

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: May 18, 2023

To: Board of Commissioners

From: Benjamin Bentley, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Commissioners
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the meeting held on April 30, 2023. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

Secretary: Benjamin Bentley

Chair:

Vice Chair:

Treasurer:

4. Adjourn.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **April 30, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared present at 5:03 p.m.

Present: Chair Robert Whetsel
Vice Chair Kimberly Henry
Treasurer Scott Broyles
Commissioner Robyn McAdoo
Commissioner John Winemiller
Commissioner Felix Harris

Absent: Commissioner Robyn McAdoo
Commissioner Kathy Hill

Approval to execute the minutes for the *regular* meeting held on March 30, 2023. Commissioner Henry moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye."

REDEVELOPMENT (Jim Hatfield)

Resolution approving the submission of a Section 18 application to HUD associated with the portion of Western Heights that is covered by HUD's CNI grant award. Commissioner Winemiller moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2023-08 is attached.

ADMINISTRATION (Jim Barker)

Resolution authorizing amendments to the Board Policies (A-100, A-110, A-120, A-140, B-180, E-111, E-123, E-124, E-152 and E-153). Commissioner Broyles moved to approve. Commissioner Harris seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2023-09 is attached.

RENTAL ASSISTANCE (Ben Bentley for Matt Tillery)

Approval to increase the Section 8 Housing Choice Voucher Payment Standards. Commissioner Winemiller moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."

EXECUTIVE (Ben Bentley)

Resolution authorizing execution of documents entering into a subordinate tax increment note in the amount of \$20 million and to grant those funds to the Sports Authority. Commissioner Henry moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2023-10 is attached.

approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2023-11 is attached.

PUBLIC FORUM

None

UNFINISHED BUSINESS

None

ADJOURNMENT

With no further business to come before the Board, the meeting adjourned by consent at 5:30 p.m.

Approved:

ATTEST:

Approved:

Benjamin M. Bentley, Secretary

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

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From: Benjamin M. Bentley, Secretary

Subject: **AGENDA**
Board Meeting of the Board of Commissioners
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Motion to add, delete or postpone agenda items.
3. Reports of officers and special presentations.

NEW BUSINESS

FINANCE (Nancy White)

4. Resolution approving the Operating Budget for the Public Housing Program for the fiscal year 2024 (July 1, 2023 – June 30, 2024). **(Item 4 Attachment)**
5. Resolution approving the Operating Budgets for the Section 8 Programs, Central Office Cost Center, the Redevelopment Program, The Manor and Multi-Family Housing Program for the fiscal year 2024 (July 1, 2023 – June 30, 2024). **(Item 5 Attachment)**

EXECUTIVE (Ben Bentley)

6. Resolution authorizing open matters relating to assistance with stadium financing, including tax increment financings. **(handout at board meeting)**

Unfinished Business

Public Forum

Adjournment

Next month's agenda review meeting will be held

Thursday, June 22, 2023 @ 5 p.m.

Next month's board meeting will be held

Thursday, June 29, 2023 @ 5 p.m.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM # 4

MEETING DATE	May 25, 2023
AGENDA ITEM DESCRIPTION	Resolution approving the Operating Budget for the Public Housing Program for fiscal year 2024 (July 1, 2023 - June 30, 2024).
SUBMITTED BY	Name, Title / Department: Nancy White, Chief Financial Officer, Executive Management
MEETING TYPE	<input type="checkbox"/> Regular <input type="checkbox"/> Special <input checked="" type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>see program detail</u> Expenditure: \$ <u>n/a</u> Source of Funds: Program Operating and Reserve Funds (as applicable)
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? To seek approval of the Operating Budget for FYE 2024 for policy compliance.</p>	
<p>2. Why is the action needed now? We are required to bring an operating budget to the Board for approval within each fiscal year for the subsequent fiscal year period.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? Program and financial management staff work together to closely monitor budget-expenditure variance reports on a monthly basis. Procedures are in place to ensure expenditures do not exceed approved budgets and/or revisions and that funds are expended in accordance with applicable program requirements.</p>	
<p>4. What are the long-term and short-term exposures? No exposure due to monitoring procedures and adequate reserves.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	HUD and our Fiscal and Accounting Policy requires an operating budget to be prepared and approved by the Board within each fiscal year for the subsequent fiscal year for prudent financial management of our programs.
ATTACHMENTS	Resolution, Executive Summary and Budget

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Knoxville's Community Development Corporation PHA Code: TN003

PHA Fiscal Year Beginning: 7/1/2023 Board Resolution Number: 2023-__

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: 05/25/2023
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
Kim Henry		05/25/2023



**EXECUTIVE SUMMARY
PROPOSED 2024 BUDGET
CONVENTIONAL PUBLIC HOUSING
CHANGES FROM FY2023 TO FY2024**

OVERALL TOTAL INCOME: A decrease of approximately 30% from \$2,358,820 to \$1,648,073 is proposed for 2024 over 2023 figures primarily due to partial RAD conversion for Western Heights.

OVERALL TOTAL EXPENSES: A decrease of approximately 29% from \$2,269,230 to \$1,613,503 is proposed for 2024 over 2023 budget primarily due to partial RAD conversion for Western Heights.

NET INCOME: Proposed at \$34,570.

RESERVES:

FYE 2022: \$5,663,157

FYE 2023 (estimated): \$7,021,035

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
Low Income Public Housing (LIPH)
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
REVENUE				
Gross Potential Rent	\$ 60,000	\$ 56,210	\$ 3,790	7%
Dwelling Rental / Operating Income	228,000	176,180	51,820	29%
Vacancy Loss Rent	(60,000)	(56,210)	(3,790)	7%
Total Rental Income	228,000	176,180	51,820	29%
Other Tenant Income	25,771	25,270	501	2%
Subsidy Income	1,359,670	2,127,670	(768,000)	-36%
Interest on Investments	31,032	22,800	8,232	36%
Miscellaneous Income	3,600	6,900	(3,300)	-48%
TOTAL REVENUE	1,648,073	2,358,820	(710,747)	-30%
EXPENSES				
Administrative Salaries	202,441	285,760	(83,319)	-29%
Legal Expense	8,600	12,600	(4,000)	-32%
Staff Training	74	2,160	(2,086)	-97%
Travel	1,139	2,160	(1,021)	-47%
Auditing Fees	8,430	8,050	380	5%
Management Fees	93,260	95,120	(1,860)	-2%
Bookkeeping Fees	13,500	13,770	(270)	-2%
Office Expenses	26,358	100,160	(73,802)	-74%
Miscellaneous Admin Expenses	9,361	10,620	(1,259)	-12%
TOTAL ADMINISTRATIVE EXPENSES	363,163	530,400	(167,237)	-32%
Tenant Service - Payroll	-	-	-	
Tenant Services - Contract Costs	24,630	26,700	(2,070)	-8%
TOTAL TENANT SERVICES EXPENSES	24,630	26,700	(2,070)	-8%
Water	90,160	86,080	4,080	5%
Water - Fire Protection	1,240	-	1,240	100%
Electricity - Private lights	7,210	8,580	(1,370)	-16%
Electricity - Site Office	2,140	3,790	(1,650)	-44%
Electricity - Community Buildings	7,010	5,470	1,540	28%
Electricity - Vacants	71,490	30,220	41,270	137%
Gas Community Bldgs	4,510	2,420	2,090	86%
Sewer	228,550	217,440	11,110	5%
TOTAL UTILITY EXPENSES	412,310	354,000	58,310	16%
General Maint Expense	110,932	285,020	(174,088)	-61%
Materials	46,600	98,790	(52,190)	-53%
Contract Costs	201,757	306,330	(104,573)	-34%
TOTAL MAINTENANCE EXPENSES	359,289	690,140	(330,851)	-48%
Property Insurance	36,495	42,280	(5,785)	-14%
General Liability Insurance	6,174	8,050	(1,876)	-23%
Fidelity Insurance	174	170	4	2%
Worker's Compensation Insurance	1,243	4,600	(3,357)	-73%

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
Low Income Public Housing (LIPH)
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
- Other	3,639	3,560	79	2%
TOTAL INSURANCE	47,725	58,660	(10,935)	-19%
Bad Debt-Tenant Rents	-	35,800	(35,800)	-100%
Other General Expense	-	720	(720)	-100%
TOTAL GENERAL EXPENSES	-	18,260	(18,260)	-100%
Housing Assistance Payment	382,867	229,380	153,487	67%
Total Expenses, excl. Asset Management	1,589,983	1,907,540	(317,557)	-17%
Asset Management Fees	23,520	22,540	980	4%
Other:				
Operating Transfer (Initial Year Funding to MFH)	-	339,150	(339,150)	-100%
TOTAL EXPENSES	1,613,503	2,269,230	(655,727)	-29%
NET PER BUDGET STATEMENT	\$ 34,569	\$ 89,590	\$ (55,021)	-61%
Reserves estimated at June 30, 2023	\$ 7,021,035			

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM # 5

MEETING DATE	May 25, 2023
AGENDA ITEM DESCRIPTION	Resolution approving the Operating Budgets for the Section 8 Programs, Central Office Cost Center, Redevelopment, The Manor, and Multi-Family Housing for FY 2024 (July 1, 2023-June 30, 2024).
SUBMITTED BY	Name, Title / Department: Nancy White, Chief Financial Officer, Executive Management
MEETING TYPE	<input type="checkbox"/> Regular <input type="checkbox"/> Special <input checked="" type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>see program detail</u> Expenditure: \$ <u>n/a</u> Source of Funds: Program Operating and Reserve Funds (as applicable)
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
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<p>2. Why is the action needed now? We are required to bring an operating budget to the Board for approval within each fiscal year for the subsequent fiscal year period.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? Program and financial management staff work together to closely monitor budget-expenditure variance reports on a monthly basis. Procedures are in place to ensure expenditures do not exceed approved budgets and/or revisions and that funds are expended in accordance with applicable program requirements.</p>	
<p>4. What are the long-term and short-term exposures? No exposure due to monitoring procedures and adequate reserves.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	Our Fiscal and Accounting Policy requires an operating budget to be prepared and approved by the Board within each fiscal year for the subsequent fiscal year for prudent financial management of our programs.
ATTACHMENTS	Resolution, Executive Summary and Budget

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM # 5

MEETING DATE	May 25, 2023
AGENDA ITEM DESCRIPTION	Resolution approving the Operating Budgets for the Section 8 Programs, Central Office Cost Center, Redevelopment, The Manor, and Multi-Family Housing for FY 2024 (July 1, 2023-June 30, 2024).
SUBMITTED BY	Name, Title / Department: Nancy White, Chief Financial Officer, Executive Management
MEETING TYPE	<input type="checkbox"/> Regular <input type="checkbox"/> Special <input checked="" type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>see program detail</u> Expenditure: \$ <u>n/a</u> Source of Funds: Program Operating and Reserve Funds (as applicable)
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? To seek approval of the Operating Budget for FYE 2024 for policy compliance.</p>	
<p>2. Why is the action needed now? We are required to bring an operating budget to the Board for approval within each fiscal year for the subsequent fiscal year period.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? Program and financial management staff work together to closely monitor budget-expenditure variance reports on a monthly basis. Procedures are in place to ensure expenditures do not exceed approved budgets and/or revisions and that funds are expended in accordance with applicable program requirements.</p>	
<p>4. What are the long-term and short-term exposures? No exposure due to monitoring procedures and adequate reserves.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	Our Fiscal and Accounting Policy requires an operating budget to be prepared and approved by the Board within each fiscal year for the subsequent fiscal year for prudent financial management of our programs.
ATTACHMENTS	Resolution, Executive Summary and Budget

RESOLUTION NO. 2023-_____

**RESOLUTION APPROVING OPERATING BUDGETS FOR
ALL SECTION 8 PROGRAMS, THE CENTRAL OFFICE COST
CENTER, THE REDEVELOPMENT PROGRAM, THE MANOR AND
THE MULTI-FAMILY HOUSING PROGRAM FOR THE FISCAL YEAR
JULY 1, 2023 THROUGH JUNE 30, 2024**

WHEREAS the Operating Budgets for all Section 8 Programs, the Central Office Cost Center, the Redevelopment Program, The Manor and the Multi-Family Housing Program are not subject to annual approval by the Department of Housing and Urban Development; and

WHEREAS the annual budget for the above referenced project, programs, and departments are directly dependent upon existing contractual relationships or upon contractual relationships that may yet be negotiated during any given fiscal year; and

WHEREAS the above referenced budgets have been prepared based upon anticipated revenues from existing contractual relationships between Knoxville's Community Development Corporation and other second parties; and

WHEREAS in the opinion of the Board of Commissioners, the financial plan for each program is consistent with KCDC's overall operating strategy and is fiscally responsible.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

THAT the Operating Budgets for all Section 8 Programs, the Central Office Cost Center, the Redevelopment Program, The Manor and the Multi-Family Housing Program are not subject to annual approval by the Department of Housing and Urban Development are hereby approved and adopted for the fiscal year July 1, 2023 through June 30, 2024.

Approved this ____ day of May, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary



**EXECUTIVE SUMMARY
PROPOSED 2024 BUDGET
OTHER KCDC OPERATING PROGRAMS**

CHANGES FROM FY2023 TO FY2024

ALL SECTION 8 PROGRAMS:

TOTAL REVENUE: An increase of approximately 912% from \$2,812,940 to \$28,459,862 is proposed for 2024 over 2023 figures primarily due to a change in budget data presentation. Historically, only administrative fees were budgeted. The change was made to reflect the revenue that flows through this program and to display the growth of the program over time.

TOTAL EXPENSES: An increase of approximately 1,038% from \$2,496,460 to \$28,406,836 is proposed for 2024 over 2023 figures. This increase is primarily due to a change in budget data presentation. Historically, only administrative expenses were budgeted. The change was made to capture operations and to display the program's expansion.

NET INCOME: Proposed at \$53,026

Reserves all Section 8 programs:

FYE 2022: \$2,862,902 (all programs)

FYE 2023: (estimated): \$3,165,286 (all programs)

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
SECTION 8
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
REVENUE				
Grant Income	\$ 28,422,577	\$ 2,784,790	\$ 25,637,787	921%
Interest on Investments	14,035	9,800	4,235	43%
UIV Fraud Collected	22,750	15,000	7,750	52%
Miscellaneous Income	500	3,350	(2,850)	-85%
TOTAL REVENUE	28,459,862	2,812,940	25,646,922	912%
EXPENSES				
Administrative Salaries	1,134,734	1,041,670	93,064	9%
Legal Expense	500	500	-	0%
Staff Training	5,000	5,000	-	0%
Travel	8,000	8,000	-	0%
Auditing Fees	25,000	25,000	-	0%
Management Fees	578,920	552,940	25,980	5%
Bookkeeping Fees	361,820	345,580	16,240	5%
Office Expenses	158,711	269,870	(111,159)	-41%
Miscellaneous Admin Expenses	201,071	135,000	66,071	49%
TOTAL ADMINISTRATIVE EXPENSES	2,473,756	2,383,560	90,196	4%
Tenant Service - Payroll	58,564	61,550	(2,986)	-5%
Tenant Services - Contract Costs	500	-	500	100%
TOTAL TENANT SERVICES EXPENSES	59,064	61,550	(2,486)	-4%
Materials	200	380	(180)	-47%
Contract Costs	3,601	300	3,301	1100%
TOTAL MAINTENACE EXPENSES	3,801	680	3,121	459%
Insurance				
Property Insurance	15	10	5	50%
General Liability Insurance	13,537	11,970	1,567	13%
Worker's Compensation Insurance	2,664	920	1,744	190%
Public Officials Insurance	7,276	6,940	336	5%
Cyber Liability Insurance	23,416	15,830	7,586	48%
TOTAL INSURANCE	46,908	35,670	11,238	32%
Portability Admin Expense	15,000	15,000	-	0%
TOTAL GENERAL EXPENSES	15,000	15,000	-	0%
TOTAL HOUSING ASSISTANCE PAYMENTS EXPENSE	25,808,307	-	25,808,307	100%
TOTAL EXPENSES	28,406,836	2,496,460	25,910,376	1038%
NET INCOME (Loss)	\$ 53,026	\$ 316,480	\$ (263,454)	-83%
Reserves estimated at June 30, 2023	\$ 3,165,286			



**EXECUTIVE SUMMARY
PROPOSED 2024 BUDGET
OTHER KCDC OPERATING PROGRAMS**

CHANGES FROM FY2023 TO FY2024 (continued)

THE CENTRAL OFFICE COST CENTER:

TOTAL REVENUE: An increase of approximately 89% from \$3,516,170 to \$6,656,495 is proposed for 2024 over 2023 figures. This increase is primarily due to a change in budget data presentation. Historically, the property management company operations were not reflected herein since revenues offset expenses. In an effort to display the volume of the work KCDC does on the managed properties and reflect the revenue offsetting the expenditures, budget data was modified to show within the program.

TOTAL EXPENSES: An increase of approximately 75% from \$5,293,430 to \$9,249,900 is proposed for 2024 over 2023 figures. This increase is primarily due to a change in budget data presentation. Historically, the property management company operational expenses were not reflected since the expenses were offset by reimbursement revenues. The modification captures the operations performed. The remaining fluctuation is due to additional strategic staffing, maintenance contract costs and new software support.

NET LOSS: Proposed at (\$2,593,405) with an operating transfer as needed from Multi-Family Housing Project Based Rental Assistance (PBRA) properties and the LP Management Co in the amount of \$2,417,037, resulting in a net loss of (\$176,368).

Cost Center operates as a self-sufficient business activity.

Reserves:

FYE 2022: \$1,467,024

FYE 2023: (estimated): \$363,261

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
Central Operations Cost Center (COCC)
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
REVENUE				
Interest on Investments	\$ 21,196	\$ 20,000	\$ 1,196	6%
LP Billable Salaries Income	2,748,872	-	2,748,872	100%
LP Billable Expense Income	273,952	-	273,952	100%
Other Income-Miscellaneous	1,559	11,000	(9,441)	-86%
Management Fee Income-LIPH	121,860	158,540	(36,680)	-23%
Bookkeeping Fee Income-LIPH	17,640	22,950	(5,310)	-23%
Asset Management Fee Income-LIPH	23,520	37,560	(14,040)	-37%
Management Fees-CAP Funds Admin Fees	250,000	350,000	(100,000)	-29%
Management Fee- Section 8	489,830	552,940	(63,110)	-11%
Bookkeeping Fee -Section 8	306,140	345,580	(39,440)	-11%
Management Fee Income MF	889,060	888,030	1,030	0%
Bookkeeping Fee Income MF	119,320	119,500	(180)	0%
Management Fee Income LP	736,120	489,520	246,600	50%
Bookkeeping Fee Income LP	99,390	68,850	30,540	44%
Asset Management Fee Income LP	84,310	84,310	-	0%
Management Fees-Other Programs	73,710	72,710	1,000	1%
Bookkeeping Fee- Other Programs	4,800	6,630	(1,830)	-28%
Asset Management Fees - Other Programs	65,120	65,010	110	0%
Maint Fee for Service-HVAC	174,744	96,670	78,074	81%
Maint Fee fpr Service-Plumbing	155,352	126,370	28,982	23%
TOTAL REVENUE	6,656,495	3,516,170	3,140,325	89%
EXPENSES				
Administrative Salaries	6,296,771	3,926,750	2,370,021	60%
Legal Expense	98,000	12,400	85,600	690%
Staff Training	56,010	47,350	8,660	18%
Travel	54,340	36,280	18,060	50%
Auditing Fees	12,900	12,900	-	0%
Office Expenses	746,885	502,740	244,145	49%
Miscellaneous Admin Expenses	302,466	161,290	141,176	88%
TOTAL ADMINISTRATIVE EXPENSES	7,567,372	4,699,710	2,867,662	61%
Tenant Services Payroll	28,370	-	28,370	100%
Tenant Services - Contract Costs	133,291	25,000	108,291	433%
TOTAL TENANT SERVICES EXPENSES	161,661	25,000	136,661	547%
Water	5,430	4,000	1,430	36%
Water - Fire Protection	6,210	7,900	(1,690)	-21%
Electricity	47,010	37,300	9,710	26%
Electricity - Private lights	2,840	890	1,950	219%
Electricity - Site Office	6,180	5,880	300	5%
Gas	5,090	4,450	640	14%
Sewer	4,700	4,250	450	11%
TOTAL UTILITY EXPENSES	77,460	64,670	12,790	20%

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
Central Operations Cost Center (COCC)
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
General Maint Salaries and Benefits	1,085,064	254,520	830,544	326%
Materials	19,729	24,250	(4,521)	-19%
Contract Costs	305,382	168,900	136,482	81%
TOTAL MAINTENANCE EXPENSES	1,410,175	447,670	962,505	215%
Insurance				
Property Insurance	15,826	11,390	4,436	39%
General Liability Insurance	1,388	230	1,158	503%
Fidelity Insurance	1,273	860	413	48%
Worker's Compensation Insurance	7,902	10,840	(2,938)	-27%
Boiler Insurance	313	250	63	25%
Auto Insurance	3,969	2,790	1,179	42%
Public Officials Insurance	72	10	62	620%
Cyber Liability Insurance	229	10	219	2190%
TOTAL INSURANCE	30,972	26,380	4,592	17%
TOTAL NON-OPERATING ITEMS	2,259	30,000	(27,741)	0%
TOTAL EXPENSES	9,249,900	5,293,430	3,956,470	75%
NET INCOME Before Operating Transfers	(2,593,405)	(1,777,260)	(816,145)	46%
Operating Transfer in from Subsidiary Corp	932,498	315,760	616,738	195%
Operating Transfer in from MF (prior year surplus cash)	1,484,539	1,461,500	23,039	2%
Net Operating Transfers	2,417,037	1,777,260	639,777	36%
NET INCOME (LOSS)	\$ (176,368)	\$ -	\$ (176,368)	100%
Reserves estimated at June 30, 2023	\$ 363,261			



**EXECUTIVE SUMMARY
PROPOSED 2024 BUDGET
OTHER KCDC OPERATING PROGRAMS**

CHANGES FROM FY2023 TO FY2024 (continued)

REDEVELOPMENT:

TOTAL REVENUE: An increase of approximately 51% from \$1,003,610 to \$1,518,017 is proposed for 2024 over 2023 figures primarily due to an increase in management and developer fees projected.

TOTAL EXPENSES: An increase of approximately 153% from \$523,460 to \$1,326,257 is proposed for 2024 over 2023 figures primarily due to an increase in staffing to cover expanded services, non-billable expenses and contract costs.

NET INCOME: Proposed at \$191,760

Reserves:

FYE 2022: \$1,479,282

FYE 2023: (estimated): \$2,393,843

THE MANOR:

TOTAL REVENUE: An increase of approximately 10% from \$281,710 to \$308,510 is proposed for 2024 over 2023 figures primarily due to occupancy projection during RAD rehab conversion for the property.

TOTAL EXPENSES: An increase of approximately 9% from \$286,390 to \$312,714 is proposed for 2024 over 2023 figures primarily due to the RAD conversion impacting occupancy which reduces resident service needs.

NET LOSS: Proposed at (\$4,204).

Reserves:

FYE 2022: \$ 75,049

FYE 2023: (estimated): \$ 16,277

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
Redevelopment
Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
REVENUE				
Grant Income	\$ 272,100	\$ -	\$ 272,100	100%
Interest On Investments	12,130	9,020	3,110	34%
Parking Revenue	28,800	32,480	(3,680)	-11%
Developer Revenue	1,021,417	726,130	295,287	41%
IDC Fee Income	41,950	39,050	2,900	7%
PILOT Fee Revenue	70,000	93,000	(23,000)	-25%
Redev Billable Revenue	-	34,610	(34,610)	-100%
TIF Fee Revenue	13,620	11,320	2,300	20%
MGT Fee Income	58,000	58,000	-	0%
TOTAL REVENUE	1,518,017	1,003,610	514,407	51%
EXPENSES				
Administrative Salaries	647,705	457,180	190,525	42%
Legal Expense	10,597	7,500	3,097	41%
Staff Training	8,750	7,500	1,250	17%
Travel	1,500	1,950	(450)	-23%
Auditing Fees	2,000	2,000	-	0%
Management Fees	18,090	16,000	2,090	13%
Office Expenses	28,693	7,400	21,293	288%
Miscellaneous Admin Expenses	148,898	16,130	132,768	823%
Total Administrative Expenses	866,233	515,660	350,573	68%
Materials	17	180	(163)	-91%
Contract Costs	156,256	4,740	151,516	3197%
Total Maintenance Expenses	156,273	4,920	151,353	3076%
Insurance				
Property Insurance	446	330	116	35%
General Liability Insurance	2,127	1,880	247	13%
Worker's Compensation Insurance	708	320	388	121%
Boiler Insurance	9	10	(1)	-10%
Public Officials Insurance	109	100	9	9%
Cyber Liability Insurance	353	240	113	47%
Total Insurance	3,752	2,880	872	30%
Acquisitions	300,000	-	300,000	100%
TOTAL EXPENSES	1,326,257	523,460	802,797	153%
Transfer Out-Btw Programs & Projects	-	(470,150)	470,150	-100%
Total Transfers	-	(470,150)	470,150	-100%
NET INCOME (LOSS)	\$ 191,760	\$ 10,000	\$ 181,760	1818%

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

The Manor

FY 2024 Budget

July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
REVENUE				
Interest on Investments	\$ 600	\$ 500	\$ 100	20%
Other Income-Miscellaneous	25,000	26,690	(1,690)	-6%
Donations	8,000	8,000	-	0%
Supplemental Fees	309,926	267,820	42,106	16%
Scholarship Loss	(35,016)	(21,300)	(13,716)	64%
TOTAL REVENUE	308,510	281,710	26,800	10%
EXPENSES				
Administrative Salaries	2,215	6,230	(4,015)	-64%
Staff Training	-	70	(70)	-100%
Auditing Fees	500	500	-	0%
Office Expenses	11,980	5,550	6,430	116%
Miscellaneous Admin Expenses	2,200	2,200	-	0%
TOTAL ADMINISTRATIVE EXPENSES	16,895	14,550	2,345	16%
Tenant Services - Payroll	83,839	92,270	(8,431)	-9%
Tenant Services - Contract Costs	211,530	179,090	32,440	18%
TOTAL TENANT SERVICES EXPENSES	295,369	271,360	24,009	9%
Materials	-	370	(370)	-100%
TOTAL MAINTENANCE EXPENSES	-	370	(370)	-100%
Worker's Compensation Insurance	450	110	340	309%
TOTAL INSURANCE	450	110	340	309%
TOTAL EXPENSES	312,714	286,390	26,324	9%
NET INCOME	\$ (4,204)	\$ (4,680)	\$ 476	-10%
Reserves estimated at June 30, 2023	\$ 16,277			



**EXECUTIVE SUMMARY
PROPOSED 2024 BUDGET
OTHER KCDC OPERATING PROGRAMS**

CHANGES FROM FY2023 TO FY2024 (continued)

MULTI-FAMILY HOUSING:

TOTAL REVENUE: An increase of approximately 19% from \$8,729,570 to \$10,412,272 for 2024 over 2023 figures. This increase is primarily due to rehab project completion (Isabella, Love) and Northgate conversion from public housing to multi-family.

TOTAL EXPENSES: An increase of less than 1% from \$6,698,800 to \$6,708,380 is proposed for 2024 over 2023 figures.

NET INCOME/LOSS PRIOR TO DEBT SERVICE/REPLACEMENT RESERVES: \$3,703,892

DEBT SERVICE: \$963,170

REPLACEMENT RESERVES (deposits): \$789,291

CASH FLOW FROM OPERATIONS: \$1,951,431

OPERATING TRANSFERS: Transfers out to Central Office Cost Center \$1,484,539

NET CASH FLOW: \$466,892

Reserves:

FYE 2022: \$391,138

FYE 2023: (estimated): \$557,049

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
MULTI-FAMILY HOUSING
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
REVENUE				
Gross Potential Rent	\$ 423,784	\$ 410,560	\$ 13,224	3%
Dwelling Rental / Operating Income	3,175,573	2,060,080	1,115,493	54%
50059 HAP Subsidy	7,061,040	6,364,020	697,020	11%
Vacancy Loss Rent	(423,784)	(394,700)	(29,084)	7%
Total Rental Income	10,236,613	8,439,960	1,796,653	21%
Other Tenant Income	44,408	38,490	5,918	15%
Rehab Asst. Payments	-	158,450	(158,450)	-100%
Interest on Investments	52,277	10,180	42,097	414%
Other Income	78,974	82,490	(3,516)	-4%
TOTAL REVENUE	10,412,272	8,729,570	1,682,702	19%
EXPENSES				
Administrative Salaries	1,282,044	1,352,810	(70,766)	-5%
Legal Expense	26,065	30,660	(4,595)	-15%
Staff Training	5,147	13,830	(8,683)	-63%
Auditing Fees	23,370	22,350	1,020	5%
Management Fees	579,720	550,920	28,800	5%
Bookkeeping Fees	77,820	73,960	3,860	5%
Office Expenses	183,883	196,400	(12,517)	-6%
Miscellaneous Admin Expenses	39,657	44,700	(5,043)	-11%
TOTAL ADMINISTRATIVE EXPENSES	2,217,706	2,285,630	(67,924)	-3%
Tenant Services - Payroll and Benefits	18,359	61,580	(43,221)	-70%
Tenant Services - Contract Costs	102,737	124,400	(21,663)	-17%
TOTAL TENANT SERVICES EXPENSES	121,096	185,980	(64,884)	-35%
Water	249,135	246,310	2,825	1%
Water - Fire Protection	18,290	25,600	(7,310)	-29%
Water - Vacants	6,890	1,840	5,050	274%
Electricity	767,460	690,260	77,200	11%
Electricity - Private lights	12,320	11,520	800	7%
Electricity - Site Office	4,150	7,220	(3,070)	-43%
Electricity - Community Buildings	13,500	12,460	1,040	8%
Electricity - Vacants	32,214	11,320	20,894	185%
Gas	2,900	2,510	390	16%
Gas - Vacants	4,520	1,610	2,910	181%
Sewer	549,970	520,770	29,200	6%
Sewer - Vacant	15,040	3,700	11,340	306%
TOTAL UTILITY EXPENSES	1,676,389	1,535,120	141,269	9%
General Maint Expense	590,945	615,600	(24,655)	-4%
Materials	262,379	241,480	20,899	9%
Contract Costs	1,354,131	1,424,890	(70,759)	-5%
TOTAL MAINTENANCE EXPENSES	2,207,455	2,281,970	(74,515)	-3%

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
MULTI-FAMILY HOUSING
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
Insurance				
Property Insurance	205,876	150,300	55,576	37%
General Liability Insurance	42,014	37,170	4,844	13%
Fidelity Insurance	1,121	750	371	49%
Worker's Compensation Insurance	8,304	13,890	(5,586)	-40%
Boiler Insurance	4,033	3,190	843	26%
Auto Insurance	1,606	1,280	326	25%
Public Officials Insurance	2,170	2,090	80	4%
Cyber Liability Insurance	6,992	4,750	2,242	47%
TOTAL INSURANCE	272,116	213,420	58,696	28%
Payments In Lieu Of Taxes	118,438	45,750	72,688	159%
Bad Debt-Tenant Rents	57,580	113,030	(55,450)	-49%
Other General Expense	500	1,200	(700)	-58%
TOTAL GENERAL EXPENSES	176,518	159,980	16,538	10%
Total Expenses, excl. Asset Management	6,671,280	6,662,100	9,180	0%
Asset Management Fees	37,100	36,700	400	1%
Other:				
Replacement Reserve	324,410	660,060	(335,650)	-51%
Financing Expenses (Debt Service)	437,129	342,340	94,789	28%
Casualty Losses	70,000	-	70,000	100%
TOTAL EXPENSES	7,539,919	7,701,200	(161,281)	-2%
Cash Flow from Operations	2,872,353	1,028,370	1,843,983	179%
Transfer In-Btw Programs & Projects	-	339,150	(339,150)	-100%
Transfer Out-Btw Programs & Projects	(1,484,539)	(1,461,500)	(23,039)	2%
Total Transfers	(1,484,539)	(1,122,350)	(362,189)	32%
NET PER BUDGET STATEMENT	\$ 1,387,814	\$ (93,980)	\$ 1,481,794	-1577%
Reserves estimated at June 30, 2023	\$ 557,049			

BELL STREET CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

BELL STREET CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Bell Street Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The meeting was called to order and a quorum declared present at 5:33 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

Approval to execute the minutes of the meeting held on September 30, 2021. **Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."**

Approval to elect officers. **Director Henry made a motion to elect the following slate of officers. Director Broyles seconded the motion. All Directors present voted "Aye."**

President:	Benjamin Bentley
Vice President:	Brad Peters
Assistant VP Development:	Jim Hatfield
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:34 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

BELL STREET 2 CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

BELL STREET 2 CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Bell Street Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The meeting was called to order and a quorum declared present at 5:34 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

Approval to execute the minutes of the meeting held on July 29, 2021. Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye."

Approval to elect officers. Director Broyles made a motion to elect the following slate of officers. Director Henry seconded the motion. All Directors present voted "Aye."

President:	Benjamin Bentley
Vice President:	Brad Peters
Assistant VP Development:	Jim Hatfield
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:35 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

BELL STREET 3 CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on June 30, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

BELL STREET 3 CORPORATION

SPECIAL MEETING MINUTES

The Board of Directors of the Bell Street 3 Corporation met on **June 30, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The meeting was called to order and a quorum declared present at 5:28 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

Approval to execute the minutes for the meeting held on May 26, 2022. **Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye."**

REDEVELOPMENT/LEGAL SERVICES (Brad Peters)

Resolution regarding the authorization to execute a change order to the construction contract C21004 for Austin Homes Phase 1B with Hardaway Construction in an amount not to exceed \$350,000. **Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye." Resolution No. 2022-01 is attached.**

With no further business to come before the Board, the meeting adjourned by consent at 5:30 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

CAGLE TERRACE CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on June 30, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

FINANCE (Nancy White)

4. Resolution approving operating budget for fiscal year 2024 (July 1, 2023 – June 30, 2024). **(Attached)**
5. Adjourn.

CAGLE TERRACE CORPORATION

SPECIAL MEETING MINUTES

The Cagle Terrace Corporation Board of Directors met on **June 30, 2022** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and declared a quorum present at 5:44 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes for the meeting held on May 26, 2022. **Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."**

Resolution approving the Operating Budget Revision No. 1 for fiscal year 2022 (July 1, 2021 – June 30, 2022). **Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye." Resolution No. 02 is attached.**

With no further business to come before the Board, the meeting adjourned by consent at 5:46 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

CAGLE TERRACE CORPORATION

BOARD ACTION FORM - ITEM # 4

MEETING DATE	May 25, 2023
AGENDA ITEM DESCRIPTION	Resolution approving the Operating Budget for Cagle Terrace Corporation for the fiscal year 2024 (July 1, 2023-June 30, 2024).
SUBMITTED BY	Name, Title / Department: Nancy White, Chief Financial Officer, Executive Management
MEETING TYPE	<input type="checkbox"/> Regular <input type="checkbox"/> Special <input checked="" type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ see program detail Expenditure: \$ n/a Source of Funds: Program Operating and Reserve Funds (as applicable)
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<h3 style="margin: 0;"><u>BACKGROUND</u></h3> <p>1. What is the objective of this action? To seek approval of the Operating Budget for FYE 2024 for policy compliance.</p> <p>2. Why is the action needed now? We are required to bring an operating budget to the Board for approval within each fiscal year for the subsequent fiscal year period.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? Program and financial management staff work together to closely monitor budget-expenditure variance reports on a monthly basis. Procedures are in place to ensure expenditures do not exceed approved budgets and/or revisions and that funds are expended in accordance with applicable program requirements.</p> <p>4. What are the long-term and short-term exposures? No exposure due to monitoring procedures and adequate reserves. None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	Our Fiscal and Accounting Policy requires an operating budget to be prepared and approved by the Board within each fiscal year for the subsequent fiscal year for prudent financial management of our programs.
ATTACHMENTS	Resolution, Executive Summary and Budget

RESOLUTION NO. 2023-___

**RESOLUTION APPROVING OPERATING BUDGET FOR
CAGLE TERRACE CORPORATION
FOR THE FISCAL YEAR JULY 1, 2023 THROUGH JUNE 30, 2024**

WHEREAS the Operating Budget for Cagle Terrace Corporation is not subject to annual approval by the Department of Housing and Urban Development; and

WHEREAS the annual budget for the above referenced project, programs, and departments are directly dependent upon existing contractual relationships or upon contractual relationships that may yet be negotiated during any given fiscal year; and

WHEREAS the above referenced budget has been prepared based upon anticipated revenues from existing contractual relationships between Cagle Terrace Corporation and other second parties; and

WHEREAS in the opinion of the Board of Commissioners, the financial plan for this program is consistent with KCDC's overall operating strategy and is fiscally responsible.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CAGLE TERRACE CORPORATION:

THAT the Operating Budget for Cagle Terrace Corporation is hereby approved and adopted for the fiscal year July 1, 2023 through June 30, 2024.

Approved this ___ day of May, 2023.

CAGLE TERRACE CORPORATION

By: _____
Secretary



**EXECUTIVE SUMMARY
PROPOSED 2024 BUDGET
SUBSIDIARY CORPORATIONS (Cagle Terrace Corporation)**

CHANGES FROM FY2023 TO FY2024

CAGLE TERRACE CORPORATION:

TOTAL REVENUE: An increase of approximately 8% from \$2,594,040 to \$2,813,668 is proposed for 2024 over 2023 figures primarily due to rehab project completion.

TOTAL EXPENSES: An increase of approximately 6% from \$1,279,440 to \$1,358,349 is proposed for 2024 over 2023 primarily due to insurance and utilities.

NET INCOME/LOSS PRIOR TO DEBT SERVICE/REPLACEMENT RESERVES: \$1,455,286

DEBT SERVICE: \$506,342 for the FHA 223 (F) Loan

REPLACEMENT RESERVES (deposits): \$226,483

CASH FLOW FROM OPERATIONS: \$722,454

OPERATING TRANSFERS: \$546,510

.

Reserves:

FYE 2022: (\$73,903)

FYE 2023: (estimated): \$274,590

CAGLE TERRACE CORPORATION
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
REVENUE				
Gross Potential Rent	\$ 85,984	\$ 235,090	\$ (149,106)	-63%
Dwelling Rental / Operating Income	533,083	568,550	(35,467)	-6%
50059 HAP Subsidy	2,247,060	1,818,000	429,060	24%
Vacancy Loss Rent	(85,987)	(235,090)	149,103	-63%
Total Rental Income	2,780,140	2,386,550	393,590	16%
Other Tenant Income	7,200	7,440	(240)	-3%
Grant Income	-	178,070	(178,070)	-100%
Interest on Investments	12,600	6,100	6,500	107%
Non-Dwelling Bldg Rent	633	-	633	100%
Miscellaneous Income	5,561	7,880	(2,319)	-29%
Misc Fee Income	7,534	8,000	(466)	-6%
TOTAL REVENUE	2,813,668	2,594,040	219,628	8%
EXPENSES				
Administrative Salaries	290,419	298,390	(7,971)	-3%
Legal Expense	5,500	5,500	-	0%
Staff Training	74	3,000	(2,926)	-98%
Auditing Fees	8,500	8,500	-	0%
Management Fees	131,730	113,820	17,910	16%
Bookkeeping Fees	17,670	15,270	2,400	16%
Office Expenses	34,695	50,160	(15,465)	-31%
Miscellaneous Admin Expenses	5,666	8,020	(2,354)	-29%
TOTAL ADMINISTRATIVE EXPENSES	494,253	502,660	(8,407)	-2%
Tenant Services - Payroll	-	12,870	(12,870)	-100%
Tenant Services - Contract Costs	24,057	31,650	(7,593)	-24%
TOTAL TENANT SERVICES EXPENSES	24,057	44,520	(20,463)	-46%
Water	45,480	31,980	13,500	42%
Water - Fire Protection	5,200	4,620	580	13%
Electricity	216,860	187,000	29,860	16%
Electricity - Private lights	240	180	60	33%
Sewer	101,650	66,880	34,770	52%
TOTAL UTILITY EXPENSES	369,430	290,660	78,770	27%
General Maint Expense	88,555	94,600	(6,045)	-6%
Materials	28,300	34,050	(5,750)	-17%
Contract Costs	240,830	227,700	13,130	6%
TOTAL MAINTENANCE EXPENSES	357,685	356,350	1,335	0%
Property Insurance	42,294	31,060	11,234	36%
General Liability Insurance	7,038	9,080	(2,042)	-22%
Fidelity Insurance	252	170	82	48%
Worker's Compensation Insurance	1,355	3,180	(1,825)	-57%
Boiler Insurance	620	620	-	0%

CAGLE TERRACE CORPORATION
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
Cyber Liability Insurance	3,630	3,630	-	0%
Mortgage Insurance	28,515	-	28,515	
TOTAL INSURANCE EXPENSE	83,704	47,740	35,964	75%
Payments In Lieu Of Taxes	13,700	14,710	(1,010)	-7%
Bad Debt-Tenant Rents	5,520	12,300	(6,780)	-55%
Other General Expense	-	500	(500)	-100%
TOTAL GENERAL EXPENSE	19,220	27,510	(8,290)	-30%
Total Expenses, excl. Asset Management	1,348,349	1,269,440	78,909	6%
Asset Management Fees	10,000	10,000	-	0%
Other:				
Replacement Reserve	100,000	224,990	(124,990)	-56%
Financing Expense (Debt Service)	271,195	506,350	(235,155)	-46%
TOTAL EXPENSES	1,729,544	2,010,780	(281,236)	-14%
Cash Flow from Operations	1,084,124	583,260	500,864	86%
Transfer Out-Btw Programs & Projects	546,510	-	546,510	100%
Total Transfers	546,510	-	546,510	100%
NET PER BUDGET STATEMENT	\$ 537,614	\$ 583,260	\$ (45,646)	-8%
Reserves estimated at June 30, 2023	\$ 274,590			

CHOTO GP CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on February 23, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

CHOTO GP CORPORATION

INITIAL MEETING MINUTES

The Board of Directors of Choto GP Corporation met in the *Initial Session* on **February 23, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared at 5:32 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

REDEVELOPMENT/LEGAL SERVICES (Brad Peters)

Resolution regarding the formation and organizational matters. Director Broyles made the motion to approve. Director Henry seconded the motion and all Directors present voted "Aye." Resolution No. 2023-01 is attached.

With no further business to come before the Board, the meeting adjourned at 5:47 p.m.

Benjamin M Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

FIVE POINTS 1 CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

FIVE POINTS 1 CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Five Points 1 Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The Chair called the meeting to order and declared a quorum present at 5:38 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes of the meeting held on May 27, 2021. Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."

Approval to elect officers. Director Henry made a motion to elect the following slate of officers. Director Broyles seconded the motion. All Directors present voted "Aye."

President:	Benjamin Bentley
Vice President:	Brad Peters
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:39 p.m.

Benjamin M. Bentley, President

Approved: May 25, 2023

ATTEST:

Nancy White, Secretary

Approved: May 25, 2023

FIVE POINTS 2 CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

FIVE POINTS 2 CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Five Points 2 Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The Chair called the meeting to order and declared a quorum present at 5:39 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes of the meeting held on May 27, 2021. **Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye."**

Approval to elect officers. **Director Broyles made a motion to elect the following slate of officers. Director Henry seconded the motion. All Directors present voted "Aye."**

President:	Benjamin Bentley
Vice President:	Brad Peters
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:40 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

FIVE POINTS 3 CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

FIVE POINTS 3 CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Five Points 3 Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The Chair called the meeting to order and declared a quorum present at 5:41 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes of the meeting held on May 27, 2021. Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."

Approval to elect officers. Director Henry made a motion to elect the following slate of officers. Director Broyles seconded the motion. All Directors present voted "Aye."

President:	Benjamin Bentley
Vice President:	Brad Peters
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:42 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

FIVE POINTS 4 CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

FIVE POINTS 4 CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Five Points 4 Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The Chair called the meeting to order and declared a quorum present at 5:42 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes of the meeting held on May 27, 2021. **Director Broyles made a motion to approve with correction of date of minutes to 2021 not 2022. Director Henry seconded the motion. All Directors present voted "Aye."**

Approval to elect officers. **Director Broyles made a motion to elect the following slate of officers. Director Henry seconded the motion. All Directors present voted "Aye."**

President:	Benjamin Bentley
Vice President:	Brad Peters
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:39 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

GREATER TENNESSEE HOUSING ASSISTANCE CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

GREATER TENNESSEE HOUSING ASSISTANCE CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Greater Tennessee Housing Assistance Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The Chair called the meeting to order and declared a quorum present at 5:44 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes of the meeting held on May 27, 2021. **Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."**

Approval to elect officers. **Director Henry made a motion to elect the following slate of officers. Director Broyles seconded the motion. All Directors present voted "Aye."**

President:	Benjamin Bentley
Vice President:	Brad Peters
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:45 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

GROSVENOR SQUARE GP CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on December 6, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

GROSVENOR SQUARE GP CORPORATION

SPECIAL MEETING MINUTES

The Board of Directors of the Grosvenor Square GP Corporation met on **December 6, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The meeting was called to order and a quorum declared at 5:37 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Approval to execute the minutes for the *initial* meeting held on July 28, 2022. Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye."

Resolution regarding the execution of documents relating to development and financing. Director Broyles made a motion to approve. Director Whetsel seconded the motion and Director Henry was recused. All Directors present voted "Aye." Resolution 2022-02 attached.

With no further business to come before the Board, the meeting adjourned by consent at 5:34 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

HOLLYWOOD GP CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

HOLLYWOOD GP CORPORATION

ANNUAL MEETING MINUTES

The Hollywood GP Corporation Board of Directors met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and declared a quorum present at 5:45 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

Approval to execute the minutes for the meeting held on May 27, 2021. **Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye."**

Approval to elect officers. **Director Broyles made a motion to elect the following slate of officers. Director Henry seconded the motion. All Directors present voted "Aye."**

President:	Benjamin Bentley
Vice President:	Brad Peters
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:46 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

HOLSTON GP CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *initial* meeting held on July 28, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

HOLSTON GP CORPORATION

SPECIAL MEETING MINUTES

The Board of Directors of the Holston GP Corporation met on **December 6, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The meeting was called to order and a quorum declared at 5:39 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Resolution regarding the execution of documents relating to development and financing. **Director Broyles made a motion to approve. Director Whetsel seconded the motion and Director Henry was recused. All Directors present voted "Aye." Resolution 2022-02 attached.**

With no further business to come before the Board, the meeting adjourned by consent at 5:41 p.m.

Benjamin M. Bentley, President

Approved: May 25, 2023

ATTEST:

Nancy White, Secretary

Approved: May 25, 2023

LIBERTY PLACE KNOXVILLE CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on September 29, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

LIBERTY PLACE KNOXVILLE CORPORATION

SPECIAL MEETING MINUTES

The Board of Directors of the Liberty Place Knoxville Corporation met on **September 29, 2022** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared at 5:17 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

Approval to execute the minutes for the initial meeting held on June 30, 2022. **Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye."**

REDEVELOPMENT/LEGAL SERVICES (Brad Peters)

Resolution regarding the authorization to execute architect's agreement with BarberMcMurry. **Director Broyles made the motion to approve. Director Henry seconded the motion and all Directors present voted "Aye."** Resolution No. 2022-02 is attached.

With no further business to come before the Board, the meeting adjourned at 5:47 p.m.

Benjamin M Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

MONTGOMERY VILLAGE CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on June 30, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

FINANCE (Nancy White)

4. Resolution approving operating budget for fiscal year 2024 (July 1, 2023 – June 30, 2024). **(Attached)**
5. Adjourn.

MONTGOMERY VILLAGE CORPORATION

SPECIAL MEETING MINUTES

The Board of Directors of Montgomery Village Corporation met on **June 30, 2022**, at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared present at 5:44 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

Approval to execute the minutes for the meeting held on May 26, 2022. **Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."**

FINANCE AND ADMINISTRATION

Resolution approving the Operating Budget Revision No. 1 for fiscal year 2022 (July 1, 2021 – June 30, 2022). **Director Broyles made the motion to approve. Director Henry seconded the motion and all Directors present voted "Aye." Resolution No. 2022-02 is attached.**

With no further business to come before the Board, the meeting adjourned by consent at 5:46 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Approved:

MONTGOMERY VILLAGE CORPORATION

BOARD ACTION FORM - ITEM # 4

MEETING DATE	May 25, 2023
AGENDA ITEM DESCRIPTION	Resolution approving the Operating Budget for Montgomery Village Corporation for the fiscal year 2024 (July 1, 2023-June 30, 2024).
SUBMITTED BY	Name, Title / Department: Nancy White, Chief Financial Officer, Executive Management
MEETING TYPE	<input type="checkbox"/> Regular <input type="checkbox"/> Special <input checked="" type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ see program detail Expenditure: \$ n/a Source of Funds: Program Operating and Reserve Funds (as applicable)
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? To seek approval of the Operating Budget for FYE 2024 for policy compliance.</p>	
<p>2. Why is the action needed now? We are required to bring an operating budget to the Board for approval within each fiscal year for the subsequent fiscal year period.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? Program and financial management staff work together to closely monitor budget-expenditure variance reports on a monthly basis. Procedures are in place to ensure expenditures do not exceed approved budgets and/or revisions and that funds are expended in accordance with applicable program requirements.</p>	
<p>4. What are the long-term and short-term exposures? No exposure due to monitoring procedures and adequate reserves.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	Our Fiscal and Accounting Policy requires an operating budget to be prepared and approved by the Board within each fiscal year for the subsequent fiscal year for prudent financial management of our programs.
ATTACHMENTS	Resolution, Executive Summary and Budget

RESOLUTION NO. 2023-___

**RESOLUTION APPROVING OPERATING BUDGET FOR
MONTGOMERY VILLAGE CORPORATION
FOR THE FISCAL YEAR JULY 1, 2023 THROUGH JUNE 30, 2024**

WHEREAS the Operating Budget for Montgomery Village Corporation is not subject to annual approval by the Department of Housing and Urban Development; and

WHEREAS the annual budget for the above referenced project, programs, and departments are directly dependent upon existing contractual relationships or upon contractual relationships that may yet be negotiated during any given fiscal year; and

WHEREAS the above referenced budget has been prepared based upon anticipated revenues from existing contractual relationships between Montgomery Village Corporation and other second parties; and

WHEREAS in the opinion of the Board of Commissioners, the financial plan for this program is consistent with KCDC's overall operating strategy and is fiscally responsible.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MONTGOMERY VILLAGE CORPORATION:

THAT the Operating Budget for Montgomery Village Corporation is hereby approved and adopted for the fiscal year July 1, 2023 through June 30, 2024.

Approved this ___ day of May, 2023.

MONTGOMERY VILLAGE CORPORATION

By: _____
Secretary



**EXECUTIVE SUMMARY
PROPOSED 2024 BUDGET
SUBSIDIARY CORPORATIONS (Montgomery Village Corporation)**

CHANGES FROM FY2023 TO FY2024

MONTGOMERY VILLAGE CORPORATION:

TOTAL REVENUE: A decrease of less than 1% from \$3,493,460 to \$3,482,538 is proposed for 2024 over 2023 figures primarily due to occupancy projections.

TOTAL EXPENSES: An increase of approximately 5% from \$2,006,160 to \$2,098,030 is proposed for 2024 over 2023 primarily due to computer support, utilities, maintenance and property insurance expenses.

NET INCOME/LOSS PRIOR TO DEBT SERVICE/REPLACEMENT RESERVES: \$1,384,508

DEBT SERVICE: \$599,870 for the FHA 223 (F) Loan

REPLACEMENT RESERVES (deposits): \$208,669

CASH FLOW FROM OPERATIONS: \$575,969

OPERATING TRANSFERS: \$385,988

Reserves:

FYE 2022: \$890,746

FYE 2023: (estimated): \$1,008,532

MONTGOMERY VILLAGE CORPORATION
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
REVENUE				
Gross Potential Rent	\$ 184,731	\$ 116,800	\$ 67,931	58%
Dwelling Rental / Operating Income	577,195	384,850	192,345	50%
50059 HAP Subsidy	2,932,698	3,077,160	(144,462)	-5%
Utility Reimbursement -59 & TC	(65,216)	-	(65,216)	-100%
Utility Reimbursement Recovery -59 & TC	1,628	-	1,628	100%
Vacancy Loss Rent	(184,731)	(116,800)	(67,931)	58%
Total Rental Income	3,446,305	3,462,010	(15,705)	0%
Other Tenant Income	15,253	12,120	3,133	26%
Interest on Investments	7,511	2,200	5,311	241%
UIV Fraud Collected	3,600	6,000	(2,400)	-40%
Miscellaneous Income	9,867	11,130	(1,263)	-11%
TOTAL REVENUE	3,482,538	3,493,460	(10,922)	0%
EXPENSES				
Administrative Salaries	317,493	318,160	(667)	0%
Legal Expense	14,000	14,000	-	0%
Staff Training	1,032	3,600	(2,568)	-71%
Auditing Fees	8,500	8,500	-	0%
Management Fees	177,610	176,960	650	0%
Bookkeeping Fees	23,830	23,740	90	0%
Office Expenses	32,389	36,290	(3,901)	-11%
Miscellaneous Admin Expenses	15,815	14,400	1,415	10%
TOTAL ADMINISTRATIVE EXPENSES	590,668	595,650	(4,982)	-1%
Tenant Services - Contract Costs	47,237	44,860	2,377	5%
TOTAL TENANT SERVICES EXPENSES	47,237	44,860	2,377	5%
Water	177,390	149,100	28,290	19%
Water - Fire Protection	-	5,370	(5,370)	-100%
Electricity	6,880	4,140	2,740	66%
Electricity - Private lights	10,920	10,140	780	8%
Electricity - Site Office	11,910	16,590	(4,680)	-28%
Electricity - Community Buildings	5,590	5,050	540	11%
Electricity - Vacants	24,460	61,890	(37,430)	-60%
Sewer	392,180	323,510	68,670	21%
TOTAL UTILITY EXPENSES	629,330	575,790	53,540	9%
General Maint Expense	240,135	227,540	12,595	6%
Materials	46,700	64,160	(17,460)	-27%
Contract Costs	393,841	372,610	21,231	6%
TOTAL MAINTENANCE EXPENSES	680,676	664,310	16,366	2%
Property Insurance	68,192	51,470	16,722	32%
General Liability Insurance	8,065	12,880	(4,815)	-37%
Fidelity Insurance	350	240	110	46%
Worker's Compensation Insurance	1,250	3,600	(2,350)	-65%
Boiler Insurance	6	1,180	(1,174)	-99%
Auto Insurance	1,188	1,180	8	1%
Public Officials Insurance	13	10	3	30%
Cyber Liability Insurance	45	5,090	(5,045)	-99%
Mortgage Insurance	23,250	-	23,250	
Total Insurance	102,359	75,650	26,709	35%
Payments In Lieu Of Taxes	1,610	-	1,610	100%
Bad Debt-Tenant Rents	36,150	39,900	(3,750)	-9%
TOTAL GENERAL EXPENSES	37,760	39,900	(2,140)	-5%
Total Expenses, excl. Asset Management	2,088,030	1,996,160	91,870	5%

MONTGOMERY VILLAGE CORPORATION
FY 2024 Budget
July 1, 2023 - June 30, 2024

	FY 2024	FY 2023	\$ Var	% Var
Asset Management Fees	10,000	10,000	-	0%
Other:				
Replacement Reserve	100,000	199,200	(99,200)	-50%
Financing Expense (Debt Service)	424,452	599,870	(175,418)	-29%
TOTAL EXPENSES	2,622,482	2,805,230	(182,748)	-7%
Cash Flow from Operations	860,056	688,230	171,826	25%
Transfer In-Btw Programs & Projects	-	-	-	
Transfer Out-Btw Programs & Projects	385,988	-	385,988	100%
Total Transfers	385,988	-	385,988	100%
NET PER BUDGET STATEMENT	\$ 474,068	\$ 688,230	\$ (214,162)	-31%
Reserves estimated at June 30, 2023	\$ 1,008,532			

MOSS GROVE GP CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on July 28, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White
4. Adjourn.

Moss Grove GP Corporation

SPECIAL MEETING MINUTES

The Moss Grove GP Corporation board of Directors met on July 28, 2022 at 901 N. Broadway, Knoxville, Tennessee.

The Chair called the meeting to order and declared a quorum present at 5:34 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

Approval to execute the minutes of the special meeting held on May 26, 2022. **Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye."**

Resolution approving certain transactions related to permanent financing. **Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye." Resolution No. 2022-01 is attached.**

With no further business to come before the Board, the meeting adjourned by consent at 5:36 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Tracee B. Pross, Secretary

Approved:

PASSPORT DEVELOPMENT CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

Passport Development Corporation

ANNUAL MEETING MINUTES

The Board of Directors of the Passport Development Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The Chair called the meeting to order and declared a quorum present at 5:50 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes for the meeting held on May 27, 2021. **Director Broyles made a motion to approve with a date correction. Director Henry seconded the motion. All Directors present voted "Aye."**

Approval to elect officers. **Director Broyles made a motion to elect the following slate of officers. Director Henry seconded the motion. All Directors present voted "Aye."**

Chair:	Benjamin Bentley
President:	Benjamin Bentley
Vice President:	Brad Peters
Secretary:	Tracee Pross
Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:52 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

PASSPORT HOUSING CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 26, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

Passport Housing Corporation

ANNUAL MEETING MINUTES

The Board of Directors of the Passport Housing Corporation met on **May 26, 2022** at 901 N. Broadway, Knoxville, Tennessee 37917.

The Chair called the meeting to order and declared a quorum present at 5:52 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes for the meeting held on May 27, 2021. Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."

Approval to elect officers. Director Henry made a motion to elect the following slate of officers. Director Broyles seconded the motion. All Directors present voted "Aye."

President:	Benjamin Bentley
Vice President:	Brad Peters
Secretary/Treasurer:	Tracee Pross

With no further business to come before the Board, the meeting adjourned by consent at 5:53 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

SUTHERLAND 1 GP CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *initial* meeting held on March 30, 2023. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

SUTHERLAND 1 GP CORPORATION

INITIAL MEETING MINUTES

The Board of Directors of Sutherland 1 GP Corporation met in the *Initial Session* on **March 30, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared at 5:33 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

REDEVELOPMENT (Jim Hatfield)

Resolution regarding the formation and organizational matters. Director Henry made the motion to approve. Director Broyles seconded the motion and all Directors present voted "Aye." Resolution No. 2023-01 is attached.

With no further business to come before the Board, the meeting adjourned at 5:33 p.m.

Benjamin M Bentley, President

Approved: May 25, 2023

ATTEST:

Nancy White, Secretary

Approved: May 25, 2023

SUTHERLAND 2 GP CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *initial* meeting held on March 30, 2023. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

SUTHERLAND 2 GP CORPORATION

INITIAL MEETING MINUTES

The Board of Directors of Sutherland 2 GP Corporation met in the *Initial Session* on **March 30, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared at 5:36 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

REDEVELOPMENT (Jim Hatfield)

Resolution regarding the formation and organizational matters. **Director Broyles made the motion to approve. Director Martin seconded the motion and all Directors present voted "Aye." Resolution No. 2023-01 is attached.**

With no further business to come before the Board, the meeting adjourned at 5:37 p.m.

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Benjamin M Bentley, President

Approved: May 25, 2023

ATTEST:

Nancy White, Secretary

Approved: May 25, 2023

WESTERN HEIGHTS CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on August 25, 2022. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary–Treasurer: Nancy White

4. Adjourn.

WESTERN HEIGHTS CORPORATION

SPECIAL MEETING MINUTES

The Board of Directors of the Western Heights Corporation met on **August 25, 2022** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared present at 5:23 p.m. Those Directors present and absent were:

Present: Director Robert Whetsel
Director Kim Henry
Director Scott Broyles

Absent:

Approval to execute the minutes for the meeting held on July 28, 2022. **Commissioner Broyles moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."**

REDEVELOPMENT/LEGAL SERVICES (Brad Peters)

Resolution regarding the development of and the utilization of low-income housing tax credits and execution of documents. **Director Broyles made the motion to approve. Director Henry seconded the motion and all Directors present voted "Aye." Resolution No. 2022-01 is attached.**

With no further business to come before the Board, the meeting adjourned by consent at 5:24 p.m.

Benjamin M Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

WESTERN HEIGHTS 1 GP CORPORATION

Date: May 18, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **ANNUAL AGENDA**
Board Meeting of the Board of Directors
Thursday, May 25, 2023, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to order.
2. Approval is requested to execute the minutes for the *special* meeting held on April 27, 2023. **(Attached)**
3. The Corporation's By-Laws provide for an annual meeting to elect officers:

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

4. Adjourn.

WESTERN HEIGHTS 1 GP CORPORATION

SPECIAL MEETING MINUTES

The Board of Directors of the Western Heights 1 GP Corporation met on **April 27, 2023** at 901 N. Broadway, Knoxville, Tennessee 37917.

The meeting was called to order and a quorum declared at 5:30 p.m. Those Directors present and absent were:

Present:	Director Robert Whetsel	Absent:
	Director Kim Henry	
	Director Scott Broyles	

Approval to execute the minutes of the *initial* meeting held on February 23, 2023. **Director Henry made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."**

Approval to enter into a contract with Smith Gee Studio, LLC or its affiliates for architectural and design related services in connection with the first phase of development at western Heights in an amount NTE \$1.3M. **Director Broyles made a motion to approve. Director Henry seconded the motion. All Directors present voted "Aye."**

With no further business to come before the Board, the meeting adjourned at 5:34 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved: