



## Finance & Audit Advisory Committee

July 21, 2022 – 9:00 -10:30 am

Hybrid meeting

In-person (291 Geary St, #200) and Virtual Communication System Zoom

### MINUTES

#### In attendance

Committee Members: Mark Purdy, Stephen Brett, Wes Tyler, Julie Taylor, Jim Sangiacomo, and Tad Moore.

Staff and contract service providers: Marisa Rodriguez (Executive Director), Ben Horne (Deputy Director), Zarrina Yousufzai (Senior Administrative Coordinator), Melanie Medina (Intern).

#### 1. Call to Order and Introductions

Ben Horne called the meeting to order at 9:07am.

#### 2. Public Comment

Ben called for public comments. Seeing none, he moved to the next item on the agenda.

#### 3. Action to approve the May 19, 2022, meeting minutes of the Committees.

**Action:** The committee unanimously approved the May 19, 2022, minutes as motioned by Julie Taylor and seconded by Tad Moore.

#### 4. Since we last met & updates

##### - Staffing and Hiring Update

Ben announced Josh Chan's departure from the organization after 6 years to go to grad school. It was asked and suggested for the Board get him a gift (via the Alliance team). Members supported that idea. Eva Schouten has been promoted from Marketing Coordinator to Public Real Associate. Lindsay from Miracle Messages will not be hired by Block by Block to do homeless outreach.

##### - Strategic Planning update

The consultants provided the Alliance with a rough draft of the outline for the strategic plan. It has been reviewed and sent back to the consultants with revisions.

##### - SF Live Grant & OEWD Request

The Alliance was rewarded the SF Live Grant that will be received by the Foundation. However, the amount has not been determined and a contract has not been received. The grant will go towards music events in Union Square Park; details are still being discussed.



The city has passed a \$6million Downtown Recovery budget. The Alliance is putting together a deck to present to OEWD regarding how the \$6 million can be spent. Discussion took place regarding the difference of the SF Live grant and the \$6 million.

- Banking and LOC

The line of credit has been approved and the Alliance is now investing in T-Bills and CDs and as approved in the May meeting.

- Audit

The audit will begin in August.

**5. Assessment payment and receivables review**

The Alliance has received \$107K in late June for an assessment payment that brought the total receivables down to \$23K for the 21-22FY. The total assessment is \$28K that includes \$5K from 20-21 FY. One more payment is expected to come in July or August. Overall, the assessment receivables are at low number compared to historical results. Members reviewed the receivable list.

**6. Action to Accept the Unaudited Financial Reports of June 2022, for recommendation to the Board of Directors.**

Ben summarized the June 2022 unaudited financial reports. The Alliance has a surplus of \$6K (outperforming budget by \$460K overall) for the fiscal year as the organization received and recognized the second assessment payment (\$2.8mil) in late April and a delinquent payment in June (of \$107K). This left the remaining balance of \$28K of assessment receivables. The assessment and core operations are outperforming budget by \$427K due to large part of expense being under budget in clean and safe and marketing. The clean and safe operations had a positive spending variance of \$360K and marketing/public realm had a positive variance of \$237K. Less funds were spent for Hallidie Plaza and Union Square Park by \$260K. The USBID assessment operation expense was near management plan levels with 72% on clean and safe, 13% on marketing, and 15% on admin. Net assets (reserves) are at \$2.23mil and cash balance was \$2.5mil at 6/30/22. Discussion took place regarding budget variance clarification and members requested some revisions be made to that report and it be resent post meeting.

**Action:** The Committee unanimously approved the Unaudited Financial Reports of June 2022, for recommendation to the Board of Directors as motioned by Mark Purdy and seconded by Jim Sangiacomo.

**7. Review of draft 22-23FY budget and action to make recommendation to the Board to approve 22-23FY budget.**

A preliminary draft budget was presented at the previous meeting in May. It had a \$900K deficit. A 5% increase in the assessment and additional city funding and expense reduction



have helped reduce the \$900K deficit. The new draft budget has a \$380K deficit and it is projected that \$2million will be brought in through City funding such as the SF Live grant and Hallidie Plaza grant for the holidays, Union Square Foundation, and the Chris Larsen’s lighting and security camera grant. Ben reviewed the revenue of the major projects and activities such as the economic recovery grant, Bigbelly sponsorships, Hallidie Plaza grant, security camera donations, and more.

**Action:** The Committee unanimously approved the draft budget 22-23FY to make recommendation to the Board as motioned by Mark Purdy and seconded by Julie Taylor.

## **8. Next Meeting and Events**

Ben reviewed the upcoming meetings.

- Board Meeting: July 28, 2022, at 9:00am
- Executive Committee: August 25, 2022, at 9:00am
- Finance and Audit Committee next meeting September 15, 2022, at 9:00am.  
(recommend change date to 22<sup>nd</sup>)

## **9. Adjournment**

Meeting adjourned at 10:30