



Regular Meeting of the Finance & Audit Advisory Committees

9:00am Thursday, January 16, 2025
291 Geary Street, Suite 200, San Francisco, CA 94102 or Via Zoom

Minutes

In Attendance

Committee Members: Jim Sangiacomo (Trinity Properties), Julie Taylor (Colliers), J. Timothy Falvey (Hanford-Freund & Co.), Russell D. Keil, Jr. (The Keil Companies), Wes Tyler (Chancellor Hotel), Bryant Dawson (Wells Fargo), and Nina Lang (City National Bank).

Staff & Guest: Marisa Rodriguez (CEO), Benjamin Horne (CFO), Daniela Vasile (COO), Zarrina Yousafzai (Finance & HR Associate), AnaKatrina Cortado (Intern). Guests - Tammy Brock (Property Owner), and Jonathan Sy-Quimsiam (City National Bank).

1. Call to order

Observing a quorum present, Ben called the meeting to order at 9:00 a.m.

2. Public comment

Ben called for public comment. Jim expressed his satisfaction with the new sheriff.

3. Action to approve the November 14, 2024, meeting minutes of the Committees.

Ben directed the committee to review the meeting minutes from November 14, 2024.

Action: The committee unanimously approved the November 14, 2024, minutes as motioned by Julie Taylor and seconded by Tim Falvey.

4. Since We Last Met & Updates

- **2025 meeting calendar (back)**

Ben asked the Committee to review the 2025 meeting dates for the Finance & Audit Committee, scheduled for the third Thursday of each odd-numbered month. He noted that the November meeting will be a week earlier due to the Thanksgiving holiday.

- **Staffing and hiring updates.**

Ben announced that Daniela, formerly Interim Director of Services during Jason Cherniss's absence, has been promoted to Chief Operating Officer, effective January 1st. Jason will return part-time next week, and Ben will continue supporting Daniela in services and HR matters while Jason transitions back into the organization. Ben also noted that Jessica Chilingirian, Marketing & Communications Associate, has resigned to pursue urban planning and will remain until January 27th. The Alliance will soon post her position, with Marisa considering temporary candidates. Finally,



Ben and Daniela confirmed that a candidate has been selected to fill the Block by Block's Operation Manager position following Lance Goree's resignation.

- 990
Ben stated that the 990 form is almost complete, with only a minor matter to be addressed. The Alliance will file it shortly.
- Banking and cash update.
Ben reported that the Alliance received its first assessment payment in late December and used it to pay off the line of credit with Jonathan's assistance. The total interest expense was approximately \$1,200.
- Grants, Foundation, program, and fundraising updates.
 - a. Economic Recovery Grant – Powell
Ben stated that \$165K remains in RFP 224, the Economic Recover Grant, and will be used over the next 2-3 months to advance the Powell Street Improvement project. The Board will approve the Field Operations contract next week. Additional funding for development design and construction documents will come from a new RFP expected in January, which will provide \$1-\$1.5mil for continued design development. However, the City does not currently possess a mechanism to fund large amounts for private entities, like the Alliance, to manage public construction projects.
 - b. SF Live – Union Square Park stage project.
Eva Schouten, the Alliance's Public Realm & Events Manager, provided a revised timeline for the Union Square stage project and new deadlines. The first major phase, approximately a quarter million dollars, will be built out over the next six months. A second phase, another quarter million dollars, is expected to follow.
 - c. RFP 226 – Amendment
Ben provided an update on RFP 226 Amendment, which is still in the city's approval process. Six of the twelve deliverables are complete, including activation plans for Maiden Lane, the Cable Car Turnaround, and Winter Walk (\$570K), now in the Alliance's receivables. The City offered an advance to the Alliance, which will be accepted if possible. If the Foundation cannot pay the Alliance until the contract and funds are received, the amount will be recorded as Accounts Receivable (AR) in the Alliance's books and Accounts Payable on the Foundation's, with the Foundation having a receivable from the city for the grant funds.



d. Community Challenge Grant update.

Ben stated that the Community Challenge Grant has concluded, and the Alliance will soon submit the final invoice. The final ~\$50K payment allocated for the holiday decor is pending, with the report due at the end of the month. Regarding Winter Walk, revenue exceeded expectations, with \$23K from food trucks, \$9K from the bar, and pending payment from Sunset Mercantile. Marisa noted that the event was well-received with positive feedback from the community and a significant increase in foot traffic benefiting Union Square businesses. The Alliance is now working on obtaining an economic impact analysis to assess potential next steps and opportunities for growth.

e. RFP230

Ben provided an overview of RFP 230, the HEART Safety Grant. While the Alliance is still awaiting the grant, services were launched in late December. RFP 230 will provide additional funding to add Safety Ambassadors through Block by Block and re-allocate assessment funds to increase Legion security guards, doubling patrols from two to four guards, ensuring 24/7 coverage. The Alliance is owed approximately \$56K through December, and RFP 230 is a direct contract between the City and the Alliance for \$1.9mil for services through fall (Sept/Oct 2025).

• Union Square Foundation agreement Jan-June 2025.

Ben stated that the Alliance will present the Union Square Foundation agreement to the Board of Directors at the upcoming January meeting. Due to RFP 230, the Alliance has secured approximately \$100K in wages over the grant period, which helps ease the financial burden. The management fee will be reduced over the next six months due to this additional funding. Additionally, Ben mentioned plans to explore new budgeting tools in the coming year to improve tracking of grants and enhance staff access and real time transparency.

5. Assessment payment and receivables report review.

Zarrina reported that the Alliance received \$3.9M in assessments, including approximately \$474K in second payments, with the line of credit paid off in late December. About \$71K remains outstanding from the first payments, and previous fiscal years include \$27K in redemption payments. In total, the Alliance has approximately \$104K in outstanding assessment receivables, including amounts from previous fiscal years that have yet to be paid.

6. Insurance update and discussion.

Ben informed the committee that the Alliance's current insurance company, Great American Insurance Company, will not renew its umbrella coverage of \$10M. The Alliance has experienced very limited losses over the years, including damage to Bigbellys (which have been removed from the policy), and to the Maiden Lane gates and



Powell Street promenade. Despite this, Great American is willing to renew the main policy and retain the Alliance as a client and provide a total of \$5mil of coverage. However, the cost of insurance will increase by 15-20%. The Committee members recommended that the Alliance explore other insurance brokers. However, with the renewal deadline approaching in March, Ben thought it was unlikely that an RFP could be completed until later in the year. He encouraged the Finance Committee members to provide names of potential brokers.

7. Action to Accept the Unaudited Financial Reports of December 2024, for recommendation to the Board of Directors.

Ben reported that the Alliance ended the year with a \$533 operating surplus, which is \$233K above budget, due to reduced spending and increased revenue from sponsorships and Winter Walk. Assessments/core operations had a positive variance of \$242K from cost savings and additional revenues. Clean and Safe expenses were slightly over budget due to banked hours. Delays with Powell Street and the Union Square Plaza stage project led to a negative \$412K variance in Other Revenues. The Alliance spent less on Other Funds, resulting in a \$12K overall negative variance. The forecast, based on the budget, is for a surplus of \$260K at year end. At 12/31, net assets were at \$2.88M and a cash balance of \$3.37M

Action: The Committee unanimously approved the Unaudited Financial Reports of December 2024, for recommendation to the Board of Directors, as motioned by James Sanguinico and seconded by Julie Taylor.

8. Review draft of budget modification for Jan-June 2025 and action to recommend approval of budget modification to Board of Directors

Ben reviewed the budget modification draft for January to June 2025, noting significant changes driven by unexpected events and new grants. The modified budget shows a \$2M increase in revenue and expenses rising by \$338K. Grant expenses also increased by \$2M but the Alliance is looking at a \$261K surplus, a \$285K improvement from the original \$24K deficit. Ben highlighted RFP 230, which will provide \$1.9M between November 2024 and October 2025, allowing the Alliance to hire additional security.

Ben also discussed the 10B program, which was paused last fall due to the increased Holiday Shopper program. The Alliance plans to ask the Board to extend the delay of 10B services. Ben further acknowledged that the increased police presence, a result of Marisa's advocacy efforts, has contributed to improved safety measures. Additionally, the mayor's announcement of the hospitality zone is a significant positive development for the Alliance. Ben noted that the rising costs of the 10B program requires the Alliance to suspend it for the rest of the current fiscal year.

Action: The Committee unanimously approved to recommend approval of budget modification to the Board of Directors, as motioned by Russell Keil, Jr. and seconded by Julie Taylor.

9. Next meetings & events

- Board Meeting – January 23, 2025, at 9:00 am (TBC).



- R-Evolution Launch Event – February 6, 2025, at 4 p.m.
- Chinese New Year Parade –Saturday, February 15, 2025, at 5 p.m.
- Finance & Audit Committee Next Meeting – March 20, 2025, at 9 a.m.
- Annual Lunch – Save the Date – May 2, 2025

9. Adjourned: 10:13 a.m.