

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
REGULAR MONTHLY MEETING

Thursday, February 11, 2010

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, February 11, 2010, in the Trustees' Board Room, War Memorial Opera House, President Bechtle presiding.

ROLL CALL

Present: President Bechtle, Vice President Shultz, Trustee Bashford, Trustee Davis, Trustee Farrow, Trustee Horn, Trustee Myatt, Trustee Pelosi;

Absent: Trustee Jarman, Trustee Moscone;

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

APPROVAL OF MINUTES

President Bechtle called for approval of the minutes of the January 14, 2010 regular meeting of the Board. On motion of Vice President Shultz, seconded by Trustee Pelosi, the minutes were unanimously approved.

PRESIDENT'S REPORT

Passing of former Trustee Evelyn Haas: President Bechtle stated that Trustees were greatly saddened to learn of the passing of former Trustee Evelyn Haas on February 3, 2010. Evelyn Haas was a dedicated member of the War Memorial Board of Trustees for 29 years, from 1977 to 2006, and was committed to the growth and success of the War Memorial and Performing Arts Center. Her wide breadth of public service included Children's Hospital, San Francisco Museum of Modern Art, San Francisco Symphony and many, many others. President Bechtle asked that a letter be sent from the Board to Evelyn Haas' family, extending the Trustees' condolences and sympathies, and she asked that today's meeting be adjourned in memory of former Trustee Evelyn Haas.

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 Bashford, the following resolution was unanimously adopted:

RESOLUTION NO. 10-05

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

LOUISE M. DAVIES SYMPHONY HALL

The SF Advisory Council on Democratic and Peaceful Unification of Korea		\$2,200.00 vs. 10%
Incheon City Chorale	February 25, 2010	\$4,400.00 maximum
Live Nation, Worldwide	March 12, 2010	\$2,200.00 vs. 10%
Chelsea Handler		\$5,000.00 maximum

University of the Pacific School of Dentistry 2010 Graduation Ceremony	June 13, 2010	\$3,250.00
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HERBST THEATRE

John Bisceglie Forever Broadway!	March 21, 2010	\$1,250.00
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Additional Rental Requests: Ms. Murray stated there is one additional rental request from the San Francisco Symphony for its bi-annual Black & White Ball on May 22, 2010. She said the Symphony is requesting use of areas in each of Davies Symphony Hall, the Opera House and Veterans Building for the Ball concert and parties; and to install tented pavilions and canopies in the Davies Symphony Hall parking lot, and on the sidewalk and driveway areas at the east and west ends of the Memorial Court. A brief presentation of Black & White Ball activities was presented by Robert Lasher, San Francisco Symphony Director of Development, and Robert Fountain, the Symphony's Ball producer.

Ms. Murray presented staff's recommended license fees for the Symphony's use of War Memorial facilities and grounds for the May 22, 2010 Black & White Ball totaling \$34,150.00. Following discussion, and on motion of Vice President Shultz, seconded by Trustee Horn, the following resolution was unanimously adopted:

RESOLUTION NO. 10-06

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby approves the rental request of the San Francisco Symphony to use War Memorial facilities and grounds for the Symphony's Black & White Ball on May 22, 2010 as follows:

SAN FRANCISCO SYMPHONY – BLACK & WHITE BALL

Davies Symphony Hall – Parking Lot Tent	May 13 – 24, 2010	\$7,500.00
Davies Symphony Hall	May 22, 2010	
Champagne Promenade		\$1,200.00
Concert – k.d. Lang & Tony Bennett		\$4,400.00
Opera House		
Load-In/Install	May 21, 2010	\$1,025.00
Ball (Main Lobby/Lower Lounge/Loggia)	May 22, 2010	\$4,400.00
Strike/Load-Out	May 23, 2010	\$1,025.00
Veterans Building		
Herbst Theatre	May 22 – 23, 2010	\$1,500.00
Green Room	May 21 – 23, 2010	\$2,400.00
Main Lobby	May 22, 2010	\$1,200.00
Opera House/Veterans Building Grounds		
Tent at east end of Memorial Court	May 19 – 23, 2010	\$6,500.00
Tent at west end of Memorial Court	May 19 – 24, 2010	\$3,000.00

Mayor's Press Conference – SFPUC Lighting Upgrades at War Memorial: Ms. Murray reported that the Mayor held a press conference in Davies Symphony Hall on February 3, concerning the SFPUC lighting upgrades at the War Memorial facilities and other City buildings. She stated that as was reported at the Board's June 2009 meeting, the SFPUC funded and implemented lighting upgrades at all War Memorial buildings during the summer of 2009 at a cost of \$900,000, which upgrades are expected to generate annual electric cost

savings to the War Memorial of \$42,000. Ms. Murray stated that the SFPUC will be investing an additional \$1.4 million for Davies Symphony Hall mechanical upgrades during the summer of 2010, including replacement of the boilers and chillers as well as re-commissioning of the entire mechanical system. She noted that the War Memorial will contribute \$300,000 towards this project from reserve funds earmarked for Davies Symphony Hall mechanical improvements. Ms. Murray stated that in addition to the capital upgrade cost savings of \$1.4 million, the War Memorial will also realize on-going energy savings from mechanical upgrades.

SECRETARY'S REPORT

Revenue, Appropriations and Housekeeping Expenditures Reports for January 2010: Ms. Norris referred to the Revenue, Appropriations, and Housekeeping Expenditures Reports for January 2010, and requested approval of housekeeping expenditures as submitted. On motion of Trustee Pelosi, seconded by Trustee Horn, the following resolution was unanimously adopted:

RESOLUTION NO. 10-07

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM10145 through WM10170, and Interdepartmental Work Order No. WM100014, are hereby approved.

COMMITTEE REPORTS

Budget and Finance Committee:

Trustee Davis, Chair of the Budget and Finance Committee, reported that the Committee met on February 10, 2010, to consider and adopt recommendations on two items:

Rental Rate Increases for Fiscal Year 2010-11: The Budget and Finance Committee reviewed proposed rental rate increases for Fiscal Year 2010-11, representing an average increase of 6%, and expected to generate additional earned revenue of \$124,000. Beth Murray noted one new fee category for employee and tenant parking at the rate of \$70 per month, which represents the monthly cost of a MUNI fast pass plus \$10. The new parking fee would not apply to parking spaces allocated for Trustee use or for use by the American Legion Posts.

Trustee Davis reported that following discussion, the Committee voted unanimously to recommend to the full Board that rental rate increases for Fiscal Year 2010-11 as proposed by staff be approved.

On motion of Trustee Davis, seconded by Trustee Pelosi, the following resolution was unanimously adopted:

RESOLUTION NO. 10-08

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendation of its Budget and Finance Committee, and approves Rental Rate increases for Fiscal Year 2010-11 as proposed by staff.

War Memorial Departmental Budget for Fiscal Year 2010-11: Trustee Davis reported that the Committee reviewed staff's proposed departmental budget for Fiscal Year 2010-11, including projected revenues and proposed operating and capital expenditures. Beth Murray reported on items having significant revenue or expenditure variance from the current-year budget. Ms. Murray noted that staff's budget proposal – prepared in accordance with the Mayor's Budget Instructions – provides hotel tax revenue at the same level as the current year, and a 7% increase in earned revenue. Ms. Murray noted significant cost reductions in permanent salaries, overhead and materials and supplies. She also noted that while the transfer of the War Memorial custodial personnel to the Real Estate Division last year did not achieve the intended cost savings goals, the consolidation plan has been maintained in the 2010-11 budget proposal.

Trustee Davis reported that following discussion, the Committee voted unanimously to recommend to the full Board that the War Memorial Departmental Budget for Fiscal Year 2010-11 as proposed by staff be approved.

On motion of Trustee Davis, seconded by Vice President Shultz, the following resolution was unanimously adopted:

RESOLUTION NO. 10-09

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendation of its Budget and Finance Committee, and approves the War Memorial Departmental Budget for Fiscal Year 2010-11 as proposed by staff.

Veterans Committee:

Trustee Myatt, Chair of the Veterans Committee, reported that the Committee met on February 10, 2010, to consider and adopt recommendations on one item:

Renewal of Agreement with American Legion War Memorial Commission: Trustee Myatt reported the Committee discussed and reviewed materials concerning renewal of the agreement between the War Memorial Board of Trustees and the American Legion War Memorial Commission, which agreement has to do with the 1977 transfer of management and control of the Herbst Theatre and Green Room from the Commission to the Trustees and the reallocation of basement space from the Commission to the Museum of Modern Art. Under the original 1977 agreement, and the subsequent 13 two-year renewals of the agreement, the War Memorial pays an annual sum to the Commission to help cover the Commission's office expenses related to administering and scheduling Veterans Building space allocated for veterans' use. Since 1977, the Museum of Modern has contributed \$6,000 per year towards this annual sum.

Trustee Myatt noted that at the October 8, 2009 meeting of the Board, the Trustees adopted a resolution not to approve an additional extension of the agreement with the Commission, but to continue depositing the monthly payment called for in the current agreement into an escrow account. The matter was referred to the Veterans Committee to engage the Commission in discussion regarding their financial status, financial controls and practices, and current operating needs to administer space allocated for use by veterans.

Trustee Myatt stated that since the October 2009 meeting, the War Memorial Commission elected a new chairperson, Mr. Roger Dong. In November and December 2009, the Commission held special meetings and adopted "Standing Rules" setting forth new financial and administrative procedures and requirements as outlined in Mr. Dong's December 10, 2009 letter to the War Memorial.

The Veterans Committee reviewed the Commission's proposed budget for 2010, which provides total operating expenditures of \$43,200. The Commission's proposed revenue sources include \$6,000 from the American Legion Department of California, and a total of \$37,200 to be provided under a new renewal agreement, \$31,200 from the War Memorial and \$6,000 from the Museum of Modern Art. This represents an increase of \$7,200 over the \$24,000 annual sum paid by the War Memorial under the last renewal agreement.

Trustee Myatt reported that following discussion, the Veterans Committee voted unanimously to recommend to the full Board approval of a renewal agreement with the American Legion War Memorial Commission to include revised financial and reporting conditions. Following discussion, and on motion of Trustee Myatt, seconded by Trustee Pelosi, the following resolution was unanimously adopted:

RESOLUTION NO. 10-10

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendation of its Veterans Committee, and approves the renewal of the agreement between the War Memorial Board of Trustees and the American Legion War Memorial Commission to include:

- ♦ A term of agreement from January 1, 2010 to December 31, 2011, with a re-opener for budget review and adjustment if necessary in November 2010 for calendar year 2011.

- ♦ Retroactive payment of the prior monthly amount of \$2,500 (\$2,000 from the War Memorial and \$500 from the Museum) for the period November 2009 to December 2009.
- ♦ Payment of the new monthly amount of \$3,100 (\$2,600 from the War Memorial and \$500 from the Museum) effective January 2010, with the stipulation that should the Commission's monthly copier lease cost be reduced from the current \$700 monthly fee, the War Memorial's monthly payment to the Commission will be reduced accordingly.
- ♦ That the terms and conditions of the renewal agreement shall include:
 - 1) Defining the purpose of the payment of monies to the Commission, that being to offset Commission office expenses for administering and scheduling uses of Veterans Building space allocated for veterans' use;
 - 2) Requiring the Commission to submit an approved annual budget to the War Memorial, and requiring the Commission to submit monthly financial reports to the War Memorial showing how War Memorial funds have been spent by the Commission; and
 - 3) Requiring the Commission to advise the War Memorial prior to entering into any contract that requires expenditures by the Commission that are supported by monies paid to the Commission by the War Memorial.

REGULAR ITEMS

Symphony/Ballet/Opera Wine Partnership with E&J Gallo Winery – Proposed display enhancements for Opera House and Davies Symphony Hall Intermission Bars: President Bechtle stated that as was noted at last month's meeting, as part of the wine partnership arrangement with the Symphony/Ballet/Opera, E&J Gallo Winery is proposing display enhancements for Opera House and Davies Symphony Hall intermission bars. President Bechtle referred this matter to the Board's Presentors Liaison Committee and asked that the committee meet during the next month to review the proposals and adopt recommendations to the full Board.

GOOD AND WELFARE

President Bechtle reported that she, Vice President Shultz, Trustee Myatt and Managing Director Beth Murray met with the Mayor earlier in the week to update him on planning for the Veterans Building Seismic Upgrade Project and the Opera's proposed Veterans Building addition, and to ask for his assistance in securing a commitment for the Veterans Building project funds identified in the City's Ten-Year Capital Plan. She stated that Trustee Myatt also informed the Mayor about the pending Veterans Memorial Court project. President Bechtle stated that the Mayor expressed support of both projects and asked his staff to meet with War Memorial staff on Veterans Building planning issues.

ADJOURNMENT

There being no further business, President Bechtle adjourned the meeting at 2:40 p.m. in memory of former Trustee Evelyn Haas.

Jennifer E. Norris
Executive Secretary