

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
REGULAR MONTHLY MEETING

Thursday, October 8, 2009

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, October 8, 2009, in the Trustees' Board Room, War Memorial Opera House, President Bechtle presiding.

ROLL CALL

Present: President Bechtle, Trustee Bashford, Trustee Davis, Trustee Farrow, Trustee Horn, Trustee Jarman, Trustee Myatt, Trustee Tsakopoulos-Kounalakis;

Absent: Vice President Shultz, Trustee Moscone, Trustee Pelosi;

Staff Present: Elizabeth Murray, Managing Director
Jennifer Norris, Assistant Managing Director/Executive Secretary

APPROVAL OF MINUTES

President Bechtle stated that the draft minutes of the September 10, 2009 regular meeting of the Board of Trustees which have been circulated to Trustees do not accurately reflect the resolution adopted by the Trustees concerning "War Memorial Policy Regarding Distribution of Tickets and Passes." She said that the resolution approved by the Trustees provided that the effective date of the policy would be September 10, 2009, the date the policy was adopted by resolution of the Trustees, and she asked that the minutes be so corrected.

Following discussion, and on motion of Trustee Jarman, seconded by Trustee Bashford, the minutes of the September 10, 2009 regular meeting of the Board were unanimously approved with the correction noted by President Bechtle.

MANAGING DIRECTOR'S REPORT

Rental Requests: Ms. Murray reported that rental requests mailed to Trustees are routine and requested their approval. On motion of Trustee Myatt, seconded by Trustee Jarman, the following resolution was unanimously adopted:

RESOLUTION NO. 09-40

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the following rental requests are hereby approved:

WAR MEMORIAL OPERA HOUSE

Wine Enthusiast Magazine Toast of the Town	April 22, 2010	\$4,400.00
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LOUISE M. DAVIES SYMPHONY HALL

UCSF School of Nursing 2010 Graduation Ceremony & Lobby Reception	June 9, 2010	\$3,900.00
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HERBST THEATRE

World Affairs Council of Northern CA Maen Areikat "The Palestinian-Israeli Peace"	October 27, 2009	\$750.00
San Francisco Sinfonietta Sing It Yourself Messiah	December 14, 2009	\$750.00
Paiz Public Relations Not Your Normal New Year's Eve	December 31, 2009	\$1,250.00
Anne Thull Fine Art Designs, LLC Dr. Fred Alan Wolf Dr. Fred Alan Wolf & Joey Yap	January 15, 2010 March 19, 2010	\$2,000.00
Chamber Music San Francisco 2010 Season 2010 Season	March 7, 13, 2010 April 11, 24, 25, 2010 May 1, 9, 14, 2010 June 6, 2010	\$6,750.00
SFSU Dept. of Health Education 2010 Graduation Ceremony	May 21, 2009	\$525.00

Additional Rental Requests: Ms. Murray reported that additional rental requests are routine and requested their approval. On motion of Trustee Tsakopoulos-Kounalakis, seconded by Trustee Horn, the following resolution was unanimously adopted:

RESOLUTION NO. 09-41

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the following additional rental requests are hereby approved:

HERBST THEATRE

Kathy Mahoney Induction Ceremony	November 10, 2009	\$525.00
Museo Italo Americano Concerto Italiano	November 28, 2009	\$750.00
John O'Connell High School 2010 Graduation Ceremony	June 4, 2010	\$525.00
Star Dance Studio Annual Dance Concert	June 17, 18, 19, 2010	\$2,175.00

New Employee John Caldon: Ms. Murray introduced a new War Memorial staff member, John Caldon, Performing Arts Center Aide, who will be handling the War Memorial's website design, marketing, special events and Veterans Building room scheduling.

SECRETARY'S REPORT

Revenue, Appropriations and Housekeeping Expenditures Reports for September 2009: Ms. Norris referred to the Revenue, Appropriations, and Housekeeping Expenditures Reports for September 2009, and requested a resolution to approve housekeeping expenditures as submitted. On motion of Trustee Horn, seconded by Trustee Tsakopoulos-Kounalakis, the following resolution was unanimously adopted:

RESOLUTION NO. 09-42

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM10062 through WM10078 are hereby approved.

Harassment Prevention Training 2009: Ms. Norris referred to the letter from the Human Resources Director Micki Callahan concerning Harassment Prevention Training to be completed by all City supervisors, managers and members of Boards and Commissions by December 31, 2009. She noted that War Memorial staff is available to assist Trustees in using the online training program.

REGULAR ITEMS

San Francisco Unified School District - Request to lease Veterans Building office space: President Bechtle stated that Trustees have received a copy of the lease proposal from the San Francisco Unified School District for rental of approximately 2,052 square feet of office space on the 3rd floor of the Veterans Building. She noted that this office space is on the north side of the 3rd floor, and was previously occupied by the Treasurer/Tax Collector until they vacated the space in June of this year.

President Bechtle stated that the lease proposal provides a base rent to be paid by the Unified School District to the War Memorial of \$2,084 per month, or \$25,008 per year, which rent is based on the current per-square-foot rental rate of \$12.19 approved by the Trustees for FY 2009-10 Veterans Building office space occupancies. As noted in the proposal, the initial term of the lease shall be for 8-½ months, continuing on a month-to-month basis thereafter until terminated by either party upon 90 days advance written notice to the other party.

President Bechtle stated that the staff has negotiated this lease arrangement and is recommending approval of the lease proposal of the San Francisco Unified School District.

Following discussion, and on motion of Trustee Myatt, seconded by Trustee Horn, the following resolution was unanimously adopted:

RESOLUTION NO. 09-43

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby approves entering into a lease agreement with the San Francisco Unified School District for their lease of office space in the Veterans Building as provided in the San Francisco Unified School District's Lease Proposal dated October 1, 2009.

Additional Extension of Agreement between the War Memorial Board of Trustees and American Legion War Memorial Commission: President Bechtle stated that at the September 10, 2009 regular meeting of the Board, the Trustees approved an additional extension of the current agreement between the War Memorial Board of Trustees and the American Legion War Memorial Commission for 30 days through October 31, 2009. Prior to this action, the Trustees had approved three 3-month extensions of the current agreement, from January 1 to September 30, 2009, to provide an opportunity for the Commission to meet with War Memorial staff to review the roles and responsibilities of the parties and to develop budget information related to the Commission's administering and scheduling uses of the Veterans Building space allocated to the American Legion Posts.

President Bechtle stated that staff has advised that a meeting with the Commission occurred on September 24, 2009, at which time the Commission provided a revised staffing and budget proposal for the Commission office, and provided Commission income and expense information for the 11-month period from October 1, 2008

through August 31, 2009. Subsequent to this meeting, War Memorial staff met with Trustee Myatt, Chair of the Trustees' Veterans Committee, to review the data provided by the Commission. She asked Trustee Myatt to report on the status of this matter.

Trustee Myatt stated that the agreement between the Trustees and the Commission has to do with the 1977 transfer of management and control of the Veterans Auditorium, now Herbst Theatre, from the Commission to the Trustees. Under the original 1977 agreement, the Trustees agreed to pay an annual sum to the Commission to replace one of the Commission's sources of income – rental revenues from the auditorium – to help cover the Commission's office expenses for administering and scheduling uses of the Veterans Building space allocated to the American Legion Posts. Since 1977, this original agreement has been renewed for 13 two-year periods, with each renewal agreement specifying an annual sum to be paid by the Trustees to the Commission based on the Commission's needs and requirement at the time.

Trustee Myatt stated that in considering previous renewals, the Trustees reviewed income and expense data provided by the Commission in order to discern the Commission's financial needs at the time. For 30 years, from 1977 through 2006, the War Memorial received copies of the Commission's annual budget, monthly income and expenditure statements, and final annual financial report. However, for the past three years since 2007, the Commission has not provided this information to the War Memorial despite staff requests.

Trustee Myatt stated that the current renewal of the agreement has been pending before this Board for the last ten months. The Trustees have approved four extensions of the agreement to provide time for the Commission to meet with War Memorial staff. Commission Chair Michael Gerold finally met with War Memorial staff on September 24. The financial data provided by the Commission at that September 24 meeting raised a number of questions as to how the Commission is using City taxpayer money received from the War Memorial as well as to their financial management controls. Since the September 24 meeting, the Commission has not responded to requests from War Memorial staff for additional information concerning the financial report.

Trustee Myatt stated that the Trustees have a fiduciary responsibility – both to the City and to the San Francisco American Legion Posts who are represented by the Commission as a collective beneficiary of the War Memorial Trust – to ensure that monies paid by the Trustees to the Commission are used for the purposes intended by the parties and are expended with proper approvals and financial management controls. Trustee Myatt stated that he reviewed the limited financial data provided by the Commission, and that he has questions regarding the Commission's reported uses of City funds. He said he is also concerned that the Commission has not responded to War Memorial staff's request for additional information.

Trustee Myatt proposed that the Trustees not approve an additional extension of the current agreement; instead that the Trustees continue to deposit the monthly payment called for in the current agreement into an escrow account. He further recommended that this matter be re-referred to the Veterans Committee for the purpose of engaging the Commission in discussions to:

- Resolve questions and any discrepancies concerning the Commission's income and expenditure statements for 2007 through 2009;
- Confirm the Commission has adequate financial controls and practices in place to manage future income and expenditures on behalf of the Posts;
- Identify the Commission's current operational needs and ways in which financial or other resources can be realized to achieve those needs; and
- Develop and adopt recommendations to the full Board on a renewal of the agreement that will include provisions that define the intended purposes of any monies paid by the Trustees to the Commission and set forth financial reporting requirements of the Commission to the Trustees.

Trustee Myatt stated that as a matter of interest to the Board, he has learned that a new Commission Chair will be elected at the Commission's next meeting on October 20, 2009. He stated that if the Trustees approve his recommendations, he would delay convening the Veterans Committee meeting until the new Commission Chair is in place.

A motion was put forward by Trustee Myatt and seconded by Trustee Horn to approve the recommendations set forth by Trustee Myatt concerning the renewal of the agreement between the War Memorial Board of Trustees and the American Legion War Memorial Commission.

President Bechtle called for public comment on the motion before the Board.

Wallace Levin, speaking as the Commander of one American Legion Post, praised Trustee Myatt's recommendations. He thanked the War Memorial Trustees and staff for their continued support of the American Legion Posts and stated that adopting these recommendations shows great wisdom.

John Caldera, Commander of Post 315 of the American Legion, stated that the Posts need the Trustees' help in dealing with current questions about the finances of the Commission, and he commended and thanked Trustee Myatt for his recommendations.

Following further discussion, the following resolution was unanimously adopted:

RESOLUTION NO. 09-44

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby accepts the recommendations of Trustee Myatt, Chair of the Trustees' Veterans Committee, not to approve an additional extension of the current agreement between the Board of Trustees and the War Memorial American Legion Commission, and to continue depositing the monthly payment called for in the current agreement into an escrow account.

Further Resolved that this matter is re-referred to the Veterans Committee for the purpose of engaging the Commission in discussions to:

- Resolve questions and any discrepancies concerning the Commission's income and expenditure statements for 2007 through 2009;
- Confirm the Commission has adequate financial controls and practices in place to manage future income and expenditures on behalf of the Posts;
- Identify the Commission's current operational needs and ways in which financial or other resources can be realized to achieve those needs; and
- Develop and adopt recommendations to the full Board on a renewal of the agreement that will include provisions that define the intended purposes of any monies paid by the Trustees to the Commission and set forth financial reporting requirements of the Commission to the Trustees.

San Francisco Opera - Proposal for design of plaque honoring former Opera General Director Lotfi

Mansouri: President Bechtle stated that at the April 12, 2007 meeting of the Board, the Trustees approved a request from the San Francisco Opera to install a plaque in the main lobby of the Opera House honoring former Opera General Director Lotfi Mansouri, subject to review of the plaque's final design by the Board of Trustees. She stated the specific location of the plaque approved by the Board is on the north side of the northeast column in the main lobby.

Drew Landmesser, Production Director of the San Francisco Opera, provided Trustees with a photo of the final design of the bas relief and the text of the quotation to be mounted under the bas relief. Mr. Landmesser stated that the sculptor, Bruce Wolfe, who created the bust of Kurt Herbert Adler installed at the south end of the main lobby, was commissioned to create this new piece. He stated that the bas relief is cast in dark bronze and is identical in size to plaque honoring Opera General Director Gaetano Merola also located on the south side of the main lobby. Mr. Landmesser stated that the Opera hopes to install the new bas relief on October 22, and to have an unveiling reception on October 26, 2009.

Following discussion, and on motion of Trustee Horn, seconded by Trustee Davis, the following resolution was unanimously adopted:

RESOLUTION NO. 09-45

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby approves the design proposal of the San Francisco Opera for the bronze bas relief of former Opera General Director Lotfi Mansouri to be installed in the main lobby of the Opera House.

San Francisco Opera/Ballet - Proposal to install a plaque honoring Jeannik Méquet Littlefield in the Opera House “Intermezzo Lounge”: President Bechtle stated that Trustees have received a copy of the letter from the San Francisco Opera requesting, on behalf of the Opera and Ballet, to install a plaque in the Opera House “Intermezzo Lounge” recognizing the generous support of Jeannik Méquet Littlefield, including her gift for this summer’s refurbishment of the Intermezzo Lounge. Following discussion, and on motion of Trustee Myatt, seconded by Trustee Bashford, the following resolution was unanimously adopted:

RESOLUTION NO. 09-46

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby approves the request of the San Francisco Opera and Ballet to install a plaque in the Opera House “Intermezzo Lounge” recognizing the generous support of Jeannik Méquet Littlefield.

At the request of Trustee Tsakopoulos-Kounalakis, War Memorial staff was asked to prepare for the Trustees a listing of all plaques currently installed in the Opera House.

ADJOURNMENT

There being no further business, President Bechtle adjourned the meeting at 3:00 p.m.

Jennifer E. Norris
Executive Secretary