



## Regular Meeting of the Finance & Audit Advisory Committees

9:00am Thursday, July 18, 2024  
291 Geary Street, Suite 200, San Francisco, CA 94102 or Via Zoom

### Minutes

#### In Attendance

**Committee Members:** James Sangiacomo, J. Timothy Falvey, Julie Taylor, Nina Lang, Wes Tyler, Paul Sandberg, Bryant Dawson.

**Staff, Contract Service Providers & Guests:** Ben Horne (CFO), Zarrina Yousafzai (Finance & HR Associate), Kristina Ghishan (Intern), Kat Harris (CPA), Tammy Brock

**1. Call to order and Introductions.**

Observing a quorum present, Ben called the meeting to order at 9:04 am. The committee then made introductions.

**2. Public comment**

Ben called for public comment. Jim Sangiacomo asked about DPW's cleaning schedule for Union Square. Discussion took place regarding the level of service DPW should be providing to the district. Some members felt that Public Works should be compensating the Alliance for providing baseline cleaning services.

**3. Action to approve the May 16, 2024, meeting minutes of the Committees.**

**Action:** After reviewing the minutes draft, the committee unanimously approved the May 16, 2024, minutes as motioned Paul Sandberg and seconded by J. Timothy Falvey.

**4. Since We Last Met & Updates**

- Staffing and hiring

The Alliance will start hiring a new intern next month. The goal is to hire an intern and get them started by the end of October. The Alliance's Director of Economic Development and Policy (Ken) has reduced his hours to .45FTE. His focus will be Powell Street, Maiden Lane, Union Square Plaza stage, and general lobbying efforts for the organization. In addition, a new position is still being considered.

- Foundation - grants and fundraising updates

Ben informed the committee that the challenges for the billing of RFP 226 have been resolved and all billing for the 23-24 FY has been completed including SFLive, and RFP224. The Community Challenge grant still needs to be billed for April, May, and June.

- Bank and LOC Renewal



The line of credit has been renewed and the documents for signature are expected by the end of next week. Ben reminded the committee that the Alliance will be getting a second credit card for event related expenses with a limit of \$10k. Nina confirmed that they should be received imminently.

- Audit  
Ben and Zarrina have completed the close and in doing so prepared many of the audit documents. The books are in good condition with a few open items but nothing material. Discussion took place of the cost of audit this year.

**5. Assessment payment and receivables review**

Zarrina informed the committee that the third delinquent assessment payment has been received. The first payment was in December, followed by the second in April, and now the third. A fourth payment is anticipated later this year (late July early August). The Alliance received about \$41k in delinquent payment with a remaining of \$46k, with several large payments still outstanding. As of early June, \$65k in total remains unpaid, \$46k of which is from the current fiscal year, reflecting an increase from the previous year. One larger outstanding payment is 425 Mason (an abandoned building). Discussion took place regarding outstanding assessment payments and inquiring with the city about specific properties that have paid current but not past assessments.

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

The Union Square Alliance ended the fiscal year with an operating surplus of \$384K, significantly outperforming the modified budget, which had projected a \$196K deficit. This resulted in a positive budget variance of \$578K overall, including \$394K above the original FY 23-24 budget from July 2023. Key factors contributing to this were assessments and core operations, which exceeded the budget by \$530K due to clean and safe expenses being \$285K under budget and additional revenues of \$120K. Marketing and administrative expenses were also slightly under budget by \$66K and \$57K, respectively.

While there was a \$96K negative variance in "Other Revenues" due to delays with grants and permissions from property owners, lower spending on Other Funds (\$145K) led to a \$48K overall positive variance. USBID assessment expenses remained close to the management plan, with 76% spent on clean and safe services, 11% on marketing, and 13% on administration.

Three minor accounting issues remain unresolved, including a Block-by-Block credit (~\$15K), CCG billing (~\$5-10K), and adjustments to the lease at 291 Geary (~\$30K). As of 6/30/24, net assets (reserves) stood at \$2.368 million, with a cash balance of \$2.351 million, and the organization earned \$67K in interest income during the fiscal year.

Members reviewed the statements and asked questions.

**Action:** The committee unanimously approved the unaudited financial reports as of June 2024 for recommendation to the Board of Directors as motioned by Tim Falvey and seconded by Paul Sandberg.



**7. Review of draft 24-25FY budget and action to make recommendation to Board to approve 24-25FY budget**

Ben summarized the budget to the committee. He noted that the total projected revenue is over \$10 million, but the budget currently includes only contracted items. Additional revenue is anticipated to support Winter Walk 2024, and Tulip Day 2025 based on discussions with the city to continue to enhance and improve and activate the public realm. An ambassador program is another area of potential revenue, with a \$4 million request split between the Alliance and Yerba Buena to support policing and security around the convention center, Market Street and Powell. Ben presented a break-even budget with a small deficit (\$24K) related to the Bigbelly project. For the current fiscal year, more revenue is expected with a midyear modification planned once grants are confirmed. Assessments brought in just over \$7 million, including a 3% increase. Union Square Plaza has a slight deficit due to increased resources allocated to the park.

Ben also summarized expected fiscal year costs and how the budget will be spent. He will propose an action at the upcoming board meeting to extend the USF agreement. Additionally, Ben and Marisa discussed the depletion of the non-assessment advocacy funds, which are not being replenished. These funds are crucial for advocating for ballot measures. Funding options for the non-assessment fund were discussed such as through the Foundation or through fundraising. Discussion took place regarding the Foundation's role with advocacy and finally supporting the Alliance for the non-assessment advocacy fund.

Ben informed the committee that he will resend the correct full budget to the committee as some of the items presented were a previous draft. There was also a discussion about adjusting 10B services to save costs due to staffing challenges, with plans to suspend services from October to January for this fiscal year. Lastly, the committee discussed the role of the Chief of Staff position.

**Action**: The committee unanimously approved to make recommendation to the Board to approve 24-25FY budget as motioned by Tim Falvey and seconded by Jim Sangiacomo.

**8. Review and discussion re Fiscal Manual updating**

Ben informed the committee that the fiscal manual will be drafted this fall.

**9. Next meetings & events**

- Board Meeting July 25, 2024, at 9:00am (location Hotel Zelos)
- Executive Committee August 22, 2024, at 9:00am
- Finance & Audit Committee next meeting September 19, 2024, at 9:00am.

**Adjourned 9:41 am**