



UNION SQUARE  
BUSINESS IMPROVEMENT  
DISTRICT

Finance & Audit Advisory Committee

January 16, 2019 – 9:00 -10:30 am  
323 Geary Street, Suite 203

## MINUTES

### In attendance

Committee members: James Sangiacomo, Wes Tyler, Jeff Evans, Mark Purdy (Phone), J. Timothy Falvey, and Russell D. Keil Jr.

Staff and contract service providers: Karin Flood (USBID Executive Director), Ben Horne (USBID Deputy Director), Zarrina Yousufzai (Administrative Coordinator) and Eva Schouten (USBID Intern)

### 1. Call to Order and Introductions

Observing a quorum present, James Sangiacomo called the meeting to order at 9:07am. Introductions were made.

### 2. Public Comment

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

### 3. Action to approve the November 14, 2019 minutes.

The committee unanimously approved the November 14, 2019 minutes as motioned by J. Timothy Falvey and seconded by Russell D. Keil Jr.

### 4. Updates

#### - Holiday season and Winter Walk financial recap

Ben updated the committee that original finance budget for Winter Walk was \$40,000 of expenses and revenues of \$50,000. However, due to the new venue, sudden switch of vendor, and complications with the city, \$110,000 was spent and less than \$50K of revenue was earned. A small discussion about the value of the Winter Walk followed. He also updated the committee that \$96,000 was raised during the Union Square Foundation's Rockin' Holiday Fundraiser, which includes a generous \$30,000 donation by Macy's to the Union Square Cares Program. The

fundraiser cost around \$15,000. A small discussion took place on the merchants' profits during the holiday season and on visitor demographics.

- New Grants

Ben updated the committee that \$25,000 was received for the Retail Vacancy study and \$36,000 was received for additional BigBelly cans. Furthermore, Chris Larsen donated \$500,000 for security cameras which will go towards new cameras in the South-West area of the district (bordering Tenderloin) and license plate readers. It was mentioned Chris Larsen should get a form of recognition for his donation such as a private small group lunch to discuss his priorities and thank him for his generosity. It was noted that the location of the cameras is open to the public and that the facial recognition function is not being used. A small discussion about the camera system took place.

- Meeting Calendar

Ben directed the committee to the proposed meeting calendar of 2020. The schedule is the same as usual with the Finance & Audit Committees meeting being one week before the Board meetings.

- Insurance Broker Change to BPIA

Ben updated the committee that the BPIA will be the new insurance broker. They hope to transfer all policies and set a common renewal date of March 1, 2020.

- Line of Credit

Ben updated the board that they borrowed \$500,000 for November – December. This has recently been paid off in January with receipt of first assessment payment. As discussed, in February they will increase the line of credit from \$700,000 to \$1mil.

**5. Assessment payment update & delinquent report**

Ben directed the committee to delinquent assessment report and gave a brief summary. Delinquents were at \$74K with most of that being from the City of SF for Hallidie Plaza parcels.

**6. Review, discuss and action to accept the unaudited financial report at December 31, 2019 for recommendation to the Board of Directors**

Ben directed the committee to the December 2019 financial report. The assessments/core operations have a \$852K surplus through December. The USBID had a negative budget variance of \$49K due to assessment payment being less than budget and spending more on Winter Walk. The USBID brought in \$36K in funds due to security camera donations and higher than budget billings to USF including the SoMa West CBD consulting. Net assets (reserves) are at \$2.7Mil at the end of December including \$2.6Mil reserves for assessments/core operations. Cash Balance is \$3.4mil at 12/31/2019. Members reviewed the reports and discussed.

**Action:** The committee unanimously accepted the unaudited financial report at December 31, 2019, as motioned by J. Timothy Falvey and seconded by Jeff Evans.

**7. Review, discuss and action to make recommendation to Board of Directors to Approve Budget Modification for January – June 2020**

Ben directed the committee to the January – June 2020 Budget Modification Summary. He briefly summarized the revenue, payroll & staffing, and clean & safe expenses and changes from the original approved budget. He informed the committee that Block by Block will be providing most of the dispatch services through June 2020 as the USBID did not have enough time to go through all the steps and changes in process and policy to bring member services in-house. He also gave some early feedback about Legion, who were surprised at the lack of safety conditions at night so far. A small discussion about safety in the district followed. He updated the Board that the goal is to have a surplus of \$300,000 - \$500,000 a year for approximately 3 years in order to build the reserves up to \$3mil at fiscal year-end 22-23. This will be discussed further in March.

**Action:** The budget modification for January – June 2020 for recommendation to the Board of Directors was unanimously approved as mentioned by J. Timothy Falvey and seconded by Jeff Evans

#### **8. Next Meeting & Events**

- Board Meeting January 23, 2020 at 9:00am location Parc55
- Executive Committee Meeting – February 27, 2020
- Next Finance Committee Meeting March 19, 2020 at 9:00am
- Annual Luncheon – Save the Date – May 15, 2020 at Westin St. Francis

#### **9. Adjournment**

Jim adjourned the meeting at 10:29am.