

MINUTES

WAR MEMORIAL BOARD OF TRUSTEES

REGULAR MONTHLY MEETING

Thursday, November 8, 2001

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, November 8, 2001, in the Trustees' Board Room, War Memorial Opera House, President Horn presiding.

ROLL CALL

Present: President Horn, Trustee Balianz, Trustee Bashford, Trustee Bechtle, Trustee Farrow, Trustee Hass, Trustee Leones, Trustee Roth;

Absent: Vice President Jarman, Trustee Moscone, Trustee Shultz.

APPROVAL OF MINUTES

President Horn called for approval of the minutes of the October 11, 2001 regular meeting of the Board. On motion of Trustee Farrow, seconded by Trustee Haas, the minutes were unanimously approved.

PRESIDENT'S REPORT

Report on Veterans Building Renovation Project and War Memorial Funding: President Horn stated that in preparation for meetings of the Board's Ad Hoc Veterans Building Planning Committee, there has been considerable activity at the staff level on developing plans for a Veterans Building renovation project. He stated that with the realization that it could be some time before a general obligation bond proposal for a Veterans Building project could be submitted to the voters due to the numerous City-wide needs for bond funding, staff has been meeting with City finance and bond staff on the feasibility of developing a revenue bond program to fund the Veterans Building renovation. He noted that under a revenue bond program, the War Memorial would essentially borrow funds for the project, and then re-pay those funds with interest, from current and future revenue fund balances, and from existing and new earned revenue sources. President Horn stated that he and Ms. Murray have met with the American Legion War Memorial Commission as well as with other current and potential future occupants of the War Memorial facilities to discuss current and future needs for space in the complex and their potential role in a Veterans Building renovation project, and that private architectural services have been engaged, through the San Francisco Performing Arts Center Foundation, to assist in developing alternative proposals for efficient utilization of space to meet current and future needs of building occupants. He added that staff has been actively working with the Department of Public Works Bureau of Architecture to develop project scope requirements, plans and cost estimates, with a goal of submitting a revenue bond proposal to the voters in November 2002, allowing for construction to begin in early 2005. President Horn stated that staff's preliminary ground work will now enable the Board's Ad Hoc Committee to move forward with considering and developing plans to restore the Veterans Building as a vibrant and public part of the Performing Arts Center and the Civic Center.

President Horn also reported that during his October 22 State of the City Address, Mayor Brown stated that as a result of the economic downturn—exacerbated by the events of September 11—the City is projecting a \$100 million shortfall in the current year budget. In response to this projection, the Mayor said it would be

necessary to postpone certain capital projects, and specifically stated that Veterans Building project funds of \$7-8 million would be re-allocated to help cover the budget shortfall. President Horn said the Mayor's statements concerning Veterans Building project funds came as a surprise to War Memorial Trustees and staff, and since that time staff has been working with the Mayor's Budget Office to identify their funding proposals. He asked Ms. Murray to report on the particulars and status of this funding proposal.

Ms. Murray stated that as a special fund department, the War Memorial receives no general fund support from the City; rather it must fund all operating and capital expenditures with its special fund resources which include an annual allocation from the hotel tax fund and annual earned revenues from facilities' rentals and activities. At the close of any fiscal year, any unexpended balances in the War Memorial's special fund are carried forward and accumulated in the "War Memorial Revenue Fund." She stated that because capital project costs vary considerably from year to year, the War Memorial must carefully plan its capital program and accumulate sufficient funds in its Revenue Fund in order to fund capital projects that cannot be funded within one year's revenue capability. As an example, Ms. Murray noted that from 1991 to 1997, the War Memorial accumulated close to \$7 million in its Revenue Fund for necessary capital improvements that were implemented as part of the 1996-97 Opera House Seismic Renovation project. She stated that since 1996, the War Memorial has similarly been accruing funds in its Revenue Fund to be used in conjunction with bond funds for a Veterans Building seismic upgrade and renovation project, noting that the War Memorial Revenue Fund has a current balance of approximately \$5.9 million.

Ms. Murray stated that the Mayor's Budget Office is proposing to re-allocate the entire War Memorial Revenue Fund balance of approximately \$5.9 million to seven other recipients of hotel tax revenues to offset projected shortfalls in current year hotel tax fund allocations. The Mayor's Office states this re-allocation of War Memorial funds essentially would be a loan; that the Administrative Code section relating to hotel tax fund allocations would be amended to provide for the loan and to provide for repayment of the loan in sufficient time so as to be available to the War Memorial when the Veterans Building project is implemented.

President Horn stated that he and Ms. Murray met with the Mayor's Budget Office yesterday, and raised a number of concerns about their funding proposal, including the assuredness of the payback plan and the financial and scheduling impacts on the War Memorial's ability to continue planning for and implementing the Veterans Building project. He stated that it is the War Memorial's responsibility as a City department to participate in resolving the city's budget problem, however, it is critical that such participation does not result in the cancellation nor any further delay in the planning and implementation of the Veterans Building project, which project has been once already postponed and is essential to public safety and preservation of City property. President Horn stated that the Mayor's Budget Office acknowledged the War Memorial's concerns and expressed support for the Veterans Building project, and stated that they will be drafting their proposal to address both present and future budgetary needs.

Following considerable discussion, Ms. Murray stated that she has requested that the Mayor's Budget Office provide the draft ordinance to the War Memorial as soon as possible so it may be reviewed by staff and then calendared for review and consideration by the Board of Trustees.

MANAGING DIRECTOR'S REPORT

Rental Requests: Ms. Murray reported that rental requests as mailed to Trustees include a request from the San Francisco Ballet for use of the parking area at the west end of the Memorial Court from approximately January 21 through February 4, 2002, to install a tent for its January 30, 2002 opening night pre-performance dinner and post-performance party. She added that the Ballet will use its one catering exemption for 2001-2002 for opening night festivities. Ms. Murray stated that remaining rental requests are routine and requested their approval. On motion of Trustee Bechtle, seconded by Trustee Farrow, the following resolution was unanimously adopted:

RESOLUTION NO. 01-43

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

WAR MEMORIAL GROUNDS

San Francisco Ballet	January 30, 2002	\$3,500.00
Parking Lot Tent for Opening Night Festivities		

WAR MEMORIAL OPERA HOUSE

San Francisco Ballet	December 10, 2001-May 14, 2002	\$139,391.00
Nutcracker 2001 & Repertory Season 2002		

LOUISE M. DAVIES SYMPHONY HALL

San Francisco Symphony	February 1 - May 31, 2002	\$118,975.00 vs. 10%
2001-2002 Season (partial)		\$134,975.00 maximum

HERBST THEATRE

Star Dance	June 20 - 22, 2002	\$1,575.00
Rehearsal and Annual Presentation of Student Dance Showcase		
Lulu Bagaman	November 25, 2001	\$750.00
Ms. Patti Austin and Ms. Tsai Chin in concert		
City Arts & Lectures	February 9, 2002	\$525.00
Supreme Court Justices Breyer and O'Connor		
42nd Street Moon	March 7, 2002	\$525.00
Concert presentation of Richard Roger's Centennial Celebration		
KAMSA	April 22, 2002	\$525.00
Korean Musical Ceremony		

Additional Rental Requests: Ms. Murray requested approval of additional rental requests as submitted. On motion of Trustee Farrow, seconded by Trustee Balianz, the following resolution was unanimously adopted:

RESOLUTION NO. 01-44

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

HERBST THEATRE

Stanford University Stanford Symphony Concert	April 21, 2002	\$525.00
California Host Private Dinner on stage - Patina to cater	November 29, 2001	\$750.00
Department of Public Health Employee Recognition Event	December 11, 2001	\$400.00
Nan Hai Arts Center Siquing Lu Violin Concert	December 22, 2001	\$525.00

SECRETARY'S REPORT

Revenue, Appropriations and Building Projects Report for October 2001: Mr. Ridenour referred to the revenue, appropriations, and status of building projects reports for October 2001, and requested a resolution to approve October 2001 housekeeping expenditures as submitted. On motion of Trustee Farrow, seconded by Trustee Balianz, the following resolution was unanimously adopted:

RESOLUTION NO. 01-45

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Orders Nos. POWM1104 through POWM1124 are hereby approved.

MISCELLANEOUS CORRESPONDENCE

Letter concerning San Francisco Opera "Supertitles": President Horn stated that Trustees have received a copy of a letter to Pamela Rosenberg, General Director of the San Francisco Opera, from Didi Boring, an Opera subscriber, regarding the new position of supertitle screens in the Opera House. Specifically, Ms. Boring notes that the new screens, which are placed at the sides of the stage opening, bisect the masks of "Tragedy and Comedy," and are more difficult to follow than the previous overhead supertitles. President Horn stated that Trustees have also received a copy of Ms. Rosenberg's response to Ms. Boring, stating that the new supertitle system was installed to address both production and accessibility concerns, and that the Opera tried to ensure that the new side screens blend in with the design and architecture of the building.

ADJOURNMENT

There being no further business, President Horn adjourned the meeting at 3:05 p.m.

Gregory P. Ridenour
Executive Secretary