



Finance & Audit Advisory Committee

November 9, 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, Julie Taylor, Stephen Brett, J. Timothy Falvey, Russell D. Keil Jr., Wes Tyler, Mark Purdy.

Staff: Ben Horne (CFO), Zarrina Yousafzai (Finance & HR Associate), and Caitlin Keller (Intern).

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 proceeded with the agenda.

3) Action to approve the September 21, 2023 meeting minutes of the Committee.

Action: After reviewing the minutes draft, the committee unanimously approved the September 21, 2023, minutes as motioned by Russell D. Keil Jr. and seconded by J. Timothy Falvey.

4) Since We Last Met & Updates

- Staffing and Hiring Update

The Member Services team is now under the oversight and management of Block by Block and in the process of finalizing the logistics for the transfer of office technology. Lance continues to handle Alliance managed projects. Additionally, the Alliance is in the process of recruiting a Services Manager who will be responsible for overseeing contracts and committees related to Clean & Safe services. Several candidates have already been interviewed for this role. Furthermore, the Alliance is also looking for an Events Coordinator who will work under Eva, supporting the scope of the Alliance's public realm projects. The hiring process for this position is in its final stages with a chosen candidate soon to be announced.

- Services agreements

Ben is working on the Block by Block Master agreement and hopes to present it by the November Board meeting for approval. Legion and AVS have completed contracts for the rest of the year but the Legion Amendment for Winter Walk security is still in progress.



- APEC

In anticipation of the APEC Conference next week, Ben is exploring moving the Board meeting to an alternative location or moving it on Zoom, as it will be difficult to travel into the district during the increased security and road closures of APEC. The Alliance is also expecting mass protests during the conference which may disrupt normal operations in the district and board members were encouraged to plan accordingly.

- Foundation – grants and fundraising updates
 - a) Economic Recovery Grant – Cafes & Holiday 2023 (Winter Walk)

The Alliance received additional funding under RFP 224 as the fiscal agent for the Union Square Park cafes for Tyler Florence’s Miller and Lux Provisions and Winter Walk. The first café payment has been made while the second is in process.
 - b) Economic Recovery (Powell)

The Economic Recovery grant is in process, as the Alliance is still working with the city to come to terms with the initial \$400k for the project. This has been delayed due to Alliance’s plans to hire a consultant for the Powell Street project.
 - c) SF Live

The SF Live 2023 programming has concluded with the Alliance spending less than budgeted. The major takeaway for 2024 is to have fewer, larger events to increase foot traffic in Union Square
 - d) Hudson grant

Hudson Pacific is interested in providing funding to the Alliance for public realm and beautification efforts with a focus on improving Hallidie Plaza. Ben is still working on the details of this grant but hopes to present it to the Board.
 - e) SVCF – Larsen pressure washing grant

Chris Larsen has awarded the Alliance with a \$340k grant to increase power washing services to Market Street, Hallidie, and the unit block of Powell for the next two years. This would allow power washing to increase to once per week to 4-5 times per week.
 - f) RFP 226 Award

The Alliance has been awarded RFP 226 but Ben has no further details on the amount or timing of funding.
 - g) Community Challenge Grant Update

The funding from the Community Challenge Grant is frozen due to the apprehension of the city staff member who ran the program. Any projects that rely on this funding have been put on hold while we wait for City to disperse the grant funds.

- Holiday Fundraiser (December 6, 2023 at 6pm – at Convene, 100 Stockton).

The Alliance will be putting on Winter Walk from December 15-24. This event will close two blocks of Stockton street to make for a pedestrian-only zone with food trucks, a bar



garden, and activations. The Alliance's holiday fundraiser is scheduled for December 6th at 6pm.

- Fiscal Manual

Ben is working on updating the Alliance's Fiscal Manual, as specific policies need to be updated as needed throughout the years, but a full review has not been done since 2011. Ben aims to complete the updates and plans to share the revised manual with the committee in advance of the upcoming meeting.

5) 990 Review and discussion and action to approve recommendation to Board to approve 990 report for the 22-23FY.

Ben reviewed the Alliance's 990 report for the 22-23FY with the committee. During the review, he highlighted a slight variance in the bottom line between the 990 and the audit, as the IRS does not recognize in-kind contributions, making the revenue versus expenses different in these reports. However, the net assets align with the audit report. Areas that will need to be updated include major programs, the checklist of required schedules, and to record Recology's related party transaction as they contribute in-kind trash pickup to the Alliance.

The committee asked questions regarding the value of the Alliance's camera system as it appears in the 990.

Action: The committee unanimously approved the recommendation to the Board to approve the 990 report for 22-23FY as motioned by Mark Purdy and seconded by J. Timothy Falvey.

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

The Union Square Alliance has an overall operating deficit for the fiscal year of \$2.09mil as the organization spends down reserves from the prior year and waits for the first assessment payment in December. The organization did outperform the budget. The approved budget had a \$2.23mil deficit. It is projected that the organization will end FY 23-24 with a \$131K surplus (assuming the organization stays on budget). The assessments/core operations outperformed budget by \$123K due to expenses being under budget in clean and safe (\$60K) and additional revenues generated (\$32K). Marketing administrative expenses were slightly under budget by \$10k and \$21k respectively. Net assets (reserves) are at -\$105k and cash balance was \$346k on 10/31/23. The organization needs to draw on the line of credit to fund operations through December.

Action: The committee unanimously approved to accept the unaudited Financial Reports of October 2023, for recommendation to the Board of Directors as motioned by J. Timothy Falvey and seconded by Jim Sangiacomo.



- 7) Action to approve recommendation to Board of Directors for \$500,000 draw on line of credit.

As stated during the review of the Financial Report, the Alliance will need to draw \$500k from the line of credit to fund operations through December.

Action: The committee unanimously approved the recommendation to the Board of Directors for \$500,000 draw on the line of credit as motioned by Mark Purdy and seconded by J. Timothy Falvey.

8) Next meetings & updates

Ben went over the following upcoming meetings:

- a) Board Meeting November 16, 2023, at 9:00am (Clift Hotel)
- b) Holiday Fundraiser, December 6, 2023 at 6pm (Convene 100 Stockton)
- c) Executive Committee December 14, 2023, at 9:00am
- d) Winter Walk Kickoff December 15, 2023 at 5pm
- e) Finance & Audit Committee next meeting January 18, 2024 at 9:00am.

9) Adjournment 9:56am