

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
REGULAR MEETING

Thursday, November 8, 2012

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, November 8, 2012, in the Trustees' Board Room, War Memorial Opera House, President Shultz presiding.

ROLL CALL

Present: President Shultz, Trustee Bashford, Trustee Bechtle, Trustee Davis, Trustee Horn, Trustee Jarman, Trustee Moscone, Trustee Pelosi, Trustee Stafford, Trustee Wilsey;

Absent: Vice President Myatt;

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

APPROVAL OF MINUTES

President Shultz called for approval of the minutes of the October 11, 2012 regular meeting of the Board. On motion of Trustee Bechtle, seconded by Trustee Moscone, the minutes were unanimously approved.

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 Bechtle, seconded by Trustee Moscone, the following resolution was unanimously adopted:

RESOLUTION NO. 12-38

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 Ballet	\$224,775.00 vs. 10%
2012 Nutcracker & 2013 Repertory Season	\$240,525.00 maximum

LOUISE M. DAVIES SYMPHONY HALL

City Church San Francisco	March 31, 2013	\$3,350.00
Easter Service		

Another Planet Entertainment	February 24, 2013	\$2,500.00 vs. 10%
Morrissey (new date for cancelled appearance November 15, 2012)		\$6,750.00 maximum

HERBST THEATRE

California Academy of Sciences	January 9, 28, 2013	\$4,125.00
Conversations on Science	February 27, 2013	
	March 20, 2013	
	April 10, 2013	
Asian Law Caucus	January 27, 2013	\$825.00
Fred Korematsu Day Celebration		

FY 2011-2012 Final Report of Revenue and Expenditures: Ms. Murray stated that Trustees have received a copy of the Final Report of War Memorial Revenue and Expenditures for FY 2011-12. She commented on several noteworthy areas as follows:

- **Hotel Tax Revenue:** FY 2011-12 Hotel Tax revenue totaled \$8,676,261, a flat amount set in the Annual Appropriation Ordinance, which was \$4.6 million below the War Memorial hotel tax allocation specified in the Municipal Code.
- **Earned Revenue:** FY 2011-12 earned revenue totaled \$2,397,212, exceeding budgeted earned revenue by \$237,564. The increase in earned revenue was primarily due to Opera House and Davies Symphony Hall outside rentals and special event concessions.
- **Fund Balance:** The FY 2011-12 budget included use of \$991,401 from the War Memorial Fund Balance.
- **Operating Expenditures:** FY 2011-12 operating expenditures totaled \$10,642,502, below budgeted expenditures by \$225,652, with expenditure savings achieved in building maintenance services, workers compensation, and light, heat and power.
- **Capital Expenditures:** FY 2011-12 capital expenditures totaled \$836,139, including facilities maintenance expenditures of \$371,590 and capital expenditures for two projects, replacement of Davies Symphony Hall lobby carpeting and installation of handrails in the Opera House grand tier and dress circle seating sections.
- **War Memorial Fund Balance:** As a special fund department, any funds remaining at the end of the fiscal year revert to the War Memorial Fund Balance. FY 2011-12 addition to fund balance, including revenues exceeding budget, expenditures under budget, and adjustments for carry-forwards, totaled \$547,246, leaving a Fund Balance total of \$2,117,693 at June 30, 2012. The FY 2012-13 approved budgeted included use of \$676,670 from the Fund Balance, leaving a current balance of \$1,441,023.

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

RESOLUTION NO. 12-39

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby approves the War Memorial Final Report of Revenue and Expenditures for Fiscal Year 2011-2012.

Veterans Building Seismic Upgrade and Improvements Project - Update

American Legion War Memorial Commission Appeals: Ms. Murray stated that at last month's meeting, she reported that the American Legion War Memorial Commission filed a new appeal to the Board of Supervisors of the Categorical Exemption Determination from Environmental Review (CEQA) for the Veterans Building Seismic Upgrade and Improvements Project, and that the appeal had been referred to the City Attorney for a determination of timely filing. Ms. Murray reported that on October, 12, the City Attorney advised that the War Memorial Commission's appeal was not timely; the City Attorney also advised that because the Board of Supervisors had previously approved an ordinance which adopted findings that the Veterans Building Project was exempted from CEQA, no further appeal to the Board of Supervisors of the categorical exemption determination may be made.

Completion of 50% Construction Documents: Ms. Murray reported that as of October 26, completion of the 50% construction documents milestone for the Veterans Project was achieved. She stated there are four phases of the Veterans Building project, schematic design, design development, construction documents and construction. Completion of 100% construction documents milestone is targeted for January 8, 2013, following which subcontractor bids and awards will take place. Ms. Murray reported that the Veterans Building construction start date remains on schedule for July 1, 2013.

Veterans Building Safety Violation by American Legion Posts: Ms. Murray reported on a serious safety violation in a veterans' meeting room in the Veterans Building during October 2012. She stated that during the early evening, War Memorial engineers in the Opera House observed flames in Veterans Building room 207 from across the courtyard. War Memorial engineers and security responded immediately to room 207, and found a group conducting a ceremony with fireballs measuring around three feet in diameter. War Memorial staff immediately stopped the activity. Ms. Murray reported that this activity scheduled by an American Legion Post violated both building rules and fire code regulations and placed other building occupants at risk. This violation was immediately reported to Nelson Lum, Chair of the American Legion Commission, who later responded that the Commission has suspended, expelled or disciplined the Post members who were involved and has banned the Native American Group that was being hosted by Post 448 and which conducted the ceremony from future activities in the building for five years. Ms. Murray stated that the Commission admits they are frequently not sure of the types of activities they are scheduling in veterans spaces. She said that while the Commission has taken prompt and appropriate action in response to this incident, the Commission has not discussed nor enacted any procedures or policies to better define activities taking place in veterans' meeting rooms and prevent future incidents from occurring.

President Shultz referred this matter to the Board's Veterans Committee for further investigation, discussion and development of new revised policies, procedures and rules to ensure that activities in the Veterans Building are conducted in a safe, lawful and proper manner.

SECRETARY'S REPORT

Revenue, Appropriations and Housekeeping Expenditures Reports for October 2012: Ms. Norris referred to the Revenue, Appropriations, and Housekeeping Expenditures Report for October 2012, and requested approval of housekeeping expenditures as submitted. On motion of Trustee Horn, seconded by Trustee Wilsey, the following resolution was unanimously adopted:

RESOLUTION NO. 12-40

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM1300081 through WM 13000105 are hereby approved.

REGULAR ITEMS

Symphony request for temporary décor change of Davies Symphony Hall Loge Lobby to feature Symphony's Official Airline, Emirates: President Shultz stated that Trustees have received the letter from the San Francisco Symphony requesting to temporarily change the décor in the Loge Lobby of Davies Symphony Hall to feature the Symphony's official airline, Emirates. This temporary décor change would be for three evening concerts from December 5 - 8, 2012. The proposed décor changes are similar to those approved by the Board for this purpose last year and include co-branded Symphony and Emirates freestanding illuminated panels and illuminated towers. On motion of Trustee Bechtle, seconded by Trustee Wilsey, the following resolution was unanimously adopted:

RESOLUTION NO. 12-41

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby approves the request of the San Francisco Symphony to temporarily change the décor of the Loge Lobby

in Davies Symphony Hall to feature the Symphony's official airline, Emirates, for three evening concerts from December 5 – 8, 2012, subject to the standard commercial display fee of \$1,500 per concert.

Replacement of Opera House Box Level Seats: President Shultz stated that staff has been working with vendors on plans for replacing the Opera House Box Level seats. She referred this matter to the Board's Building Committee for review and recommendations.

PUBLIC COMMENT

Mr. Leo Madrid, historian with the American Legion, stated he was present at the ceremony in Veterans Building room 207 when an outside group used fire displays, and he said the outside group purposely deceived the Commission as to what was going on and it was not the fault of the Commission.

Nelson Lum, Chair of the American Legion War Memorial Commission, stated he was shocked and angered about the fireball incident in Veterans Building room 207, and he noted that the room use application made no mention of using open flame or other flame effect. Mr. Lum said that upon being notified of the incident he immediately investigated. He felt the initial disciplinary action taken against those involved was not sufficient, so he insisted on more serious action. Mr. Lum stated that as of now, the individuals directly involved have been expelled from the American Legion and every officer of the Post that was involved has received a letter of reprimand. Mr. Lum stated that he feels the Commission's severe disciplinary action will be a deterrent to any future incidents.

Mr. Lum stated that the Veterans Day parade will take place this Sunday, November 11, at 10:00 a.m., and invited Trustees to come to the reviewing stand in front of City Hall. Mr. Lum also stated that on October 16, the Commission hosted a law enforcement job fair, and representatives from SFPD, Bart Police, and SF Sheriffs were available to recruit veterans.

ADJOURNMENT

There being no further business, President Shultz adjourned the meeting at 2:40 p.m.

Jennifer E. Norris
Executive Secretary