



Regular Meeting of the Finance & Audit Advisory Committees
November 14, 2019 – 9:00am
323 Geary Street, Suite 203

MINUTES

In attendance

Finance Committee Members: James Sangiacomo, Stephen Brett, J. Timothy Falvey, James C. Flood, Russell D. Keil, Jr., Jeff Evans, Mark Purdy, and Paul Sandberg.

USBID Staff & Contract Service Providers: Ben Horne and Zarrina Yousufzai.

1. Call to order

Ben called the meeting to order at 9:06am. Introductions were made.

2. Public comment

Ben informed the committee that Tad Moore has been injured and is currently in the hospital. He also spoke about the election results. Everyone wished Tad the best and hoped for his speedy recovery.

3. Since we last met & updates

- City Contract update
Ben reported that the City Contract is still in the process to be reviewed. The Mayor should sign the contract by December 12 and the USBID should receive the assessment payments by late December or early January.
- Clean & Safe services increase
Ben updated the committee that there have been new services launched effective November 1, such as a new overnight sidewalk vacuum. Furthermore, some services have increased; a second 10B officer will be added to the schedule for the evening shift, there is an increase pressure washing in certain parts of the district, and more. The USBID staff completed outreach to inform the businesses about these increased services.
- New Insurance Broker – BPIA!
The USBID hired a new insurance broker, BPIA. Ben informed the committee that they were the most prepared, responsive and they work with smaller firms and their references were very good. BPIA will take over as broker of record effective 1/1/20. They will be aligning the policies to a target date of March 1. This will more efficiency with the annual renewals.

- Rockin' Holiday Fundraiser

The Union Square Foundation's Holiday Fundraiser will be held on December 11, 2019 at the newly renovated Lizzie's Starlight Room at the Sir Francis Drake Hotel. Everyone's welcome and encouraged to attend to help support the Union Square Cares programs.

- Winter Walk

Ben informs the committee that the Winter Walk has only signed approximately \$80K from sponsorships. Unfortunately there have been partnership disagreements with the vendor. Karin is trying to renegotiate with them. In addition, the city has a lot of requirement including parking officers and valet bike parking. There will be an ISCOTT hearing about these requirements today (11/14). There has not been a lot of support for the Winter Walk as some retailers are against the event and there was not much of support at the community meeting. It is likely at this point that the event will have a net cost of \$50-\$80K instead of small gain as previously budgeted.

4. Action to approve the September 19, 2019 minutes.

The September 19, 2019 minutes were reviewed by members and unanimously approved, as motioned by J. Timothy Falvey, and seconded by James C. Flood.

5. Update on Bookkeeping services and Staffing.

Ben updated the committee that Zarrina will be handling all bookkeeping for the USBID starting January 1, 2020 and that Non Profit Suite would be released from these duties. Members were very supportive of this idea.

6. Update on Line of Credit and discussion and action to recommend to Board to take draw on line of credit.

The Line of credit is still going through the approval process. The USBID is increasing the line to \$700,000 in case there is any delay with the first assessment payment. Ben asked that the Committee approve an initial draw on the line of \$250,000. The Finance Committee members discussed and recommended approving drawing up to \$500,000 to give more flexibility to use as needed.

Action: As motioned by Mark Purdy and seconded by Russ Keil, the members unanimously approved drawing up to \$500,000 on the line of credit.

7. Review of USBID 990 form and discussion and action to make recommendation to Board of Directors to approve 990 form (and related state filings).

Ben guided the committee to the 990 (tax return for the year ended 6/30/19) draft in their packets. He went through the 990 and highlighted the main points of each section. A discussion took place and members reviewed the document and asked questions.

Action: The USBID 990 form for recommendation to the Board of Directors was approved, as mentioned by J. Timothy Falvey, and seconded by James Sangiacomo.

8. Review and discuss and Action to accept the unaudited financial reports at October 31, 2019 for recommendation to the Board of Directors.

Ben directed the Committee to review the Unaudited Financial Reports handout. The assessments/core operations have a \$1.37mil deficit through October but outperformed budget by \$103K due to additional revenue and lower expenses. Additionally, the USBID brought in more

other revenue by \$31K due to security camera donation and higher budgeted billings to USF including the SoMa West CBD consulting. Net assets (reserves) are \$447K at the end of October including \$343K reserves for assessments/core operations and the cash balance is \$253K. The USBID will need to draw on line credit by the end of November 2019 with the launch of the expanded services. 19-20FY assessments should be received by end of December 2019.

Action: The Unaudited Financial Reports at October 31, 2019 for recommendation to the Board of Directors was approved, as motioned by Mark Purdy, and seconded by J. Timothy Falvey.

9. Next Meetings & Events

- Finance & Audit Committee next meeting January 16, 2020 at 9:00am.

10. Adjournment- Meeting adjourned at 10:10am.