



Finance & Audit Advisory Committee

July 20, 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, Wes Tyler, and J. Timothy Falvey.

Staff: Ben Horne (CFO), Marisa Rodriguez (CEO), Ken Rich (COO), Zarrina Yousafzai (Finance & HR Associate), and Caitlin Keller (Intern).

1) Call to Order and Introductions

Ben Horne called the meeting to order at 9:09 am.

2) Public Comment

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

3) Action to approve the May 18, 2023, meeting minutes of the Committee.

Action: After reviewing the minutes draft, the committee unanimously approved the May 18, 2023, minutes as motioned by Mark Purdy and seconded by Jim Sangiacomo.

4) Since We Last Met & Updates

- Staffing and Hiring Update

Dianna Cavagnaro will return as a part-time consultant for the Alliance, helping with SF Live grant events and marketing strategy. Caitlin Keller was introduced as the new intern for the organization.

- Foundation -- grant and fundraising updates.

The Foundation has been awarded a \$150K Community Challenge grant. There are two other potential grants the Foundation may receive. The first is in conjunction with the Mayor's announcement for a financial commitment to Powell Street. The Economic Recovery grant may be amended to include this funding



for Powell Street promenade replacement and improvements. The second is potential C3R money for Maiden Lane, Union Square or other projects.

- Banking and LOC renewal.

The line of credit of \$1mil has been renewed and signed off on.

- Audit.

The Alliance work on the audit has begun for the 22-23FY. The “fieldwork” for the audit will be during the second week of August. A draft will be reviewed by the Finance and Audit Committees in September.

5) Assessment payment and receivables review.

\$34k of the assessment payment was received in late June. The Alliance should receive one more assessment payment (late July or August). The receivables are approximately \$27K as of June 30, 2023 with \$21K being from the 22-23FY. This is remarkably low. Members reviewed the receivables report and discussed.

6) Action: to Accept the Unaudited Financial Reports of June 2023, for recommendation to the Board of Directors.

The Union Square Alliance has an overall operating deficit for the fiscal year of \$254k. However, the organization did outperform budget by \$127K (approved budget had a deficit of \$381K). The assessments/core operations outperformed budget by \$118K due to expenses being under budget in clean and safe and administration categories (\$21K) and additional revenues generated (\$120K). Marketing expenses were slightly over budget (\$22K) due in part to delays with the additional grants and related projects.

There is a large Other Revenues negative variance (\$927K) due to delays with the Economic Recovery Grant and with the SF Live Grant. The Larsen lighting grant and security camera grant projects continue to face delays due in part to challenges with property owner permissions. The organization spent less of Other Funds (\$831K).

The USBID assessment operation expenses were near management plan levels with 74% on clean & safe (includes sec cam), 13% on marketing and 13% on admin. Net assets (reserves) are at \$2mil and cash balance was \$2.054mil at 6/30/23.

Due to the deficit for the fiscal year a more conservative approach will be taken with the 23-24FY budget. There was discussion about the reasons for the deficit including funding for Union Square park, delays with grant funding (grants budgeted in the fall of 2022 not received until May 2023, and the Bigbelly program which had a \$30K deficit for the year.



Action: The committee unanimously approved to accept the unaudited Financial Reports of June 2023, for recommendation to the Board of Directors as motioned by J. Timothy Falvey and Mark Purdy.

7) Review of draft 23-24 FY budget and action to make recommendation to Board to approve 23-24 FY budget.

Ben reviewed the draft “break-even” budget with the committee including the Executive Summary and the Budget Memo. The committee discussed potential increases to the Clean & Safe budget including equipment, a raise for workers, and a Legion supervisor. The committee discussed the marketing budget in regard to a potential app for Union Square or a QR code placement throughout the District and Square. There was also discussion of funding allocation to homeless outreach, which would have come from Foundation funding. Ben explained that the organization was going to be much more cautious about City funding and only starting spending when the contract was received. Additionally, expenses would be closely monitored for Union Square Park. Finally, additional Bigbelly sponsorships would need to be generated in the coming year.

Action: The committee unanimously approved the draft 23-24 budget as motioned by J. Timothy Falvey and seconded by Jim Sangiacomo. It will be presented to the Board of Directors for approval at the next board meeting.

8) Next meetings & updates

Ben went over the following upcoming meetings:

- a) Annual Board Meeting at 8:30am at the Grand Hyatt
 - a) Members are asked to arrive at 8:30 to participate in a promotional video produced by SF Travel.
- b) Executive Committee August 24, at 9:00 am
- c) Finance and Audit Committee next meeting September 21, 2023, at 9:00 am

9) Adjournment 10:20 am