

NFM Regular Board Meeting 1/24/2018 Minutes

The regularly scheduled meeting of the Nashville Farmers' Market Board was called to order by Board Chairman Frank Cardenas at 9:30am on January 24, 2018.

In attendance were Board members Frank Cardenas, Margot McCormack, Priscilla Norman, Brian Copeland and Tandy Wilson. A quorum was present. NFM Staff members present were Tasha Kennard, Carolyn Sanders, Charles Kizer, Mary Self and Kay West.

Also in attendance was Yomi Ojo from OMB. Vendors and visitors in attendance were Adam Acampora, Tim McKinney, Beth Piper, Sarah Hackett, Amy Croger, Dawn Atchley, Emmett Jackson, Rob Williams, Tammy Whitehouse, Oscar Flores and Jane No.

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.

No public comments requested.

Chair Cardenas calls for approval of December 20, 2017 minutes. Motion made, seconded and approved.

Financial Overview & Fee Waivers

Executive Director Tasha Kennard reports on the NFM FY18 Financial Overview & Analysis, as of December 31, 2017

Effective July 1, 2017, the Nashville Farmers' Market's operating budget is **\$1,952,700** which includes total revenue of **\$1,238,000**. Based on a mid-year review, looking at actuals and projections for the fiscal year, the Market is in a position to use funds received from the State of Tennessee to balance the FY18 budget.

As of December 21, 2017 the Market earned \$574,723 in revenue collections. Revenue collections are behind approximately \$26,000 at this time due to timing of payments and processing of event rental income and anchor tenant rental payments.

The Market's expenses for the same time period total \$866,503 per the attached BAR. Operating expenses are below budget by approximately \$20,000 at this time and are not projected to exceed the approved operating budget.

There are no fee waivers to report at this time.

The attached analysis is slightly different to the BAR due to the timing of invoices processed and the closure of books on a monthly basis. The reports help demonstrate the NFM actual performance compared to monthly revenue and expenses projections.

No questions from Board.

Market House Lease Presentation

ED Kennard reports that when the lease application process was opened for the Market House space that was formerly held by Sweet Stash there was a lot of interest. It is approximately 291 square feet. The first year of the lease will be offered at \$13 a sq. ft. the second year \$15 and the third year \$17. Future years four and five, rent will increase by 5% each year, which is in line with the plan that the Board passed last April and with all the renewals taking place now.

The NFM received about 8 applications and vetted them. Management looked for applicants that were financially ready and aligned with the Market's goals and mission, and offerings not currently available at the Market.

Two will present today and will go in alphabetical order. They each have 7 minutes to present and the Board will have as much time as they need to ask questions. Both applicants have met with ED Kennard.

The first to present is Farm City Coffee Co-op. Amy Croger introduces herself as owner of Trailer Perk, the coffee and gourmet beverage trailer in business since 2012. Has been set up at the NFM successfully, as well as many other locations. She recently worked with Twice Daily as coffee educator and director for their new White Bison coffee shops opening in Nashville.

Today she is proposing a stationary sister concept to Trailer Perk, which would be Farm City Coffee to operate in the available 290-sq.ft. space in the Market House. While coffee is the main cash crop, they have many other beverages including ice teas, hot teas, kombucha, milkshakes, frozen lemonade and smoothies. They specialize in beverages as a whole. Their concept is to blend old and new Nashville and create something unique. They will not give up the Trailer Perk. They also intend to offer some gourmet pastries that are complementary to coffee. They will also retail merchandise with their logo and NFM logo.

They intend to be open 7 days a week, 8 am – 4 pm servicing locals and tourists. They use 100% recyclable materials and donate grounds to Compost Nashville. They have 5% food waste and donate it to St. Luke's. They are 100% locally owned, operated and sourced. Design would use barn wood and tile, bar seating if permitted.

They believe they meet NFM qualifications and would be a good fit for the current and future strategic vision and have created a business plan and model that supports their growth and NFM growth.

Chair Cardenas opens the floor for questions from the Board.

Mr. Copeland confirms their hours of 8-4 but asks if they are committed to being open later and for special events. Ms. Croger says they are committed to NFM operating hours and to late night and special events. She says that while coffee and tea are their main items, they intend to expand to coffee cocktails, tippy teas and boozy milkshakes if applicable and approved.

Ms. McCormack says she appreciate Trailer Perk coming back and working with the Market to adjust their concept to better fit the interior of the Market and that they have done a great job outside which shows a lot of dedication and drive. With the additional room they can expand their offerings.

Chair Cardenas asks if they are selected, are they financially ready to get started right away. Ms. Croger says yes and that their intent is to open mid-May-June 2018.

ED Kennard introduces Dawn Atchley with Nashville Soft Pretzel Company. She distributes pretzels, presentation folders and introduces herself as one-half of Nashville Soft Pretzel Company. Her partner Vincent Dreffs had a prior commitment and is out of town. They believe their concept would be a good tenant for the space and partner for the Market. Mr. Dreffs is a well-known F&B person and she is a business person. This is a Dreff family recipe for soft pretzels. They launched in October 2017 in Germantown at the Octoberfest. It was a huge success and launched them into the wholesale arena. They have commitments to sell their pretzels at local events, and have contracted with concessions at the Belcourt. They also cater weddings and special events. They are ready now to enter the retail market and want to do that at the NFM.

Within the packet is a sales sheet of their wholesale and distribution accounts, and some inspiration sheets. They have created a concept for the store and sales tools. There will be a glass window where customers can watch the pretzel making experience. They believe their wholesale business has created a customer base that wants their pretzels throughout the week and not just at events. They see themselves being a good partner with Picnic Tap for a beer and pretzel pairing, with Batch Nashville who sources mustards and do some co-marketing. They also do pretzel making classes and would like to utilize the GLK for that.

They will be open NFM hours and possibly take one day off a week, likely Monday. They would like a deli case to also retail local dips and spreads that complement pretzels. Packaging will be in recyclable materials. The current pretzel is the traditional Bavarian soft pretzel, with or without salt. They would like to introduce some other flavors such as Parmesan garlic, cheddar cheese, donut pretzel and of course a Nashville Hot Chicken pretzel.

Floor is opened to questions. Mr. Copeland asks if they would work after-hours events. She says they currently are working events weekends and nights and would be committed to that.

Mr. Copeland asked about the need for an oven and if it would need a hood. She said they would add to the electrical outlets in the space, install an oven and do not need a hood as they are not doing proteins. They would also need refrigeration and storage areas.

ED Kennard says that concludes the presentations from qualified applicants and says board can approve one today or table until the next meeting, Mr. Copeland asks ED Kennard what the Market hears from customers as far as what is missing. ED Kennard says the customer base is constantly evolving as is the neighborhood and the local food scene. The FM customer is looking for grab and go snacks, baked goods, healthy drinks, more coffee and espresso options at the Market so both concepts fall into an area where customers have asked for more. Both concepts are viable for breakfast, lunch, dinner and snack times. She believes the Farm City coffee concept offers access to drinks not currently offered at the Market. Ms. McCormack says she likes the grab and go idea of the pretzel and asks how much they are. Ms. Atchley says the pretzels retail for \$5 each and a dip. She says it might vary a bit. At Octoberfest they sold them for \$6 each and sold thousands.

Ms. McCormack goes back to the old NFM strategic plan which has evolved but it did call for a coffee shop. She thought Farm City did a strong presentation, they developed and fine-tuned the concept from their first presentation and they have been at the Market a long time and knows how they would fit in. She expresses concern about meeting rent on just one item like a pretzel. Ms. Atchley says the Market location would also house their wholesale operation and be their primary location. Ms. McCormack also expresses confusion over why there is not a need for a hood since she has to have one for her pizza oven. ED Kennard says that Village Bakery was able to get a variance for their oven because of the type of oven they used. Nashville Pretzel would have to use that kind of oven and could get a variance on the hood requirement. She points out that one concept will require baking on premises and one crafting cocktails and both will add to the electrical load. But one would not have as much hear output.

Mr. Copeland points out that it is unusual and challenging for discussions such as this to be made in the open before the applicants and an audience. He is looking at pros and cons from a business standpoint. He sees a wholesale company that has thrived and is doing great with events and obviously ready to go to another level that involves risk but they seem ready. On the other concept, he sees a corporation that has had almost brick and mortar and been successful and knows the risks involved. He feels Farm City has less risk, looking at it from a landlord point of view. For those reasons, he moves that the Board approve Farm City as the new tenant. Vice-Chair Norman seconds. Chair Cardenas asks if there is any further discussion before voting. He asks ED Kennard if apart from the 290 sq.ft space being voted on, is there a possibility for any future space in the Market House. She replies there are other areas in the Market House presently available should someone want to look at the space for buildout. One is next to Bowl & Roll, and the other areas will be made available as renovations take place. There will be at least two new retail concept areas that will be kitchen based or retail only based that will be available after the renovations that are slated to be completed by the end of 2018. Anyone already in the pipeline or who has made inquiries for space will receive communication about those spaces.

Chair Cardenas asks Board to vote. Unanimous vote for Farm City Coffee to be awarded lease space. Mr. Copeland adds that he would love to see Nashville Soft Pretzel at the Farmers' Market and that customers would love it. There are two A+ concepts and only one space. He asks Nashville Soft Pretzel to come back and try again. Chair Cardenas welcomes Farm City Coffee to FM and ED Kennard says she will get with them to do the lease. Ms. Atchley says they will be back.

2018 Rate Card

ED Kennard points out the 2018 rate card is in the Board packet and she will highlight a couple of adjustments that have been staff recommendations. The rate card supports all the business that operate in the Farm Sheds, that table in the Market House, the Grow Local Kitchen and special events. It does not include the leased concepts.

The Saturday daily rate and the Sunday-Friday daily rates in the Farm Sheds have not changed but remain flat. The NFM has maintained the 3 day, 4 day and the 7 day bundles. Small farm Saturday daily rate and small farm Sun-Fri. daily rate has been maintained in an effort to attract new and start-up farms of 10 acres or less. Night Market has stayed the same. A Concessions Booth daily rate has been added due to seeing more individuals interested in selling concessions that don't fall in food artisan or food truck categories, such as lemonade stands, popsicle carts or hot dog carts.

The NFM has added a year-round, 52-week Merchant discount to try to incentivize more of our merchants already here to be here year round. To qualify they would have to participate a minimum of one day a week, 52 weeks a year. That would give them 10% off their total annual fee and they can hang banners and leave equipment. Many merchants already do this and the NFM wants more.

Also, Peak 32-week or Winter 20-week merchants may leave a banner above the stall and merchandising units. The more participation the more benefits. On the recommendation of staff, the NFM has added fees for single day and multi-day electrical use fees, \$5 per stall or \$30 per month per stall; a single day water usage fee of \$5 or for multi days \$20 per month. The cooler in Farm Shed 2 has been repaired and a cooler has been added to Farm Shed 1 and management has added rates for those. A half-share, which is 5'x10', one half of the cooler is \$200 per month, or \$400 per month for the full cooler.

Other adjustments to the rate sheet is the alley fee (any 10x10 area outside the shed) \$20/day in Winter Season, and \$30/day in Peak. The \$5 renewal fee has been waived for existing merchants.

Nothing changed in the Grow Local Kitchen. For Special Event rentals, the patio on the Rosa Parks side and the Park side patio is \$500 per day; the Market House rental went from \$2,250 to \$2,500.

Management is asking for discussion, ideas, suggestions and approval so the new rate card can go into effect April 1, 2018. Ms. McCormack thinks the new rate plan is great in being more specific and clear. Mr. Copeland moves to approve, seconded and approved.

Executive Director Report

ED Kennard points to documents in the Board packet that will cover three items: 2018 Application Timeline, 2018 NFM Event Schedule and 2018 Grow Local Kitchen Residents.

ED Kennard begins. Currently the NFM produces a lot of paper. Since Mary Self has come on board she has worked to move the weekly 411 communication to merchants and vendors to electronic only, and to make merchants aware the NFM will not be handing out paper 411s any longer and that every merchant has an email address on file with the NFM,

APPLICATION TIMELINE The biggest news is the move to an on-line application process. It will be announced to merchants and vendors on Friday at the Merchant Meeting. An on-boarding vendor was chosen, MarketWorks. They work with a variety of Markets in the US and Canada developing Market Manager software. It is cloud based that allows Markets to collect applications, map and place their merchants, collect fees and manage merchant participation. It will not only allow merchants to do their business with the Market more quickly, efficiently and on their own schedule, but will allow the NFM to manage the merchants' participation in the Market. This particular company offers various features, including a 3-dimensional website that will allow merchants to load in the types of products they retail and it will be attached to their profile. They can download images and photos to their profile. It will be linked to where they are pinged on our map. For example, hitting Nooley's ping, customers can see their menu. Nooley's can adjust their menu and offerings on line. Hitting Smiley's ping will show what product they have available. The map can be automatically updated on a daily basis so visitors can see who is at the Market on any given day. Every day the map will be generated via who is signed up and paid that day. It is a big game changer for the Market.

Mr. Copeland asks about vendors not bought into the new system, and how they can be helped. ED Kennard replies that there will be a Merchant Work Station set up in the lobby of the office with a computer they can log into. They can schedule an appointment with a staff member for training. Staff will not enter information for merchants. He asks what is the minimum information a vendor can enter. ED Kennard says a name and location. Chair Cardenas asks if MarketWorks has customer service and ED Kennard says yes and that it is available to the Market—their client—and has been very responsive. There are several other Markets in the area transitioning to MarketWorks. The fee is \$900 a year.

Staff looked at several companies. Sales Force is not affordable, even at the Metro rate. Another program, Manage my Market, is \$15 per registered vendor per year. With the number of applications the Market receives, MarketWorks is more affordable and adaptable to the Market. The Market can use their own vendor for payments. It is an annual contract and if something better comes up, the NFM can change.

Mr. Copeland would like the NFM to set core standards for merchants as to what they are required to post to their ping. ED Kennard says that 85% of merchants are excited about this and looking forward to it. They see it as an opportunity to help market their business.

Big move # 1 is the on-line application process. Management can review the application on line, approve, place a hold or deny; place the merchant and pull together a proposed invoice for the dates the merchant select to participate. It will allow merchants as they apply to commit to when they will be at the Market, which is also a big game changer. Currently the Market operates in a sit-and-wait model, and is one of the only markets to do so. The new model will allow, for example, Mr. McKinney to let NFM know he will be here 7 days a week, 52 weeks a year. It allows the Market to award and incentivize people who commit to more time at the Market. ED Kennard asks Mary Self to continue the report.

Ms. Self says she came from a seasonal market where vendors committed in advance to the season, and it has been a learning curve for her at the NFM. The timeline established is to launch the application process on February 16th and applicants will have a month to gather their data, figure out their calendar and what their commitment will be. The NFM will start approving applications right away, particularly for returning/renewing merchants, and begin sending notification the week of March 19th. She is

excited for farm visits beginning in April and will start with new farms. Incentives will allow the Market to show committed merchants appreciation via rewards in their placement. Four categories have been created for priority placement. Merchants must meet at least one of, including merchants who have retailed at the Market for 10 or more consecutive years. Priority placement includes things like walkways at the top of the sheds, electrical access, water and easy load-in. ED Kennard says it rewards individuals regardless of their merchant type and notes there a great number of merchants who have been at the Market ten years and more. The support the Market is offered will be explained at the Merchant meeting on Friday and no one who struggles with the process will be turned away. Ms. Self will also do more workshops in the coming year.

SNAP/EBT program will continue and more vendors will be encouraged to participate in Fresh Savings.

SPECIAL EVENTS The event schedule is included in the printed power point presentation and also on a one-sheet in the Board packet. Beginning in April, the Market is moving to extended hours. Renewing leases will have that in their lease terms, there will also be Art at the Market events. Night Market will continue. The first festival of the season is the CSA Fair on February 24th.

GROW LOCAL KITCHEN AND MARKET KITCHEN ED Kennard asks Ms. West to report on demos and workshops as well as GLK residents. Ms. West says the Market Kitchen, where local chefs demonstrate a recipe using product sourced from the Market, is outside during warmer months and hopes to find a permanent place for that. It is the first and third Saturdays of the month and a portable 2-burner induction top has been purchased to allow demos inside when temperatures are too low outside. The partnership with Nashville Community Education Commission is the first Wednesday night of every month and now has a consistent chef, Laura Rodriguez from the Heimerdinger Foundation and her own catering company, Crème Catering. That class is a paid class and has really grown in participants. The partnership with Lightening 100 and Amber Robertson of Bliss Holistic is now quarterly on the third Wednesday of the month. The second Wednesday of every month will be a hands-on class, Cooking Up with Jilah Kalil. The Market is partnering again with Edible Magazine to do a demo in the GLK the fifth Saturday of months when there is a 5th Saturday—March, June and September. The goal is to get a very high-profile local chef for those demos, such as Tandy Wilson, Margot McCormack and Maneet Chauhan.

Recipe contests have been determined based on what was most popular in 2017 and scheduled. They are Strawberry Cake, Cobbler, Stuffed Peppers, Cornbread and a Kids Cookie Contest with a Pastry Chef Cookie sale.

Returning GLK residents for 2018 are Legumes on Mondays; Conexion Americas the second weekend and Thursday and Friday prior to that weekend; Caracasville on the 3rd weekend and Delicias Colombianas on the 4th weekend. New residents for 2018 are Succulent Vegan Tacos on the first weekend and Laovin' It on the second and fourth Tuesday-Wednesdays of the month. Both of the new residents have rented in the GLK successfully for at least 6 months in 2017. That leaves at least 10 days a month for non-resident renters and new people.

There will be a special pop-up dinner in February 14th partnered by Natchez Hill Winery and City Farm. Adam Acampora says they hope to make it monthly if it is successful.

Other Business

ED Kennard reports that thanks to Friends of the Farmers' Market, there is now a Music Fund to pay for Night Market and Festival music. There will be more opportunities for buskers. The Story Barn will come back; it evolved a lot over the year and it is expected to be bigger and better this year with a permanent location. Many farmers supported him by offering their product to kids who were reading. There was an adult woman who came every week to read, she started at a kindergarten level and ended up at 2nd grade level. It is also a great children's activity and safe away from traffic. The Musical Petting Zoo will come back and Gardens of Babylon is presenting some workshop ideas to Mary and the Extension office will also be back.

ED Kennard says the next big step is to move to online payments from the current, very antiquated system. For the most part, vendors come to the office weekly or monthly with their check or money order or card to be swiped. Being part of Metro there are challenges other Markets don't have. Metro is in the process of finalizing a contract with a new vendor that will allow the Market to accept online payments. The new system will plug into the new online application system.

ED Kennard reminds that the February 28th meeting begins at 9 am rather than 9:30, and that it will be followed by the draft of the strategic plan. A staff mini-retreat is planned for Friday to discuss the strategic plan.

Mr. Copeland asks what the opening date is for the Museum. ED Kennard says there is no specific date, just fall of 2018. He asks if the Market offers a state employee discount at the Market and suggests the Market work with the Museum to co-promote. Chair Cardenas reminds that the new Nashville soccer team will be kicking off their season in February at First Tennessee Park and will be in the Market's backyard all season.

Chair Cardenas says that NY's Eve at the Market was a great event and lauds Ms. West and Mr. Kizer on their hard work.

Mr. Copeland asks if Board materials can be put on line and not paper packets and the Board can use their own devices. ED Kennard says that her concern is for the audience and that there is a plan for it but a projector will be needed for the conference room.

There being no other business, Chair Cardenas adjourns the meeting at 10:57 am.

Next Board meeting is February 28th, 2018 at 9 am.