



## Finance & Audit Advisory Committee

March 16, 2023 – 9:00 -10:30 am

Hybrid meeting

In-person (291 Geary St, #200) and Virtual Communication System Zoom

### MINUTES

#### In attendance

Committee Members: Jim Sangiacomo, Mark Purdy, Julie Taylor, Russ Keil Jr, J., Stephen Brett, Wes Tyler, and Tammy Brock,

Staff: Ben Horne (CFO), Marisa Rodriguez (CEO), Ken Rich (COO), Zarrina Yousafzai (Finance & HR Associate), and Melanie Medina (Executive Assistant)

#### 1) Call to Order and Introductions

Ben Horne called the meeting to order at 9:03 am.

#### 2) Public Comment

Ben called for public comment, hearing none, the committee moved along with the agenda.

#### 3) Action to approve the January 19, 2023, meeting minutes of the Committees.

**Action:** After reviewing the minutes draft, the committee unanimously approved the January 2023 minutes as motioned by Russ Keil Jr. and seconded by Mark Purdy.

#### 4) Since We Last Met & Updates

##### - Staffing and Hiring Update

The Alliance is currently hiring a new intern and a new services manager position.

##### - Services RFP

The Alliance will be releasing an RFP for our clean and safe services in late March. The RFP includes hiring cleaning ambassadors, power washers, ambassadors and security. Firms could proposal all services or could propose security or pressure washing separately. Discussion took place regarding the different companies that are potentially interested in submitting a proposal. An RFP selection committee will be formed with members to review the proposals



submitted and interview the potential firms. Members were encouraged to join the committee.

- Union Square Plaza update

The Alliance is in discussions with Rec & Park regarding the services the Alliance provides to Union Square Plaza. Due to LBE requirements with the contract between the MTA and the garage operator, Block by Block will not be able to provide all the services (as they are not an LBE due to size issues). A LBE must be hired to provide a certain percentage of services under the MTA contract. So, the services will be split. At this point, the Alliance may provide security and/or safety ambassador services and would continue providing event services depending on the outcome of the cleaning services/LBE contract. Discussion took place about event services.

- Strategic Plan update

The initial priority objectives of the strategic plan were approved by the Board in November (the Executive Summary) and have been published on the organization's website. The Board will be asked to approve the appendix (3-year strategic objectives) at the March meeting.

- Banking update and bank financial status

With the news about the collapse of Silicon Valley Bank and Signature Bank and the troubles at First Republic, Ben reached out to City National Bank to ensure the Alliance was in a safe position. CNB confirmed the Alliance funds are secure. Ben provided a handout from CNB that showed \$95B of assets with CNB. They are also owned by the Royal Bank of Canada who has \$1trillion of assets.

- 990 and state filing status

990 has been submitted to IRS and has been received and cleared by the Attorney State General. We are current and in good standing.

## 5) Union Square Foundation Funding Updates

### a) Grants

There are currently two grants in the process of being reviewed and rewarded. First the SF Live Grant for \$850K to be used at Union Square Park for music events. This will fund and elevate the Saturday Music series by bringing in local bands and artists from indoor venues affected by covid to perform at the park – this should be signed by early April. Second, we will be receiving a grant in response to our proposal under RFP 224 (Economic



Recovery) of \$650K. These funds will be for a variety of projects including Hallidie Plaza continued work, planning and research, Bloom 2023, Union Square additional furniture, and holidays 2023. We hope this is signed in April or May 2023.

**b) Annual Lunch**

On April 21, 2023, the Alliance will be hosting its Annual Luncheon and Fundraiser at the Westin St. Francis. Members were thanked that had already purchased tickets or committed to sponsorship and others were encouraged to attend or sponsor.

**c) Management Fee**

In January, the management fee paid by the Foundation to the Alliance was increased (doubled) due to the amount of projects going through the Foundation. This was approved by both boards and is roughly \$20K/month.

**6) Insurance renewal overview and discussion**

Ben led the discussion of the insurance policies being renewed for the Union Square Alliance. The summary documents provided were from the firm's insurance broker – BPIA. Overall, there were some increases in policies including the general business liability and property which had increased primarily due to increases in the property and increased revenues of the organization. Additionally D&O/EPL/Crime had increased – due to rates overall increasing in the industry. Professional liability also increased due to the increased number of events. A couple of new carriers were selected due to slightly lower rates for Cyber Liability (Technology Insurance Co) and E&O (Houston Casualty). Members reviewed the documents and asked questions and discussed. Members agreed on the limits and on binding the new policies as directed.

**7) Action: to Accept the Unaudited Financial Reports of February 2023, for recommendation to the Board of Directors.**

Ben provided a summary of the unaudited financial reports of February 2023. The Alliance has an overall operating deficit of \$1 million as the Alliance awaits the second assessment expected in April. The organization outperformed budget by \$291K overall (\$386K from assessments/core operations less \$95K from other funds) in part due to additional collection of second assessment payments but also expense management and other revenue generation.

The assessments/ core operations are outperforming budget by \$50K due to expenses being under budget in clean and safe category. Admin and marketing expenses were slightly over budget due to professional services. Other funds were spent less by \$457K due to SF Live grant starting in 2023, lighting grant install challenges, and no additional grants (yet) have been incurred.



Additional revenues from SF Live Grant, Economic Recovery Grants have not been recognized as of February 2023 although expenses (wages) have been incurred. The USBID assessment operation expenses were near management plan levels with 72% on clean and safe (includes security cameras), 14% on marketing and 14% on admin. The forecast for the fiscal year is a total deficit of \$251K. The approved budget was \$381K deficit. Our goal is to break even for the fiscal year. Net assets (reserves) are at \$1.207 million and cash balance was and \$1.717 million at 2/28/23.

**Action:** The committee unanimously approved to accept the unaudited Financial Reports of February 2023, for recommendation to the Board of Directors as motioned by Julie Taylor and seconded by Russ Keil.

#### **8) Next meetings & updates**

Ben went over the following upcoming meetings:

- a) Board Meeting March 23, 2023, at 9:00 am
- b) Annual Luncheon, April 21, 2023, 10:00am-2pm
- c) Executive Committee April 27, at 9:00 am
- d) Finance and Audit Committee next meeting May 18, 2023, at 9:00 am  
The Bloom kickoff will be in May 2023!

#### **9) Adjournment 10:10 am**