

MINUTES

WAR MEMORIAL BOARD OF TRUSTEES

REGULAR MONTHLY MEETING

Thursday, March 10, 2005

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, March 10, 2005, in the Trustees' Board Room, War Memorial Opera House, President Bashford presiding.

ROLL CALL

Present: President Bashford, Vice President Horn, Trustee Bechtle, Trustee Farrow, Trustee Jarman, Trustee Moscone and Trustee Tsakopoulos-Kounalakis.

Absent: Trustee Balianz, Trustee Haas, Trustee Reynolds and Trustee Shultz.

Staff Present: Elizabeth Murray, Managing Director
Gregory P. Ridenour, Assistant Managing Director/Executive Secretary

APPROVAL OF MINUTES

President Bashford called for approval of the minutes of the January 13, 2005, regular meeting of the Board. On motion of Trustee Moscone, seconded by Trustee Farrow, the minutes were unanimously approved.

PRESIDENT'S REPORT

Passing of Thelma Shelley: President Bashford reported with sadness the passing of Thelma Shelley on February 18, 2005. He said that Mrs. Shelley was a dynamic and committed woman who served San Francisco with distinction for decades, noting especially her dedicated and outstanding service as the Managing Director of the War Memorial and Performing Arts Center from 1982 to 1998. President Bashford stated that Mrs. Shelley's skills and resourcefulness, together with her passion, graciousness and good humor, greatly benefited the War Memorial and touched all those who worked with her. He informed the Trustees that a memorial service and reception in memory of Thelma Shelley is scheduled for Sunday, March 20, 2005, at 5:00 p.m., in the Veterans Building Green Room. On behalf of the War Memorial Board of Trustees, President Bashford extended sincere condolences and sympathies to Thelma's family, Joan-Marie, Kate and Kevin Shelley, and to her many close associates and acquaintances at the War Memorial and Performing Arts Center. He asked that today's meeting of the War Memorial Board of Trustees be adjourned in memory and honor of Thelma Shelley.

San Francisco Opera – New General Director: President Bashford reported that on February 7, 2005, the San Francisco Opera announced that David Gockley has been named as the sixth general director of the San Francisco Opera. He stated that Mr. Gockley, general director of the Houston Grand Opera for the past 33 years, will officially take his new post in January 2006, and Pamela Rosenberg, the Opera's current general director, will continue to serve as the Company's executive advisor through December 2006. President Bashford asked that a letter be sent to Mr. Gockley offering the Trustees' congratulations on his appointment, and extending to him our sincere welcome to San Francisco and to the War Memorial Opera House.

MANAGING DIRECTOR'S REPORT

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

RESOLUTION NO. 05-06

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

San Francisco Jazz Festival Sonny Rollins	May 13, 2005	\$2,000.00 vs. 10% \$4,000.00 maximum
Patina Catering Bixel Private Lobby Reception	March 14, 2005	\$1,100.00

LOUISE M. DAVIES SYMPHONY HALL

Macro Media, Inc. Rehearsal and Performance of private Company Meeting	April 18 & 19, 2005	\$7,350.00
Tommy E. Short Charitable Foundation World Environment Day Concert	May 31, 2005	\$5,500.00
SF Choral Society Rehearsal and two performances of Carmina Burana	August 18-20, 2005 \$9,850.00 maximum	\$5,850 vs. 10%
American Academy of Family Physicians AAFP Assembly Celebration – SF Symphony Private Concert	October 1, 2005	\$5,500.00
San Francisco Girls Chorus Sing Along Holiday Rehearsal and Concert	December 20 & 21, 2005	\$3,850.00 vs. 10% \$5,850.00 maximum
Bill Graham Presents Tori Amos	April 24, 2005	\$2,000.00 vs. 10% \$5,500.00 maximum

HERBST THEATRE

S.F. Psychoanalytic Institute & Society Elizabeth Lloyd Mayer, Ph.D. Memorial Service	February 27, 2005	\$475.00
National Theatre for Arts and Education The Ballet Folklorico of Mexico	April 25, 2005	\$475.00
Sacred Heart Cathedral Preparatory Rehearsal and Performance of Spring Choral Concert	May 9 & 10, 2006	\$1,200.00
CCSF-Office of the City Attorney Commissioners' Sunshine Ordinance Training	March 7, 2005	\$475.00
Chinese American International School Rehearsal and Performance of Spring Student Show	March 30 & 31, 2005	\$1,200.00
Earplay Concerts	September 19, 2005 March 20, 2006	\$1,200.00

HERBST THEATRE (continued)

Lamplighter's Music Theatre Sing-along HMS Pinafore Show Boat	October 1, 2005 March 24, 2006	\$1,200.00
Kinsey Sicks Dragapella Show	June 18, 2005	\$1,050.00
Asian Pacific Fund Free Afternoon Program "Growing Up Asian in America"	May 7, 2005	\$475.00
John O'Connell High School Graduation Ceremony	June 8, 2005	\$475.00
San Francisco Foundation Community Leadership Awards Ceremony	September 20, 2005	\$600.00
City Arts and Lectures The Onion	May 12, 2005	\$600.00
Instituto Familiar de la Raza Miss and Mr. Gay Safe Latino 2005	June 17, 2005	\$600.00
SF Renegades Loud Music Symposium	April 23, 2005	\$600.00
Prem Rawat Foundation United Nations 60 th Anniversary Event lecture by Prem Rawat	June 23 & 24, 2005	\$1,200.00
Veterans for Peace Premiere Screening of "The 9-11 News Special You Never Saw"	March 11, 2005	\$600.00
California Institute of Integral Studies Rumi Performance featuring Coleman Banks	November 17, 2005	\$600.00
SF Performances Gift Concert for subscribers	March 29, 2005	\$600.00

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

RESOLUTION NO. 05-07

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

San Francisco Opera Guild Opera Opening Night Gala–Parking Lot Tent for Pre- and Post-Performance Festivities Use of 2005-06 catering exemption	September 10, 2005	\$6,000.00
San Francisco Opera Bravo Opening Night Gala–Pre-Performance and Intermission Reception Grand Tier Exterior Loggia	September 10, 2005	\$6,000.00

LOUISE M. DAVIES SYMPHONY HALL

Sierra Club

September 10, 2005

\$5,800.00

Sierra Summit 2005 Evening with Bill Maher

Opera House – Appointment of new House Manager: Ms. Murray announced the appointment of Eric Colby to the position of House Manager for the War Memorial Opera House, effective February 1, 2005, to succeed Jeff Coyne who served as the House Manager for 14 years from 1990 to 2004. She stated that Mr. Colby was selected following an application and interview process conducted by representatives of the War Memorial, San Francisco Opera and San Francisco Ballet, and that Mr. Colby has extensive experience in facility management and venue operations. Ms. Murray encouraged Trustees to take a moment to meet and welcome Eric Colby when next attending an Opera House performance.

SECRETARY'S REPORT

Revenue, Appropriations and Status of Building Projects Reports for January 2005: Mr. Ridenour referred to the Revenue, Appropriations, and Status of Building Projects Reports for January 2005, and requested a resolution to approve housekeeping expenditures as submitted. On motion of Trustee Farrow, seconded by Trustee Bechtle, the following resolution was unanimously adopted:

RESOLUTION NO. 05-08

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM050276 through WM050303 are hereby approved.

Revenue, Appropriations and Status of Building Projects Reports for February 2005: Mr. Ridenour referred to the Revenue, Appropriations, and Status of Building Projects Reports for February 2005, and requested a resolution to approve housekeeping expenditures as submitted. On motion of Trustee Bechtle, seconded by Trustee Farrow, the following resolution was unanimously adopted:

RESOLUTION NO. 05-09

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM050304 through WM050326 are hereby approved.

COMMITTEE REPORTS**Building Committee:**

Proposal of Natalie Varney to donate stained glass window for Veterans Building: Trustee Bechtle reported that the Building Committee met prior to today's meeting to consider the proposal of Natalie Varney to donate a stained glass window in the Veterans Building to honor the historic contribution of military scientists. She stated that the Committee reviewed, and Trustees have received a copy of Ms. Varney's proposal, including a color rendering of the proposed new window and a description and brief history of the two existing stained glass windows in the Veterans Building, both of which were donated by Ms. Varney's family.

Trustee Bechtle stated that this project has been under development for several years. She noted that the Board of Trustees originally considered and approved Ms. Varney's proposal in October 1994, subject to further review and approval of final design plans, which plans Ms. Varney has now submitted. She also

noted that the American Legion War Memorial Commission voted to recommend approval of Ms. Varney's proposal at its meeting on February 8, 2005, and that staff is recommending approval.

Trustee Bechtle reported that following discussion, the Building Committee voted unanimously to recommend to the Board of Trustees that Ms. Varney's proposal and donation be accepted. On motion of Trustee Bechtle, seconded by Vice President Horn, the following resolution was unanimously adopted:

RESOLUTION NO. 05-10

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendation of its Building Committee, and approves the proposal of Natalie Varney to donate and install a stained glass window in the southeast stairwell of the Veterans Building to honor the contribution of military scientists.

Budget & Finance Committee:

War Memorial Fiscal Year 2005-06 Departmental Budget: Vice President Horn reported that the Budget and Finance Committee met on February 10, 2005, to consider and adopt recommendations on the War Memorial department budget request for FY 2005-06. Vice President Horn submitted a report on the Committee's consideration and recommendations, attached as an addendum to these minutes.

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

RESOLUTION NO. 05-11

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendations of its Budget and Finance Committee, and approves the preliminary Fiscal Year 2005-06 Departmental Budget submitted by staff as modified and recommended by the Committee.

REGULAR ITEMS

Request of American Legion War Memorial Commission – Trophy Room Exhibit: Ms. Murray reported that Trustees have received a copy of the letter from the American Legion War Memorial Commission dated January 25, 2005, advising that the War Memorial Commission has agreed to sponsor the Department of State's traveling exhibit titled "After 9/11: Messages from the World and Images of Ground Zero." The Commission advises that the exhibit will be installed in the Veterans Building Trophy Room, and will be open to the public—free of charge—on a daily basis, from March 11 to May 30, 2005. Ms. Murray stated that the Commission is requesting to use of a portion of the Veterans Building main lobby on the morning of March 11, 2005, to host a reception and ribbon cutting ceremony to officially open the exhibit for public viewing. Following discussion, and on motion of Vice President Horn, seconded by Trustee Moscone, the following resolution was unanimously adopted:

RESOLUTION NO. 05-12

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the request of the American Legion War Memorial Commission to use of a portion of the Veterans Building main lobby on the morning of March 11, 2005, to host a reception and ribbon cutting ceremony to officially open the exhibit in the Trophy

Room titled “After 9/11: Messages from the World and Images of Ground Zero,” is hereby approved.

PUBLIC COMMENT

Vince Rios, Secretary-Treasurer, American Legion War Memorial Commission, stated that the Commission is again requesting use of the Veterans Building main lobby for its annual POW Recognition Day event to be held on Saturday, April 9, 2005. Mr. Rios invited Trustees to attend the event.

Rudy Asercion, representing American Legion Bataan Post 600, thanked Ms. Murray and Mr. Ridenour for their assistance in making possible the “After 9/11: Messages from the World and Images of Ground Zero” exhibit in the Veterans Building Trophy Room, and he invited Trustees to attend the exhibit’s opening ceremony on Friday, March 11, 2005 at 9:11 a.m., in the Veterans Building main lobby.

ADJOURNMENT

There being no further business, President Bashford adjourned the meeting at 2:55 p.m., in memory and honor of Thelma Shelley.

Gregory P. Ridenour
Executive Secretary

War Memorial Board of Trustees
Budget & Finance Committee – Meeting of February 10, 2005
Report and Recommendations

War Memorial Fiscal Year 2005-06 Departmental Budget: The proposed FY 2005-06 Departmental Budget presented by staff is a preliminary budget due to current projection uncertainty in major revenue and expenditure areas of the City’s budget. Department budget requests must be submitted to the Mayor’s Office on February 22, 2005; departments will continue working with the Mayor’s Office until June 1, 2005, when the Mayor is required to submit his recommended 2005-06 budget to the Board of Supervisors.

Summary of Proposed FY 2005-06 Departmental Budget:

Revenue:

- ♦ **Hotel Tax Revenue:** The annual allocation of hotel tax revenue is set forth in the Municipal Code, and includes specific allocations for specific departments or purposes, with unallocated and remaining hotel tax revenues accruing to the General Fund for discretionary use. The War Memorial is one of 12 departments or programs receiving a specific annual hotel tax allocation. In accordance with the Municipal Code, specific allocation amounts are adjusted annually by the percentage increase or decrease in actual hotel tax revenues compared with the prior fiscal year, subject to an annual adjustment cap of 10%.

For the current fiscal year 2004-05, the Mayor and Board of Supervisors imposed a “freeze” on specific hotel tax allocations in order to free up additional funds for the General Fund. Flat hotel tax allocation amounts for 2004-05 were set forth in the “2004-05 Annual Appropriation Ordinance,” which superceded the allocation formula in the Municipal Code. The War Memorial’s flat hotel tax allocation for 2004-05 was \$8,407,000. Comparatively, and based on the Controller’s current projections, the War Memorial’s 2004-05 allocation per the Municipal Code would be \$9,170,000.

In accordance with the Mayor’s baseline budget instructions for 2005-06, the hotel tax allocation amount included in staff’s preliminary budget has been maintained at the current-year level of \$8,407,000. Comparatively, and based on the Controller’s projected 6% hotel tax growth for 2005-06, the War Memorial’s 2005-06 hotel tax allocation per the Municipal Code would be \$9,720,000, \$1.3 million over the allocation included in the preliminary baseline budget.

- ♦ **Earned Revenue:** Total earned revenue for 2005-06 is projected at \$1.6 million, an increase of \$46,000 or 3% over the current year. This increase is primarily due to increased rentals projected for the Green Room and Herbst Theatre based on actual rentals in the prior and current year.

Expenditures:

- ♦ **Operating Budget:** FY 2005-06 proposed operating expenditures total \$10.4 million, a net increase of \$486,000 or 5% over current-year expenditures. This increase is primarily due to cost of living adjustments and mandatory fringe benefit increases pursuant to City collective bargaining agreements. Significant expenditure increases include:

Salary cost of living increases	\$109,931
Mandatory Fringe Benefits increases	\$311,245
Workers Compensation increases:	\$60,790

Staff’s preliminary 2005-06 budget includes several unconfirmed expenditure areas, which could have significant impact on the budget. Expenditure amounts for City Overhead and several Interdepartmental Service items—which expenditure items the War Memorial is required to budget as a special fund department—are included in the preliminary budget at the current-year level and are subject to adjustment by the Controller and Mayor.

- ♦ Interdepartmental Recovery: “Interdepartmental Recovery” represents the annual occupancy fees paid to the War Memorial by four City departments which occupy space in the Veterans Building, and is included in the annual operating budget as a negative expenditure line item. Staff’s preliminary budget shows a decrease of \$138,000 in 2005-06 occupancy fees, and reflects the request of the Mayor’s Office that 2005-06 occupancy fees for the Mayor’s Office on Disability and Law Library be waived due to General Fund shortfalls.
- ♦ Capital Budget: Proposed capital expenditures for 2005-06 total \$1.6 million and include annual routine facilities maintenance and funding for three capital projects.

Preliminary Budget Totals:

Total Revenues:	\$10,014,015
Total Expenditures:	< 11,088,656 >
Projected Deficit:	<\$ 1,074,641 >

Committee Action: Following discussion, the Committee voted unanimously to recommend to the Board of Trustees that the preliminary 2005-06 Departmental Budget submitted by staff be approved with the following changes:

1. Hotel Tax Revenue: The War Memorial’s FY 2005-06 budget request submitted to the Mayor’s Office shall include hotel tax revenue in an amount equal to 10% over the current-year allocation, or \$9,247,700.
2. City Overhead and Interdepartmental Expenditures: FY 2005-06 expenditure amounts for City Overhead and Interdepartmental Services, required of the War Memorial as a special fund department, shall remain at the FY 2004-05 budgeted level:
3. Interdepartmental Recovery: The FY 2005-06 budget request shall include all current Veterans Building occupancy fees paid by City departments, restoring the \$138,139 reduction requested by the Mayor’s Office.
4. Use of Fund Balance to Balance Budget: The FY 2005-06 budget request shall include sufficient revenue from the unappropriated balance in the War Memorial Special Fund to balance the FY 2005-06 Departmental Budget.