



Finance & Audit Advisory Committee

November 11, 2021 – 9:00 -10:30 am
Hybrid Meeting at 291 Geary Street, Suite 200 and Virtual Communication System Zoom

MINUTES

In attendance

Committee Members: Russell D. Keil Jr., Julie Taylor, Mark Purdy, Paul Sandberg, James Sangiacomo, Stephen Brett, J. Timothy Falvey, and Wes Tyler.

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

1. Call to Order and Introductions

Observing a quorum present, Ben Horne called the meeting to order at 9:03am.

2. Public Comment

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

3. Action to approve the September 16, 2021, minutes.

Ben summarized the action items taken during last meeting and members reviewed minutes that were previously sent out.

Action: The committee unanimously approved the September 16, 2021, minutes as motioned by Timothy Falvey and seconded by Julie Taylor.

4. Since we last met & updates

- Staffing Change

Ben updated the committee about recent staffing changes. The opening for a new Director of Marketing has been posted online, Dianna Cavagnaro will be the Alliance's marketing consultant in the interim, and Alfonso Navarro is the new Manager for Block by Block.

- PPP update and Banking

The Alliance can now apply for forgiveness of the second PPP loan. There will also be a possible banking change in 2022 depending on status with Wells Fargo.

- Union Square Foundation Grant

Chris Larson has agreed to help us with the \$500,000 grant for new cameras along Market Street and Post Street.



- Strategic Planning

The Alliance will be asking the Board at their next meeting to approve a timeline to hire a consultant in January for our next strategic plan. We hope to have a final strategic plan by July 2022.

- Build Back Better Grant

Ben announced to the committee that we will hear back about the Build Better Grant by mid- December.

- Holiday Luncheon December 2 at Westin St. Francis

Ben thanked those who have purchased tickets and sponsorships for the Holiday Luncheon happening on December 2, 2021 and encouraged others to buy tickets or sponsor if able.

5. Review of draft of 990 and Action: to make recommendation to the Board of Directors to Approve 990 Draft and state returns for filing

Ben summarized the draft of 990 to the committee. The numbers tie out to the audit done by Marcum. The 990 draft however does not include the name change from Union Square Business Improvement District to Union Square Alliance and the address change which will need to be updated. The 990 is due on November 15th, however we have filed for an extension to get the Board's approval on November 18th. Overall, the 990 is the same as the prior years. Ben then reviewed several prominent sections of the document.

Action: The committee unanimously approved to make recommendations to the Board of Directors to approve 990 Draft and state returns filing as motioned by Timothy Falvey and seconded by Mark Purdy.

6. Action to Accept the Unaudited Financial Reports of October 31, 2021, for recommendation to the Board of Directors

Ben reviewed the unaudited financial reports of October 31, 2021. Overall, the Union Square Alliance has a deficit of \$2 million for the fiscal year and have surpassed budget by \$51K in July- October. There is a positive spending variance due to clean and safe plus other expenses being less than budgeted. There is a negative revenue due to the PPP loan not being forgiven yet but that is in the process. The organization has also spent less funds by \$75K, mainly from Hallidie Plaza due to project expenses being less and longer timeline. The USBID assessment operation expense was near management plan levels with 70% on clean & safe (including security cameras), 14% on marketing and 16% on admin. While the forecast for the fiscal year is a total deficit of \$233K, the approved budget was \$284K deficit, with the goal to break even this fiscal year. Net assets are at \$174K and cash balance was at \$326K at 10/31/21. The organization will need to use the line of credit in November until the first assessment payment is received in late December.

A discussion took place about Block by Block's contract and hourly rates and a possible RFP and/or analyzing bringing more services in house in the future.



Action: The committee unanimously approved to accept the unaudited financial reports of October 31, 2021, for recommendation to the Board of Directors as motioned by Russell D. Keil Jr. and seconded by James Sangiacomo.

7. Action to recommend to Board to authorize draw online of credit of \$500,000.

Ben explained to the committee that the Alliance is running low on cash and will need to draw the line of credit in a couple weeks.

Action: The committee unanimously approved to recommend to the Board to authorize draw online credit of \$500,000 as motioned by Paul Sandberg and seconded by Mark Purdy.

8. Next Meeting & Events

- Board Meeting – January 27, 2022, at 9am
- Executive Committee meeting – December 16, 2021, at 9am
- Finance & Audit Committee Meeting – January 20, 2022, at 9am.

9. Adjournment

Ben adjourned the meeting at 10:11am.