



UNION SQUARE
BUSINESS IMPROVEMENT
DISTRICT

Finance & Audit Advisory Committee

March 19, 2020 – 9:00 -10:30 am
Virtual Communication via Zoom

MINUTES

In attendance

Committee Members: Jeff Evans, Mark Purdy, Jim Sangiacomo, Wes Tyler, J. Timothy Falvey, Russell D. Keil Jr., and Julie Taylor

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

1. Call to Order and Introductions

Observing a quorum present, James Sangiacomo called the meeting to order at 9:02am. 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 January 16, 2020 minutes.

The committee unanimously approved the January 16, 2020 minutes as motioned by J. Timothy Falvey and seconded by Mark Purdy. No public comment received prior to action.

4. Since we last met & updates

Coronavirus impact

- Ops office status/building closing

Karin informed the committee that the Handlery building shut down on Tuesday March 17th at noon. Karin is working with the property owner Jon Handlery to see if the services can continue. The services can continue if the BID provides 24/7 security which costs around \$750 a day. This can be a temporary solution until the USBID decides to look for a new location for the Ops office. They require a space of around 4000 sq. ft. Additionally, the lease contract needs to be checked regarding the rent which needs to be continued to be paid. Karin also informed the committee that she is in contact with the Mayor's Office regarding delivering essential services

and the building closing possibly preventing that, but we have not asked for their assistance yet.

- Clean and safe team

Ben updated the committee that he has been in contact with the operations manager Karl who has gotten many calls regarding homeless on the street. A discussion about the concerns regarding the empty city and stores barricading their windows followed. Ben also updated the committee that some of the CBDs stopped providing services on Monday. However, we will continue to provide services as much as possible since the USBID is an essential service. Ben suggests to formally honor (via a bonus) Karl and the Block by Block team for their diligence during this difficult period. He will put together different scenarios for bonuses to discuss during the Board Meeting. Block by Block has asked the BID what they will do if the services will be shut down or staff needing extra sick time. Ben is waiting for Block by Block to follow up with their own sick policy and the USBID would not be able to compensate the Block by Block team if they are not providing services.

- Admin Staff working remotely

Ben updated the committee that the USBID admin staff has been working remotely starting Monday 16th. They have set up remote access and online communication. Some staff who are local will be in the office occasionally to pick up mail and check in. Ben will continue to cut checks and will follow up with Julie (or others) to sign them.

- New Policies (telecommuting and advanced sick time)

Ben suggested to the committee to reimburse the staff \$50/month for internet and phone use. He also recommended a new policy allowing advancing sick time for staff impacted by COVID-19; this will allow staff to have 80 hours negative paid sick time. These measures will be further discussed during the board meeting.

5. Annual review of insurance policies and coverage (Mark Woods, BPIA) and possible action to approve Cyber insurance policy.

- Insurance Policies and Coverage

Mark Woods introduced himself to the committee and summarized the insurance policies and coverage. Ben informed the committee that most policies are now covered by one company, Great America, which is cost effective. He further noted that it has been an easy transition with BPIA. Regarding the coronavirus and assessment payments, there is no insurance policy that can cover any possible loss as the main cause of the coronavirus cannot be determined and there are specific exclusions in the policy for viruses. Ben and Mark will work together to see if there is a solution and inspect the situation with the Handlery building closing its doors and the USBID having to pay for security.

- Cyber Insurance Policy

Ben informed the committee to possibly get cyber policy to protect the server. He summarized the cyber policy in the handouts. Mark woods suggests option 1 (1mil coverage) or 5 (2mil coverage) on the summary. It covers most of the possible problems which could arise such as ransomware or funds transfer fraud.

Action: The committee unanimously approved obtaining a Cyber Policy (option 5) as motioned Russell D. Keil Jr. and seconded by Jim Sangiacomo. No public comment was received prior to the action.

6. Cash flow discussion and possible action regarding line of credit.

Ben informed the committee that he has been in contact with Executive Directors of other non-profit organizations and foundations who have recommended to draw on the line of credit due to the recent Coronavirus outbreak. The current line of credit is 1mil, the concern is that if financial situation continues to go down, banks might retract line of credit. Jeff informed the board that Wells Fargo bank is in a strong position so it is very unlikely that Wells Fargo would pull the line. However, it may be difficult to increase the line of credit in the current situation. Karin suggested to reach out to assessment office to get an update about the tax payments. Ben will get an update about the financial covenants regarding the line of credit. No action by the committee was taken at this time.

7. Review, discuss and action to accept the unaudited financial report at February 29, 2020 for recommendation to the Board of Directors

Ben directed the committee to the February 2020 financial report. The assessments/core operations have a \$167K deficit through February. The USBID had a negative variance of (\$30K) due to assessments payments being less than budgeted and extra expenses for the Winter Walk at the end of last year. The USBID is still waiting for the \$61.5K city grants for Big Belly's and the Vacancy Study. Net assets (reserves) are at 1.7mil at the end of February. Including \$1.55mil reserves for assessment/core operations. Cash balance is \$1.7mil at 02/29/20. Members reviewed the reports and asked questions and discussed.

Action: The committee unanimously accepted the unaudited financial report at February 29, 2020 as motioned by J. Timothy Falvey and seconded by Julie Taylor.

8. Next Meeting & Events

- Board Meeting March 26,2020 at 9:00am via Zoom.
- Executive Committee meeting – April 23, 2020
- Annual Lunch – May 15, 2020 – POSTPONED

Karin informed the committee that the Annual Luncheon will be postponed until at least September. There might be one big fundraiser at the end of the year instead.

- Finance Committee next meeting May 21, 2020 at 9:00am.

9. Adjournment

Jim adjourned the meeting at 10:15am.