

Subj: **Knox County Hospitality fund**  
Date: 7/30/2007 5:00:35 PM Eastern Daylight Time  
From: [Lewisknox](mailto:Lewisknox)  
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Mayor Ragsdale & Mr. Van de Vate,

I have reviewed certain public Knox County records provided to me this past Tuesday and Wednesday and a recent article in the Knoxville News-Sentinel. Attached are some questions regarding the records, policies, charges and P-card charges of the Knox County Hospitality Fund. Mr. Van de Vate asked that any questions be directed to him in writing or via email. I am asking that the response to these questions be from Mayor Ragsdale as he is the chief fiscal agent of Knox County and the questions relate to expenditures of the county. I looked forward to your timely response.

Lewis F. Cosby

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Knox County Hospitality Fund  
Questions  
July 30, 2007

1. Can a copy of the opinion of the Deputy Law Director of Knox County regarding the propriety of Knox County Hospitality fund be made available for review? The opinion that I am referring to is the one given to WBIR-TV and referred to on Friday, July 27, 2007 6:00 pm news story regarding the Knox County Hospitality fund.
2. Please identify all persons who are either employed or affiliated with Knox County who solicited individuals and businesses for contributions to the Knox County Hospitality fund? For persons or businesses that ultimately contributed to the fund, did any of these persons or businesses have any financial dealings with Knox County other than paying taxes? If so please identify any and all contracts and estimates of amounts for the period June 8, 2004 through July 30, 2007. Can you provide all correspondence regarding the solicitation, explanation of use of proceeds and whether there were any understandings or restrictions placed on those contributions? Who in the Mayor's office approved disbursements from the fund?
3. If funds were solicited for a specific event or purpose and the contributions exceeded the amount spent, were there discussions or correspondence with the donors as to returning of excess funds or their wishes as to the ultimate disposition of those fund? Please provide copy of correspondence or a synopsis of what the Mayor's office disposition of excess funds for the following events or projects funded by the Knox County Hospitality fund:  
  
June, 2004 State of Community Address  
November, 2004 Homeland Security Brochures  
May, 2005 Meeting with School Board, Mayor and Commissioners funded by Kelsan  
June – August, 2006 Offsite Retreat for Mayor's staff  
August- September, 2006 Swearing in Officials  
Dec, 2006 Offsite Retreat for Mayor's staff
4. During the Mayor's term of office has the Mayor given a State of the Community Address in any other year other than 2004? If so, was a breakfast provided and were funds solicited to cover that expense? If the Knox County General Fund was charged please provide a copy of those invoices for review.

5. On or about November 4, 2004, CH2M Hill, Inc contributed \$ 5,000.00 to the Knox County Hospitality fund for printing a Homeland Security Brochure. Was the brochure printed? Can a copy of the brochure be provided for review? Please provide copies for review of all invoices and payable warrants for any and all costs related to the printing and distribution of the brochures.
  
6. On or about December 18, 2006, UT Battelle contributed \$ 1,000.00 to the Knox County Hospitality fund for an offsite retreat for the Mayor's staff. Was an offsite retreat for the Mayor's staff held at any time during the period six months before or after December 18, 2006? If so, please provide copies for review of any and all invoices and payable warrants related to the costs associated with the retreat.
  
7. For any expenditure charged to Knox County Hospitality fund for meals, alcohol or entertainment, please identify the economic development purpose for Knox County of the expenditure. For example, if the May 2, 2007 John Werner, The Palm Nashville charge of \$ 322.61, that was reclassified to the Knox County Hospitality fund, had some economic community development purpose, please provide the person or persons name, title and company entertained and the economic community development nature of the discussion.
  
8. There was a similar charge on the Mayor Ragsdale P-card to The Palm Nashville in the amount of \$ 322.61 dated May 2, 2007, what account was charged on the Knox County General Fund?
  
9. For the accounting related to the Knox County Hospitality fund, were the accounts maintained on Balance Sheet of the Knox County General Fund?
  
10. When funds were received from a contributor to the Knox County Hospitality fund were the accounting entries as follows?  
Example  
Contribution from Merit General Contractors of \$ 1,500.00  
  

Debit Cash-General Fund	\$ 1,500.00	
Credit Deferred Revenue Knox Co H fund-General Fund		\$ 1,500.00

When a disbursement was made to someone from the Knox County Hospitality fund were the accounting entries as follows?

Example

Check or payable warrant to Moxley Carmichael in the amount \$ 15,000.00

Debit Deferred Revenue Knox County H fund \$ 15,000.00

Credit Cash-General Fund \$ 15,000.00

If the accounting entries for the above are not correct please provide examples correcting the above.

11. Was a separate bank account established for the Knox County Hospitality fund? If not, were deposits and disbursement of the Knox County Hospitality fund commingled with the cash operating accounts of the Knox County General Fund?