

Meeting Minutes
Finance Committee of the Board of Directors
Wednesday, July 7, 2020, 10:00 am – 11:30 pm

Location: Via teleconference

Board in attendance: Ken Bukowski, Sean Jeffries, Cathy Maupin, David McKenzie, Anna Van Degrin

Staff: Scott Rowitz, Jill Linwood

Absent: None

Public in attendance: None

A. CALL TO ORDER.

The meeting was called to order at 10:06 am by Chair Ken Bukowski.

B. GENERAL PUBLIC COMMENTS.

None.

C. REVIEW/DISCUSS/APPROVE minutes from May finance committee meeting.

The May 6, 2020 minutes were unanimously approved as submitted. MSC: DM/AVD.

D. RECEIVE UPDATE/DISCUSS MJM Financial Settlement and Closeout Process.

Ken Bukowski relayed that the Conservancy is in the process of closing out the fiscal year, and staff is working with MJM on a settlement process/closeout process. To date we are waiting for the final June billing, a few final capital invoices, plus working through outstanding invoices that were between MJM and the Moscone Expansion Project/Webcor.

E. REVIEW/DISCUSS updated draft FY 20/21 Q2-4 Budget.

Ken Bukowski reminded the committee that we have updated the Conservancy's budget process for FY20 and approved a three month budget at the last Board meeting. We are now working on a nine-month budget. Scott Rowitz sent a draft of this budget in the Finance Committee packet for today's discussion, review, and revision. The draft will be presented high level to the Board at the July 29 meeting and then back to this committee in September for final review. Once ratified by this committee, a recommendation is sent to the full Board for approval at the September Board meeting. A few key elements in the budget:

- Cash: \$8.3 million
- Revenue: Assumes total revenue of \$6.8 million for the year which is down 32% from the original pre-Covid budget, and 23% from the last update.
- Expenses: \$7.5 million for operations and \$4.04 million for capital.

- This reduces Gardens operations to 73%, a further reduction of 23% from last update.
- Reduces cultural support by another -15% to a total reduction of -25% in support this year. This was anticipated in FY 21/22, but shifts in Marriott/Metreon rent expectations have accelerated this.
- Presently we have reduced capital further. We assumed completing the ongoing waterproofing project this year. Retained emergency funds for contingency, plus a full capital long-term assessment. Retained budget for the exterior landscaping project. This project is universally considered an important investment in the area. All remaining projects have been delayed.
- Cash: This model will use \$4.7 million cash for operations and capital in the next 12 months. Assumes a projected cash reserve balance of \$3.6 million as of June 30, 2021. \$1.1 million in operating reserves, \$2.5 million in capital reserves.

Committee member David McKenzie underlined that this committee is very mindful of the proposed landscaping project, and is committed to moving the landscaping project forward as soon as possible.

F. **REVIEW/DISCUSS** organizational interim financials as of 4/30/20.

Ken Bukowski updated the committee on the balance sheet and income statement through 4/30/20. \$9.8 million in total equity.

G. **ANNOUNCEMENTS AND REQUESTS FOR INFORMATION AND FUTURE AGENDA ITEMS.**

None

H. **ADJOURN.**

Ken Bukowski adjourned the meeting at 10:56 pm.