and Saturdays. She and Ms. Jarmon know there is a lack of participation from the merchant community, despite knowing they have feedback and opinions. They give the feedback freely and frequently in the sheds. She asked Ms. Jarmon to keep the merchant survey through August and that Ms. Jarmon has made repeated visits to merchants. The Merchant Advisory Committee has been working hard to encourage participation.

Rob Williams reports from Merchant Advisory Committee. Plans are being made to encourage Small Business Saturday and how to promote that.

The committee has also discussed replicating the success of the Night Market and adding the first Saturday of the month to tie into the Art Crawl downtown, to make the Farmers' Market a stop, add art and also the chance to eat before and after.

The merchants are grateful for the parking lot and the signage.

ED Kennard thinks the committee has good energy, very vocal and open to ideas.

Capital Projects Update

ED Kennard reports that on August 7th, the Market received a verbal and written communication from the State Architect's office approving the plans for the loading dock and waste center and other improvements to the Market. Management has met with Gobbell Hays and TN State Museum too discuss the connection points between Museum and Market, to get that right and take care of utility needs on the joint site of the properties. A beautiful museum is going up beside a lot of large equipment like cooling towers and transformers, so working hard on how to screen and landscape it, create the right walkable paths from the museum to the Market and the existing entrances and new grand entrance. The State is working hard to make a good connection to the Market. Gobbell Hays has the material to draft an RFP which will go on the street in September with the goal of awarding the contract by the end of October. It is aggressive but needs to be in order to sync with the Museum. Turner Construction should be wrapping up their part of the project by summer of 2018, then there will be 60-90 days the exhibit team will come in to set up exhibits. It will open before December 31, 2018.

The request for the proposal to enclose the sheds with garage doors is being worked on to be resubmitted. The plans have been sent to State Architect.

Moving forward with fences for the patios. The Picnic Tap will go to the Beer Board to apply for a permit to expand their space, and ED Kennard will work with Susan Jones to move up their lease renewal to incorporate the expanded space,

Farmhand Dinner 2017

Margot McCormack, chair of FH dinner, reports. Troy Smiley, who inspired the first Farmhand Dinner, expressed to Ms. McCormack that while he was happier with last year's dinner, he still didn't feel like the food was what mama used to make. So Ms. McCormack asked Mr. Smiley to tell her what he would like to have. He gave her a two-page list of things he wanted. It has allowed more chefs to participate, well over a dozen. All of whom spend time at the Market and have a link to this type of food. Ms. McCormack, Tyler Brown, Tandy Wilson, Levon Wallace will do fried chicken, B&C will do pork loin. Trey, Hal, Crystal will be doing some sides. There will be several small-sized dessert choices. Banana pudding from Kalil Arnold, caramel cake from Caroline McMurray and Rebekah Turshen will do a cobbler. Brian Riggerbacher will do apps. Margot will do a cucumber and tomato salad and there will be corn bread and biscuits. The menu is covered, lots of food, lots of fun.

ED Kennard reports tickets are \$100, and \$750 for a table of 6. Ms. McCormack thinks the increase in ticket price is overdue. That it's not about the money but the cause.

Ms. Kennard says the talent is amazing and that Rebecah Boynton is working on a video montage/slide show to show off farmers and chefs. The meal is sourced directly from farms that operate at the Market and this is the second year that is happening. In the past, chefs would bring in things they had in their restaurants. Jeremy Holt and the Farmhands are booked. Presenting sponsor is Village Real Estate. Pritchards will provide Sweet Lucy dessert cocktail. Corsair and Greenbriar Distillery will sponsor water break with signature cocktails, and Natchez Hill will do all the wine pairings. B&C is the largest in-kind sponsor. Not only are Ed and Paul cooking the pork loin, but they are also providing all the staffing for the entire event, back and front of house.

The menu will be printed on the program. There will be an emcee as chefs and farmers don't like to speak. There will be some speakers, and Board Chair Cardenas will give some remarks. There are 234 seats and a full house is expected. ED Kennard urges board members to buy their tickets now. In 2016 the dinner sold out the week before.

Chair Cardenas thanks Ms. McCormack for taking the lead and Brian Copeland for the Village sponsorship.

ED Kennard says the goal is to have a spring dinner in 2018.

Executive Director Report

ED Kennard reports that on Thursday, August 24th the Mayor's office and Mars Petcare are holding a joint press conference to announce the new Pet Friendly City initiative. The NFM will participate along with Nashville Parks and Department of General Services. She has been working with Mars and Nashville Civic Design Center since last board meeting to develop a code of conduct for pets at the Market. They have identified two locations for hydration stations, determined signage needs at the Market, with the goal to present a new pet policy to the Board the next meeting in September. That will include the permitted areas of the Market, where pets will be able to hang out with their owners, and any code of conduct policies that will be put in place at the Market. It is important to have those things developed and ready to implement. The goal is to present policy in September, and for it to go into effect in October. That has been communicated to Administration and Mars Pet Care. There is work to be done before that, including merchant training, and installing the hydration and sanitations stations. All of that will be at no cost to the Market.

Work is continuing on the Crop Box project with details being finalized. As soon as it is ready, staff will bring to the Board. It has to go through legal first. ED Kennard says it does take up a lot of space but it will teach visitors and especially children about the growing process of food. It can't create an obstruction to other vendors and should not need to be moved if sheds are enclosed.

Also, the NFM is working with Metro Legal and the State on an amendment on the parking agreement with the State. This is in process but as more construction from the State begins in the corridor, there

will be changes to the Merchant parking area. They will be relocated during the construction process and the paperwork is nearly complete. Legal representative Susan Jones notes that one area that needed work was end date of June 2018 and ED Kennard asked that the end date be December 2018 and the State agreed. She has drafted legislation and it will go to final resolution and be done. There is just one reading.

ED Kennard says the amendment offers the Market the opportunity to offer permits for parking in existing State employee parking lots, primarily along 6th Avenue and in the new parking area at the bus charging terminal behind Gardens of Babylon. Communications have begun with merchant community. Signage that was just completed and paid for by the Market will be able to be moved. The intent is an October 2017 start and a December 2018 end of the new agreement. The process is a marked improvement over what happened in the spring of 2017.

Other business

Tyler Brown reports he sent an email to ED Kennard this week announcing his resignation from the Board. He has moved outside of Davidson County and all Metro Commission members must live in Davidson County. He says it has been a pleasure to serve and wishes he could stay on.

ED Kennard speaks on behalf of the staff to thank Mr. Brown, for his service, great ideas and pushing the Market to be the best it can be, for the leadership in greening the Market and sustainability of the Market House. She encourages him to continue to support the Market and volunteer.

Chair Cardenas tells Mr. Brown he will be missed and his perspective will be missed. Ms. McCormack asks if a replacement is being sought. ED Kennard says the administration is working on that, and they have identified a candidate. That Mr. Brown had relayed this news to her some time ago. She expressed to administration that they would like someone who has a culinary background and experience working with local farmers.

Ms. McCormack says she visited the Market on Saturday and posted a video of Jacob helping Troy shell peas and that it received a very positive response. She says it did take 15 minutes to find parking. She was irritated that there were lots completely closed for a Sounds game that did not begin until 6 pm that night. She said that several vendors shared that events in Bicentennial Mall really affect their business. She also reports that Ed and Paul were married Saturday night by Mayor Megan Barry. She also reports that Delta 61 was open and serving, that Natchez Hill was busy and that Picnic Tap was totally full.

ED Kennard reports that mums, pumpkins and apples are coming in, and that Simons have added some decorative autumn items for sale. She asks that the Board build the Market into their fall activities.

Chair Cardenas adjourns the meeting at 10:33 am.