



## Finance & Audit Advisory Committees

9:00am Thursday, March 21, 2024

291 Geary Street, Suite 200, San Francisco, CA 94102 or Via Zoom

<https://us02web.zoom.us/j/89592693103>

## MINUTES

**In attendance:** James Sangiacomo, Stephen Brett, Russell D. Keil Jr, Wes Tyler, Mark Purdy, Paul Sandberg, Bryant Dawson, Nina Lang, Debbie Upland (BPIA)

**Staff:** Marisa Rodriguez (CEO), Ben Horne (CFO), Zarrina Yousafzai (Finance & HR Associate), Kristina Ghishan (Intern)

### 1. Call to Order and Introductions

Ben Horne called the meeting to order at 9:03 am. The committee then made introductions.

### 2. Public comment

Ben called for public comment, no public comment was made.

### 3. Action to approve the January 18, 2024, minutes.

**Action:** The committee unanimously approved the January 18, 2024, minutes as motioned by Mark Prudy and seconded by Russell D. Keil Jr.

### 4. Since We Last Met & Updates

- Staffing and hiring updates

Ben announced two new hires: Jason Cherniss as the Director of Services and Kristina Ghishan as the Intern. Kristina introduced herself. Furthermore, Ben highlighted the recent team retreat held on March 11th, emphasizing its positive impact on the entire staff, and expressed appreciation to Mark Purdy for hosting it in his office. Marisa echoed Ben's sentiments, expressing gratitude to Mark Purdy for providing a refreshing break and renewed excitement for their work. Mark Purdy extended his office space for the team's use whenever needed, which was appreciated by Ben, who thanked him again for his generosity.

- Legal matter update

Ben shared positive news regarding a legal issue, detailing the resolution of a noise complaint case that emerged during the pandemic involving a resident in the district. He mentioned that scheduling became a challenge for himself, Block By Block, Comcast, and Recology. Ultimately, due to the



plaintiff not being prepared, the case was dismissed. Ben noted that the case is now closed unless there are further follow-ups with suits.

- Annual Lunch – May 3, 2024, 10:30am-2pm (Westin St. Francis)  
Ben announced the Annual Luncheon scheduled for May 3rd and encouraged committee members to purchase tickets if they haven't already. The event will take place from 10:30 am to 2:00 pm at the Westin St. Francis. Tickets are available for purchase, and those with sponsorships are urged to reach out. Ben mentioned that the goal is to achieve \$125,000 in commitments, with United Airlines serving as the presenting sponsor alongside other major sponsors. Marisa expressed gratitude to the committee for their sponsorship.
- Union Square Foundation Updates
  - a) Fiscal and Compliance Monitoring  
Ben shared updates regarding the foundation's OEWD complaint audit, which involves reviewing minutes, financial statements, and budget documents. He mentioned that the complaint letter includes items not legally required in the contract or state law, referred to as "findings." Ben explained that the foundation has been small until the past two years, with a budget of \$104,000 for the first 14 years and now close to \$2 million. As a result, they are catching up and implementing new practices. He noted that audits from the previous year were requested, which should have been included in the contract. Consequently, the foundation had to submit numerous documents to comply with the audit requirements.
  - b) Audit  
Ben announced that the Foundation would conduct its own audit in addition to the Alliance's annual audit. He explained that internally, they are discussing bringing in additional resources due to the expanding workload and growing requirements. They are considering this for next year's fiscal budget and are exploring options such as accounting support, human resources support, or a combination of both. This proactive approach reflects their commitment to managing the increasing demands effectively.
  - c) Economic Recovery Grant – Powell  
Ben shared that they are waiting to get final revised terms on that.
  - d) SF Live  
Ben announced that the grant is in process. They are trying to negotiate an additional \$350,000 in that grant to do additional staging permits.



e) RFP 226 Award

Ben stated that RFP 226 has been awarded and signed. \$440,000.00 with the foundation, which mainly goes to Tulip Day, Bloom, holidays 2024 for Winter Walk.

f) Community Challenge Grant update.

Ben shared that the Community Challenge Grant has been approved and signed, \$119,000, which helps with Bloom and Tulip Day.

g) RFP 228

Ben reported that a \$50,000 proposal has been put forward to cover maintenance costs for the Big Belly program. Over the past 12-18 months, there have been challenges with managing trash cans, which has impacted the effectiveness of the program. Jason is working with Big Belly and Block by Block to obtain proposals to address these issues and get the program back on track. Big Belly is expected to propose a new trash can option at a lower cost, with Ben assuming it might be free if the lease for the more expensive ones is already signed. The decision on this proposal has been pushed back to March 22nd.

**5. Discussion and review of insurance renewals and action to approve recommendation to the Board of Directors to renew insurance policies and levels of coverage. (Guest - Debbie Upland, CEO/President, BPIA)**

Debbie Upland reviewed the schedule of Insurance Policies for the Alliance from 3/01/2024-2025. She also reviewed the comparison of Business insurance Renewal Policies and Premiums for 3/01/2024 to 2024. She highlighted that the Big bellies won't be insured due to ongoing claims and that the Cyber Liability has stayed consistent.

**6. Action to Accept the Unaudited Financial Reports of February 2024, for recommendation to the Board of Directors**

Ben went over the Unaudited Financial Reports of February 2024, noting that the Alliance had an operating deficit of \$537K for the fiscal year, primarily due to delayed receipt of the second assessment payment. However, the organization outperformed the budget, which projected a deficit of \$972K. Overall, there was a positive budget variance of \$435K, and it's projected to end the fiscal year with a surplus of \$239K. Additionally, other revenues saw a positive variance of \$36K due to additional grants, including the commencement of the Community Challenge Grant. However, some grants faced delays, partly due to permission challenges. The organization spent less on Other Funds by \$28K, resulting in a positive variance of \$64K. USBID assessment operation expenses closely aligned with management plan levels, with 75% allocated to clean & safe, 12% to



marketing, and 13% to admin. Net assets (reserves) stand at \$1.45 million, with a cash balance of \$1.9 million as of 2/29/24. The organization cleared its \$1 million line of credit on 1/2/2024 and earned \$38K in interest income during the fiscal year.

**Action:** The committee unanimously approved the item, as motioned by Russell D. Keil Jr. and seconded by James Sangiacomo

**7. Discussion and possible action to increase credit card limit and add card for Eva Schouten for event related costs.**

Ben shared that the alliance and foundation has been hosting several events and it has become challenging working with online vendors. He shared that the Alliance would like to add one credit card under Marisa for \$10,000 and add a second credit card for Eva as well for \$10,000 for event costs. He shared that this will be going to the board to approve.

**Action:** The committee unanimously approved increasing the credit card limit and add a card for Eva Schouten for event related costs as motioned by Mark Purdy and seconded by Russell D. Keil Jr.

**8. Next meetings & events**

- Bloom! Launch Event – March 23, 2024 (Union Square)

**9. Adjourned 9:44am**