

BOARD OF DIRECTORS' MEETING

➤ AGENDA

SEPTEMBER 16, 2024, 11:30 AM



- I. Welcome
- II. Approval of Minutes
 - A. *August Board Meeting p. 3
- III. Explanation of Equalization Process for the City Taxes
- IV. *Financial Report p. 5
- V. Staff Report p. 15
- VI. Old Business
- VII. New Business
- VIII. Public Forum
- IX. Adjournment

* Denotes action items

Upcoming Meetings:

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

AUGUST 19, 2024, 11:30 AM

The Board of Directors of Downtown Knoxville Alliance met on Monday, August 19, 2024, at 11:30 am at 17 Market Square, Knoxville, TN.

Board members present included Mary Katherine Wormsley, chair, Chip Barry, Natalea Cummings, Faris Eid, Gay Lyons, and Blaine Wedekind. DKA and Knoxville Chamber staff in attendance included: Callie Blackburn, Michele Hummel, and Angela Lunsford.

I. Welcome

Mary Katherine Wormsley called the meeting to order.

II. Minutes

Mary Katherine Wormsley called for the minutes from the July board meeting to be approved. Faris Eid made a motion to approve the minutes. Blaine Wedekind seconded the motion, which was unanimously approved by the board.

III. Financials

Angela Lunsford delivered the report for the corporation explaining the various reports. Natalea Cummings made a motion to approve the financial report, and Gay Lyons seconded the motion, which was unanimously approved by the board.

Karen Kakanis provided an update on interest rates and invested income. Staff examined all the banks downtown and found that First Bank has an ICS account with no bank fees and 4.5% interest rate. CDs have been coordinated with the expected payout for approved grants.

IV. 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.

V. Old Business

There was no Old Business.

VI. New Business

A. Disclosure Forms

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.

B. Board Fraud Inquiries

Staff handed out the Board Fraud Inquiries to the board asking them to return it directly to Bible Harris Smith.

C. Knoxville Transit Authority

DKA will have a position open on the KTA Board in December and will need to provide suggestions to Mayor Kincannon to select someone for the board.

D. Design Review Board

Matthew DeBardelaben is currently on the DRB representing DKA. As he has rolled off the DKA Board, the City asked DKA if they would like him to remain on the board as DKA's representative. A motion was made Faris Eid to ask Matthew to remain on the DRB. Blaine Wedekind seconded the motion, which was unanimously approved by the board.

E. Knoxville Chamber Board Representative

DKA has an ex-officio position on the Knoxville Chamber board. After a discussion, it was suggested that Gay Lyons be the representative and she accepted.

VII. Public Forum

There was no Public Forum.

VIII. Adjournment

With no other business, the meeting was adjourned.

Secretary

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

Jul '24 - Jun '25

OPERATING ACTIVITIES

Net Income	25,922
Adjustments to reconcile Net Income to net cash provided by operations:	
1110 · Other Receivable	(60,392)
2020 · Accounts Payable	(53,315)
2600 · Accrued Payables	(4,180)
2700 · Accrued Wages	-
1350 - Prepaid Expenses	6,233.02
Net cash provided by Operating Activities	(85,732)

FINANCING ACTIVITIES

3900 · Change in NA - unrestricted	-
Net cash provided by Financing Activities	-
Net cash increase for period	(85,732)
Cash at beginning of period	1,641,809
Cash at end of period	1,556,077

Current Liabilities (7,200)

 Accrued Payables (1,059,770)

Accounts receivable and Other 66,631
Prepaid Expenses 13,270
 Subtotal **(987,069)**

Projected Remaining Budgeted Income (Expenses)

Revenue	1,054,406
Development	(115,000)
Quality of Life	(347,181)
Business Support	(49,705)
Marketing/Sponsorships	(236,007)
Administration	(234,191)
Subtotal	72,322

Projected Cash - Before Minimum Reserve **641,331**

Minimum Cash Balance - Reserve (150,000)

Projected Cash Availability 491,331

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

	Acct #	Jul 24	Aug 24	TOTAL	FY25 Budget	Remainder
Income						
CBID Tax Assessments	4020	6,239	66,631	72,870	1,125,000	1,052,130
Investment income	4100	2,799	2,924	5,723	8,000	2,277
Total Income		9,038	69,556	78,594	1,133,000	1,054,406
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	80	161	70,000	69,839
Ambassador Program	5657	9,676	9,676	19,353	117,000	97,647
Residential - Other	5900	-	-	-	-	-
Residential	5901	-	-	-	3,000	3,000
Trash Compactor	5662	-	-	-	75,000	75,000
Open Street Activation	5663	-	-	-	10,000	10,000
Security	5655	3,080	5,225	8,305	100,000	91,695
Total Quality of Life		12,837	14,981	27,819	375,000	347,181
Business Support						
Business Support	5150	1,274	(979)	295	50,000	49,705
Total Business Support		1,274	(979)	295	50,000	49,705
Marketing Expenses						
Advertising General	5305	2,464	1,950	4,414	50,000	45,586
Print and Content Development	5306	798	802	1,600	55,000	53,400
Website - All Committees	5375	550	1,430	1,980	30,000	28,020
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	4,182	28,993	265,000	236,007
Administration						
Meals/ Lodging/ Travel	5420	-	-	-	6,000	6,000
Office Expense	5430	625	923	1,547	7,500	5,953
Bank Fees	5435	-	-	-	200	200
Postage	5440	17	34	51	2,500	2,449
Professional Dev.	5465	-	-	-	6,000	6,000
Professional Svc	5450	-	4,000	4,000	12,000	8,000
Svc Contract - Operations	5460	20,348	20,348	40,696	244,173	203,477
Insurance Directors/Officers	5750	75	75	150	900	750
Software	5480	69	69	138	1,500	1,362
Supplies	5470	-	-	-	-	-
Total Administration		21,133	25,449	46,582	280,773	234,191
Total Expenses		60,055	43,633	103,689	1,085,773	982,084
Change in NAV		(51,017)	25,922	(25,095)	47,227	(72,322)

Downtown Knoxville Alliance

Statement of Cash Flows

August 2024

	TOTAL
OPERATING ACTIVITIES	
Net Income	25,922.21
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1110 Other Receivable	-60,392.41
1350 Prepaid Expenses	6,233.02
2020 Acc. Payable:Accounts Payable	-53,314.56
2600 Accrued Payables	-4,180.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-111,653.95
Net cash provided by operating activities	\$ -85,731.74
NET CASH INCREASE FOR PERIOD	\$ -85,731.74
Cash at beginning of period	1,641,809.13
CASH AT END OF PERIOD	\$1,556,077.39

Downtown Knoxville Alliance

Balance Sheet

As of August 31, 2024

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash & Cash Equiv.	0.00
1014 First Bank ICS	707,920.77
Total Cash and Cash Equivalents	<u>\$ 707,920.77</u>
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	<u>\$ 848,156.62</u>
Total 1000 Cash & Cash Equiv.	<u>\$ 1,556,077.39</u>
Total Bank Accounts	<u>\$ 1,556,077.39</u>
Accounts Receivable	
1110 Other Receivable	66,631.33
Total Accounts Receivable	<u>\$ 66,631.33</u>
Other Current Assets	
1350 Prepaid Expenses	13,269.64
Total Other Current Assets	<u>\$ 13,269.64</u>
Total Current Assets	<u>\$ 1,635,978.36</u>
TOTAL ASSETS	<u>\$ 1,635,978.36</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2020 Accounts Payable	7,200.01
Total 2000 Acc. Payable	<u>\$ 7,200.01</u>
Total Accounts Payable	<u>\$ 7,200.01</u>
Other Current Liabilities	
2600 Accrued Payables	1,059,769.99
Total Other Current Liabilities	<u>\$ 1,059,769.99</u>
Total Current Liabilities	<u>\$ 1,066,970.00</u>
Total Liabilities	<u>\$ 1,066,970.00</u>
Equity	
3900 Change in NA - unrestricted	594,103.57
Net Income	-25,095.21
Total Equity	<u>\$ 569,008.36</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,635,978.36</u>

Downtown Knoxville Alliance

Profit and Loss

August 2024

	TOTAL
Income	
4020 CBID Assessment	66,631.33
4100 Interest on Cash Reserves	2,924.32
Total Income	\$69,555.65
GROSS PROFIT	\$69,555.65
Expenses	
5100 Business Support	
5150 Merchant Support	-978.70
Total 5100 Business Support	-978.70
5300 Marketing Expenses	
5305 Advertising	1,950.06
5306 Print and Content Development	801.69
5375 Website	1,430.00
Total 5300 Marketing Expenses	4,181.75
5400 Administration	
5430 Office Expenses	922.83
5440 Postage	34.39
5450 Professional Svc	4,000.00
5460 Services Contract	20,348.00
5480 Software	68.83
5490 Insurance D&O	75.00
Total 5400 Administration	25,449.05
5650 Quality of Life	
5655 Bike Patrol	5,225.00
5657 Ambassador Program	9,676.34
5659 Beautification	80.00
Total 5650 Quality of Life	14,981.34
Total Expenses	\$43,633.44
NET OPERATING INCOME	\$25,922.21
NET INCOME	\$25,922.21

Downtown Knoxville Alliance

A/R Aging Detail

As of August 31, 2024

DATE	TRANSACTION TYPE	NUM	CUSTOMER	DUE DATE	AMOUNT	OPEN BALANCE
Current						
08/31/2024	Invoice	04302029	City of Knoxville.	09/30/2024	66,631.33	66,631.33
Total for Current					\$66,631.33	\$66,631.33
TOTAL					\$66,631.33	\$66,631.33

Downtown Knoxville Alliance

A/P Aging Detail
As of August 31, 2024

DATE	TRANSACTION TYPE	NUM	VENDOR	DUE DATE	PAST DUE	AMOUNT	OPEN BALANCE
Current							
08/01/2024	Bill	39260	Bible Harris Smith, P. C.	08/31/2024	11	4,000.00	4,000.00
08/31/2024	Bill	INV012618	Knoxville Chamber	08/31/2024	11	97.32	97.32
08/31/2024	Bill	DKA - 090124	Southern Bloom Social	09/03/2024	8	1,476.00	1,476.00
08/31/2024	Bill	11686	MoxCar.	09/09/2024	2	225.00	225.00
08/30/2024	Bill	2408578	High Resolutions, Inc	09/19/2024	-8	576.69	576.69
08/29/2024	Bill	INV136048	Off Duty Management, Inc.	09/28/2024	-17	825.00	825.00
Total for Current						\$7,200.01	\$7,200.01
TOTAL						\$7,200.01	\$7,200.01