

ASM Board Meeting  
December 10, 2017 (meeting moved for November holiday)  
McKie Community Center

Attending: Board members - Christopher DeAngelis, Kristen Barker, Caitlin Burnett, Tyeisha Cole, Marilyn Evans, Pam Rieke, Ellen Vera, Heather Zoller. Community owners – Heather Sturgill, John Ellmore

#### 1. Initial Business

- Check-Ins
- Announcement: Heather Sturgill tendered her resignation to the board in the previous week.
- Approval of Minutes  
October: Motion (HZ), second (ME). Approved.  
August: Motion (KB), second (EV). Approved.
- Approval of Agenda with Changes

#### 2. Database

- Christopher is reviewing and addressing discrepancies. He is also getting helpful input from food coops in Knoxville. Caitlin has knowledge and experience with database systems and will assist.

#### 3. Elections

- Heather Sturgill reported that we received 67 ballots, 63 of which were verified (one voter voted three times for one candidate: that ballot was assigned one vote for that candidate, one was not an owner). We have 1213 owners. This turnout is typical of food cooperatives.
- We voted to create an election task force 60 days after the election. Heather Sturgill and Pam volunteered, and we will recruit at least one additional member.

#### 4. Board of Directors Business

- Heather Sturgill went over the Board of Director Primer used to orient our new board members. We clarified that Board membership starts at the 1<sup>st</sup> board meeting after the position is accepted (primer will be changed).
- Will discuss changing the number of full employee owners needed to create the ASM non-incubating (“real”) board at a future meeting.
- Over the next two board meetings, we will discuss possibilities for appointing additional board members. Currently, we have room for CUCI to appoint three members.

#### 5. Financial Report

- CPA firm is working with the IRS. A tax refund of approximately \$1900 should be forthcoming.
- Accounts:  
Balance of \$4,387 expected in April 2018.  
Net income \$121,235.39

Balance Sheet: total assets \$168,549.06

Liability: \$105,198.44

Total liabilities and Equity: \$168,549.06

- Budget Committee should set funding goals for the next fiscal.

#### 6. Associated Wholesale Grocers (AWG)

- AWG is the grocery wholesaler that the ASM board selected to provide logistical support for building improvements, purchase the majority of retail equipment, and act as primary supplier for the store. AWG is a cooperative that works with operators who purchase equity. The cost of equity is \$30K. This equity is refundable and the investment typically earns 4%.
- Christopher is concerned that we will lose AWG support if we do not invest relatively soon. Options for funding include taking out a loan, seeking permission from Interact for Health to use the grant money they provided targeted at equipment purchase to pay (given that AWG provides equipment and assistance), conducting an owner fundraising drive, or talking with the Local Enterprise Assistance Fund.
- The group decided to ask 2-10 community owners to raise the funds, and then ask Interact for Health.

#### 7. Resolution Regarding Santen & Hughes

- Apple Street Market and NEST have been working with Rob Linneman, a real estate attorney with the law firm Santen & Hughes, to negotiate for the purchase of 4145 Apple Street from the prior owner, Matrix Properties. Rob Linneman was also tasked with reviewing Apple Street Market's comments on a draft lease provided by the National Development Council that would be utilized by NEST and Apple Street Market.
- Christopher recommends, given that our relationship with NEST is one of mutual interest in the success of Apple Street Market as a tenant of NEST, that it is acceptable for Santen & Hughes to be the sole legal representative for Apple Street Market and NEST in the matters of securing the property and subsequent lease negotiations between the two parties.
- Santen & Hughes requires a board resolution from Apple Street stating that: "The Board of Directors of Apple Street Market Cooperative has considered the potential for conflicts of interest for Santen & Hughes to be the sole legal representative for the cooperative and Northsiders Engaged in Sustainable Transformation (NEST) in matters of real estate and the lease negotiations as pertains to 4145 Apple Street. In the context of the cooperative's and NEST's partnership and mutual interests, Apple Street Market's Board of Directors has determined that the conflicts of interest of utilizing Santen & Hughes as the sole legal representative for both parties in these matters are negligible and outweighed by the advantages."
- During the January meeting, we will review the draft of the ASM/NEST lease relationship and discuss possible conflicts with shared legal representation.
- Motion to approve (ME), Second (EV), all approved.

#### 8. Funding

- We understand that the City Manager is focusing on real estate development and is not supporting grocery development. Therefore, additional movement on city funds must go through NEST. ASM supporters should not contact city council to promote the store.
- We need to pursue other forms of support, especially grant funding.

#### 9. Leave of Absence

- Christopher is requesting a leave of absence. The proposal is for 2 months of unpaid leave starting in January. (Note that he could work up to days per week if needed). Kristen requested that Christopher track hours worked for reimbursement. Board raised no objections.
- Discussion about whether or not to continue selling food at the Northside Farmers Market. Savings would include food costs and \$1515 insurance costs. Agreement to discontinue food sales. Agreed to work on messaging in Communication Committee.

Meeting Adjourned