

BOARD OF DIRECTORS' MEETING

➤ AGENDA

AUGUST 19, 2024, 11:30 AM



- I. Welcome
- II. Approval of Minutes
 - A. *July Board Meeting p. 3
- III. *Financial Report p. 5
- IV. Staff Report p. 15
- V. Old Business
- VI. New Business
 - A. Disclosure Forms
 - B. Board Fraud Inquiries
 - C. *Knoxville Transit Authority Board
 - D. *Design Review Board
 - E. Knoxville Chamber Board Representative
- VII. Public Forum
- VIII. Adjournment

* Denotes action items

Upcoming Meetings:

- September 16, 11:30 am - Board Meeting
- October 21, 11:30 am - Board Meeting
- November 18, 11:30 am – Board Meeting

This meeting, and all communications between Board Members, are subject to the provisions of the Tennessee Open Meetings Act.

BOARD OF DIRECTORS' MEETING

➤ MINUTES

JULY 15, 2024, 11:30 AM

The Board of Directors of Downtown Knoxville Alliance met on Monday, July 15, 2024, at 5:00 pm at 17 Market Square, Knoxville, TN.

Board members present included Chip Barry, Faris Eid, Nikki Elliott, Gay Lyons, and Bobby McCarter. DKA and Knoxville Chamber staff in attendance included: Callie Blackburn, Michele Hummel, and Angela Lunsford.

I. Welcome

Michele Hummel called the meeting to order.

II. Minutes

Michele Hummel called for approval of the minutes from the June board meeting. Nikki Elliott made a motion to approve the minutes. Chip Barry seconded the motion, which was unanimously approved by the board.

III. Financials

Angela Lunsford delivered the report for the corporation explaining the various reports. Bobby McCarter made a motion to approve the financial report, and Chip Barry seconded the motion, which was unanimously approved by the board.

IV. Committee Reports

A. Marketing Committee

The Marketing Committee met on July 10 to review four sponsorship requests. After discussion, the committee made the following recommendation to the board in the form of a motion to approve these events:

HoLa Festival	\$5,000
Knox Asian Festival	\$5,000
Knox Pride Fest	\$6,000
Solastalgia	\$5,000

As the parade route for Solastalgia has not been finalized, it was suggested that approval for this event be approved contingent on final approval by the city for the parade route.

With this contingency, Bobby McCarter seconded the motion, which was unanimously approved by the board.

V. Staff Report

Staff presented their report, which provided an update on activities from the previous month. The full reports were included in the agenda packet.

VI. Old Business

There was no Old Business.

VII. New Business

A. Election of Officers

The board discussed officers for this fiscal year. A slate was presented, seconded, and unanimously approved by the board to elect the following officers for FY 24-25.

Chair:	Mary Katherine Wormsley
Vice Chair:	Vince Fusco
Treasurer:	Nikki Elliott
Secretary:	Gay Lyons

B. Audit Engagement Letter

DKA received an audit engagement letter from Bible Harris Smith for their services to perform the audit and complete the 990. The amount is slightly higher than last year due to increased employee costs. The audit costs are not to exceed \$8,925 and \$1,575 for the 990. Nikki Elliott made a motion to approve Mary Katherine Wormsely to sign the engagement letter. Bobby McCarter seconded the motion, which was unanimously approved by the board.

C. Disclosure Form

Staff handed out the disclosure form for the year, asking the board to disclose any conflict of interest from themselves or family members regarding other organizations that may come to DKA for funding requests.

VIII. Public Forum

There was no Public Forum.

IX. Adjournment

With no other business, the meeting was adjourned.

Secretary

Downtown Knoxville Alliance
Statement of Cash Flows
Fiscal YTD July 31, 2024

Jul '24 - Jun '25

OPERATING ACTIVITIES

Net Income	(51,017)
Adjustments to reconcile Net Income to net cash provided by operations:	
1110 · Other Receivable	(5,791)
2020 · Accounts Payable	36,117
2600 · Accrued Payables	3,535
2700 · Accrued Wages	-
1350 - Prepaid Expenses	(19,277.66)
Net cash provided by Operating Activities	(36,435)

FINANCING ACTIVITIES

3900 · Change in NA - unrestricted	-
Net cash provided by Financing Activities	-
Net cash increase for period	(36,435)
Cash at beginning of period	1,678,244
Cash at end of period	1,641,809

Current Liabilities

	(55,929)
Accrued Payables	(1,063,950)
Accounts receivable and Other	6,239
Prepaid Expenses	19,503
Subtotal	(1,094,138)

Projected Remaining Budgeted Income (Expenses)

Revenue	1,123,962
Development	(115,000)
Quality of Life	(362,163)
Business Support	(48,727)
Marketing/Sponsorships	(240,188)
Administration	(259,640)
Subtotal	98,244

Projected Cash - Before Minimum Reserve

	645,916
Minimum Cash Balance - Reserve	(150,000)
Projected Cash Availability	495,916

Downtown Knoxville Alliance
Statement of Cash Flows
Fiscal YTD July 31, 2024

Project	Grants	Permit Date	Comp Date	Accrued	YE 6/30/2024	Total
314 Union Ave (COK)	250,000		9/30/2022		0	0
YWCA Keys of Hope	250,000		6/30/2024		0	0
Tennessee Theatre	300,000		6/30/2024		0	0
Art & Cultural Alliance	200,000		6/30/2024		0	0
	<u>1,000,000</u>				<u>0</u>	<u>0</u>

* City approval required

Note: Farragut Building/Hyatt Place, 530 S. Gay Street

In 2015, DKA Board agreed to receive \$4,578 and abate the increased incremental assessments during the project's 25-year PILOT term which ends 3/17/41.

Note: Marble Alley/formerly Knox County property, 300 State Street

In 2013, Knox County Commission and Knox County IDB approved a 10-year PILOT for Marble Alley Lofts. Knox County previously held this property and was tax-exempt; therefore they did not pay property taxes or DKA assessments. PILOT term ends 12/31/25

Note: Church + Henley formerly State Supreme Court, 700 Henley Street

In 2019, DKA approved a 10-year abatement of the incremental assessment for the State Supreme Court project starting 48 months after developers close on the two parcels to allow for construction and project stabilization. DKA will continue to receive assessments for both properties based on the acquisition cost. DKA's assessment is expected to be approx. \$3,208 during the abatement time. The City's 25 year PILOT term ends 3/4/48. The property closed on 9/30/19. DKA's abatement ends 9/30/2033.

Downtown Knoxville Alliance
Profit & Loss Actual vs Budget July 31, 2024

Acct #	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	TOTAL	FY25 Budget	Remainder
Income															
CBID Tax Assessments	4020	6,239	-	-	-	-	-	-	-	-	-	-	6,239	1,125,000	1,118,761
Investment Income	4100	2,799	-	-	-	-	-	-	-	-	-	-	2,799	8,000	5,201
Total Income		9,038	-	-	-	-	-	-	-	-	-	-	9,038	1,133,000	1,123,962
Expenses															
Development															
Path to Prosperity	5225	-	-	-	-	-	-	-	-	-	-	-	-	15,000	15,000
Special Projects	5205	-	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Total Development		-	-	-	-	-	-	-	-	-	-	-	-	115,000	115,000
Quality of Life															
Beautification	5659	81	-	-	-	-	-	-	-	-	-	-	81	70,000	69,919
Ambassador Program	5657	9,676	-	-	-	-	-	-	-	-	-	-	9,676	117,000	107,324
Residential - Other	5900	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential	5901	-	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000
Trash Compactor		-	-	-	-	-	-	-	-	-	-	-	-	75,000	75,000
Open Street Activation		-	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Security	5655	3,080	-	-	-	-	-	-	-	-	-	-	3,080	100,000	96,920
Total Quality of Life		12,837	-	-	-	-	-	-	-	-	-	-	12,837	375,000	362,163
Business Support															
Business Support	5150	1,274	-	-	-	-	-	-	-	-	-	-	1,274	50,000	48,727
Total Business Support		1,274	-	-	-	-	-	-	-	-	-	-	1,274	50,000	48,727
Marketing Expenses															
Advertising General	5305	2,464	-	-	-	-	-	-	-	-	-	-	2,464	50,000	47,536
Print and Content Development	5306	798	-	-	-	-	-	-	-	-	-	-	798	55,000	54,202
Website - All Committees	5375	550	-	-	-	-	-	-	-	-	-	-	550	30,000	29,450
Downtown Scavenger Hunt	5364	-	-	-	-	-	-	-	-	-	-	-	-	20,000	20,000
Brand Refinement		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Events and Sponsorship	5360	21,000	-	-	-	-	-	-	-	-	-	-	21,000	110,000	89,000
Total Marketing Expenses		24,812	-	-	-	-	-	-	-	-	-	-	24,812	265,000	240,188
Administration															
Meals/ Lodging/ Travel	5420	-	-	-	-	-	-	-	-	-	-	-	-	6,000	6,000
Office Expense	5430	625	-	-	-	-	-	-	-	-	-	-	625	7,500	6,875
Bank Fees	5435	-	-	-	-	-	-	-	-	-	-	-	-	200	200
Postage	5440	17	-	-	-	-	-	-	-	-	-	-	17	2,500	2,483
Professional Dev.	5465	-	-	-	-	-	-	-	-	-	-	-	-	6,000	6,000
Professional Svc	5450	-	-	-	-	-	-	-	-	-	-	-	-	12,000	12,000
Svc Contract - Operations	5460	20,348	-	-	-	-	-	-	-	-	-	-	20,348	244,173	223,825
Insurance Directors/Officers	5750	75	-	-	-	-	-	-	-	-	-	-	75	900	825
Software	5480	69	-	-	-	-	-	-	-	-	-	-	69	1,500	1,431
Supplies	5470	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Administration		21,133	-	-	-	-	-	-	-	-	-	-	21,133	280,773	259,640
Total Expenses		60,055	-	-	-	-	-	-	-	-	-	-	60,055	1,085,773	1,025,718
Change in NAV		(51,017)	-	-	-	-	-	-	-	-	-	-	(51,017)	47,227	(98,244)
Board Approved Spending															
314 Union Avenue (accrued 9/30/22)													0	-	-
YWCA Keys of Hope Grant													0	-	-
Historic Tennessee Theatre (\$200k cash reserve)													0	-	-
Arts & Cultural Alliance													0	-	-
Subtotal Board Approved Spending													0	-	-
NAV Total after Surplus Spending		(51,017)	0	0	0	0	0	0	0	0	0	0	(51,017)		

Downtown Knoxville Alliance

Statement of Cash Flows

July 2024

	TOTAL
OPERATING ACTIVITIES	
Net Income	-51,017.42
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1110 Other Receivable	-5,791.36
1350 Prepaid Expenses	-19,277.66
2020 Acc. Payable:Accounts Payable	36,117.03
2600 Accrued Payables	3,534.59
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	14,582.60
Net cash provided by operating activities	\$ -36,434.82
NET CASH INCREASE FOR PERIOD	\$ -36,434.82
Cash at beginning of period	1,678,243.95
CASH AT END OF PERIOD	\$1,641,809.13

Downtown Knoxville Alliance
Balance Sheet
As of July 31, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash & Cash Equiv.	0.00
1014 First Bank ICS	793,652.51
Total 1005 Cash	\$ 793,652.51
1020 Investments - Cert Dep and MM	
1022 FirstBank CD 0680	96,075.51
1036 Home Federal CD 2895	245,791.89
1037 First Century CD 0328	256,981.97
1038 Truist CD 6084	249,307.25
Total 1020 Investments - Cert Dep and MM	\$ 848,156.62
Total 1000 Cash & Cash Equiv.	\$ 1,641,809.13
Total Bank Accounts	\$ 1,641,809.13
Accounts Receivable	
1110 Other Receivable	6,238.92
Total Accounts Receivable	\$ 6,238.92
Other Current Assets	
1350 Prepaid Expenses	19,502.66
Total Other Current Assets	\$ 19,502.66
Total Current Assets	\$ 1,667,550.71
TOTAL ASSETS	\$ 1,667,550.71
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	55,929.31
Total 2000 Acc. Payable	\$ 55,929.31
Total Accounts Payable	\$ 55,929.31
Other Current Liabilities	
2600 Accrued Payables	1,063,949.99
Total Other Current Liabilities	\$ 1,063,949.99
Total Current Liabilities	\$ 1,119,879.30
Total Liabilities	\$ 1,119,879.30
Equity	
3900 Change in NA - unrestricted	598,688.83
Net Income	-51,017.42
Total Equity	\$ 547,671.41
TOTAL LIABILITIES AND EQUITY	\$ 1,667,550.71

Downtown Knoxville Alliance

Profit and Loss

July 2024

	TOTAL
Income	
4020 CBID Assessment	6,238.92
4100 Interest on Cash Reserves	2,799.11
Total Income	\$9,038.03
GROSS PROFIT	\$9,038.03
Expenses	
5100 Business Support	
5150 Merchant Support	1,273.50
Total 5100 Business Support	1,273.50
5300 Marketing Expenses	
5305 Advertising	2,463.73
5306 Print and Content Development	797.89
5360 Sponsorships - Events	21,000.00
5375 Website	550.00
Total 5300 Marketing Expenses	24,811.62
5400 Administration	
5430 Office Expenses	624.56
5440 Postage	16.60
5460 Services Contract	20,348.00
5480 Software	68.83
5490 Insurance D&O	75.00
Total 5400 Administration	21,132.99
5650 Quality of Life	
5655 Bike Patrol	3,080.00
5657 Ambassador Program	9,676.34
5659 Beautification	81.00
Total 5650 Quality of Life	12,837.34
Total Expenses	\$60,055.45
NET OPERATING INCOME	\$ -51,017.42
NET INCOME	\$ -51,017.42

Accrued Payables at 7.31.24

City of Knoxville (314 Union Ave) accrued 9/30/22	FY23	\$250,000.00
Knoxville Museum	FY24	\$1,000.00
Old City Market	FY24	\$2,500.00
East Tennessee Historical Society 2024 Events	FY24	\$5,000.00
Old City Association - Rhinestone Festival 6/7-6/8/24	FY24	\$1,250.00
City of Knox - Concerts on the Square	FY24	\$1,500.00
Knoxville Jazz Orchestra	FY24	\$1,500.00
Knoxville Music Literary Guide	FY24	\$5,000.00
Market Square Power Wash (total of 2)	FY24	\$3,200.00
Marketing/branding/activation requests COK street closures	FY24	\$10,000.00
Marketing/branding/initial launch of Newts in Knox	FY24	\$20,000.00
YWCA Keys of Hope Grant	FY24	\$250,000.00
Art & Cultural Alliance - Emporium Project	FY24	\$200,000.00
Tennessee Theatre - \$300k total; \$100k current year Dev Grants	FY24	\$300,000.00
Knox Pride Fest 10/4 & 10/5/24	FY25	\$3,000.00
Hola Festival 9/21/24	FY25	\$2,500.00
Knoxville Asian Festival September 2024	FY25	\$2,500.00
Solastalgia October 11 & 13, 2024	FY25	\$5,000.00
		\$1,063,950.00

Downtown Knoxville Alliance

A/P Aging Detail

As of July 31, 2024

DATE	TRANSACTION TYPE	NUM	VENDOR	DUE DATE	PAST DUE	AMOUNT	OPEN BALANCE
Current							
06/30/2024	Bill	06302024	Hummel, Michele	07/31/2024	12	577.39	577.39
06/30/2024	Bill	06302024A	Hummel, Michele	07/31/2024	12	209.64	209.64
07/24/2024	Bill	07242024	KUB	08/12/2024	0	81.00	81.00
07/31/2024	Bill	INV146	Visit Knoxville	08/15/2024	-3	29,029.00	29,029.00
07/31/2024	Bill	INV012414	Knoxville Chamber	08/15/2024	-3	20,348.00	20,348.00
07/31/2024	Bill	INV012510	Knoxville Chamber	08/15/2024	-3	399.16	399.16
07/31/2024	Bill	11638	MoxCar.	08/16/2024	-4	562.50	562.50
07/31/2024	Bill	0006544113	Knoxville News Sentinel	08/20/2024	-8	663.73	663.73
07/31/2024	Bill	2407493	High Resolutions, Inc	08/20/2024	-8	235.39	235.39
07/25/2024	Bill	199019	Graphic Creations	08/24/2024	-12	1,198.50	1,198.50
07/25/2024	Bill	INV127420	Off Duty Management, Inc.	08/24/2024	-12	825.00	825.00
07/31/2024	Bill	DKA-080124	Southern Bloom Social	08/30/2024	-18	1,800.00	1,800.00
Total for Current						\$55,929.31	\$55,929.31
TOTAL						\$55,929.31	\$55,929.31

Downtown Knoxville Alliance

A/R Aging Detail

As of July 31, 2024

DATE	TRANSACTION TYPE	NUM	CUSTOMER	DUE DATE	AMOUNT	OPEN BALANCE
Current						
07/31/2024	Invoice	04302028	City of Knoxville.	08/31/2024	6,238.92	6,238.92
Total for Current					\$6,238.92	\$6,238.92
TOTAL					\$6,238.92	\$6,238.92