



UNION SQUARE
BUSINESS IMPROVEMENT
DISTRICT

Finance & Audit Advisory Committee

July 16, 2020 – 9:00 -10:30 am
Virtual Communication System Zoom

MINUTES

In attendance

Committee Members: James Sangiacomo, Julie Taylor, Stephen Brett, J. Timothy Falvey, Russell D. Keil, Jr., Wes Tyler, Jeff Evans, Mark Purdy, and Ron Marano.

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

1. Call to Order and Introductions

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

2. Public Comment

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

3. Action to approve the May 21, 2020 minutes.

The committee unanimously approved the May 21, 2020 minutes as motioned by J. Timothy Falvey and seconded by Julie Taylor. No public comment received prior to action.

4. Since we last met & updates

- SBA loan received & PPP status

Ben informed the committee that a \$150,000 SBA loan has been received. At this time there is no great need for this loan but as decided in the April meeting it was applied for as a safety precaution. The PPP loan has also been received and the application for forgiveness is being processed. A discussion about the forgiveness application took place.

- Audit started

Ben updated the board that the audit with Marcum has started. The books are closed, and Marcum will start fieldwork August 3rd.

- Legal Matters

Ben updated the committee that there have been two lawsuits filed against the company. One is a noise complain by an individual who lived at the Gray Stone hotel. The USBID insurance company has been notified and we are currently arranging a settlement for \$1500 and signs around Maiden Lane and Geary to not create any noise after 10pm. We are being represented by the insurance company of Block by Block for the other lawsuit. This lawsuit arose as the USBID gave permission to Block by Block to paint over a graffiti covered veteran mural in Shannon Alley with permission of the property owner. The foundation was involved in this lawsuit at first, but the claim has changed so they are no longer involved. At this point, it is unsure how this lawsuit will develop. Ben also informed the committee that there have been more public record requests to see which footage requests were made around the time of the protests. Karin has spoken with the deputy and this could be due to possible concerns that the protests were being infringed upon by viewing them through the security camaras. However, there is much evidence to prove that all video requests made at that time were to investigate the looting and break-ins.

- Office status

Ben updated the committee that there have been problems with Handlery who no longer allows 24/7 services from his building, among other issues. With the help of Julie Taylor several properties have been looked into. The options have narrowed down to a location on Sutter Street and the Flood building. These options will be presented to the Board of Directors who will make a final decision. The old visitors center at Hallidie Plaza was being considered however the rent in combination with the repair costs would exceed the budget.

5. Assessments payment received June 25, 2020 and receivables review

Ben informed the committee that the assessments payment has in late June with a total of \$900,000. This payment makes up for the short fall with the previously received assessments payment of late April. A few properties have yet to pay such as the Museum of Ice Cream, Hotel G and a few condos. There will be another payment at the end of July.

6. Action to Accept the Unaudited Financial Reports of June 30, 2020 for recommendation to the Board of Directors

Ben directed the committee to the June 2020 financial report and summarized it. The assessment/core operations have a \$460,000 surplus through June. As mentioned, the USBID received the third assessments for the 19-20FY in late June (\$893K). The USBID assessments/core operations outperformed budget by \$149K due to buildup of banked clean and safe team hours and other cost reductions. The USBID brought in less other funds/grants due to less security camera donations and less USF billings then budgeted. Net assets (reserves) are at \$2.24mil at the end of June, including \$2.169mil of reserves for assessment/core operations. Cash balance was \$2.35mil at 06/30/20. \$9K EIDL was booked to revenue and PPP loan was received and booked to loan and SBA loan was received in late

June (total loan balance \$283,590). A discussion about the payments to the USBID admin staff took place.

Action: The committee unanimously accepted the unaudited financial report of June 30, 2020 as motioned by Mark and seconded by J. Timothy Falvey. No public comment received prior to action.

- 7. Review of draft budget summaries for 20-21FY and options and action to make recommendation to Board to approve draft budget (and services options) for 20-21FY**
- Ben directed the committee to the budget draft summaries for 20-21FY and summarized them. He highlighted that the contract with Block by Block will be revised to accommodate the current needs of the district. These changes will reduce the costs and therefore avoid a deficit. This includes more overnight security and less cleaning because there is less trash due to the lack of people. These changes will not affect the overall level of services provided by the USBID. A discussion regarding outreach about the internal changes followed. The board will have to review and approve the revised contract with Block by Block.

Action: The committee unanimously approved to recommend the draft budget summaries for 20-21FY and services options to the Board as motioned by Jim Sangiacomo and seconded by Julie Taylor. No public comment was received prior to the action.

8. Next Meeting & Events

- Board Meeting – July 23, 2020 at 9:00am via Zoom.
- Executive Committee meeting – August 27, 2020 location TBC
- Finance & Audit Committee Meeting – September 17, 2020 at 9:00am.

9. Adjournment

Ben adjourned the meeting at 10:15am.