

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
Thursday, December 10, 2015

The Board of Trustees of the War Memorial of San Francisco met at 2:00 p.m. on Thursday, December 10, 2015, in the Trustees' Board Room, War Memorial Opera House, President Bashford presiding.

ROLL CALL

Present: President Bashford, Vice President Horn, Trustee Bechtle, Trustee Davis, Trustee Myatt, Trustee Pelosi, Trustee Shultz, Trustee Stafford, and Trustee Wilsey

Absent: Trustee Lui, Trustee Moscone,

Staff Present: Elizabeth Murray, Managing Director, and Jennifer Norris, Assistant Managing Director

APPROVAL OF MINUTES

President Bashford called for approval of the minutes of the November 12, 2015 regular meeting of the Board. On motion of Trustee Bechtle, seconded by Trustee Pelosi, the minutes were unanimously approved.

PRESIDENT'S REPORT

President Bashford stated that the Opera will end the fall portion of its 2015-16 season on December 13, and congratulated the Opera on a superb fall season. President Bashford stated that the San Francisco Ballet will open its 2015 *Nutcracker* Season on December 16, and will present 29 performances through December 31. President Bashford, on behalf of the Board, extended best wishes to the Ballet for a successful *Nutcracker* Season.

MANAGING DIRECTOR'S REPORT

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

RESOLUTION NO. 15-48

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

Mind the Product Technology Conference	May 3, 4, 2016	\$12,000.00
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HERBST THEATRE

SFMTA Staff Meeting	December 8, 2015	\$700.00
Universal Culture Heritage Foundation Chinese Dance Performance	December 18, 2015	\$1,250.00

Artbeat, Inc.		\$3,750.00
Forever Tango (added show)	December 31, 2015	
In the Mood (two performances)	March 1, 2016	
Fred Korematsu Institute	January 30, 2016	\$1,250.00
Korematsu Day Celebration		
Northern California Chinese Culture Athletic Federation		\$1,250.00
Empress Wu Zeitan	February 21, 2016	
San Francisco Opera		\$2,500.00
Meet the Adlers	February 23, 2016	
Annual Meeting	March 17, 2016	
Goldenvoice, LLC	March 16, 2016	\$2,500.00
Peter Frampton		
San Francisco Ballet	March 25, 2016	\$1,250.00
Orchestra Concert		
Fei Tian Academy of the Arts California	May 1, 2016	\$1,250.00
Student Dance Recital		
Filipina Women's Network	May 13, 2016	\$1,250.00
The Vagina Monologues		
San Francisco Opera Guild	June 7, 2016	\$1,250.00
Insight Panel Discussion: Jenufa		
SFJAZZ	June 10, 11, 12, 2016	\$3,750.00
SFJAZZ Festival		
Clif Bar & Co.	September 29, 2016	\$2,500.00
Lunafest		

Director's Report: Ms. Murray announced that Assistant Managing Director, Jennifer Norris, will celebrate her 20th Anniversary at the War Memorial on December 11.

SECRETARY'S REPORT

Revenue, Appropriations and Housekeeping Expenditures Reports for November 2015: Ms. Norris stated that Revenue, Appropriations and Housekeeping Expenditures reports for November 2015 have been distributed to Trustees, and she requested approval of the November 2015 housekeeping expenditures as submitted. On motion of Trustee Shultz, seconded by Vice President Horn, the following resolution was unanimously adopted:

RESOLUTION NO. 15-49

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM160103 through WM160128 and Revenue Transfers WM16002 and WM16004 are hereby approved.

Ms. Norris reminded the Trustees that the bi-annual Harassment Training must be completed by December 31, 2015 and stated that she is available if any Trustee need assistance.

COMMITTEE REPORTS

Presentors Liaison Committee:

Renewal of Agreement with City Box Office for Herbst Theatre Box Office and Ticket Sales Services:

Trustee Bechtle, Chair of the Presentors Liaison Committee, reported that Committee members reviewed the proposal from City Box Office for renewal of their agreement with the War Memorial to provide Herbst Theatre Box Office and Ticket Sales Services for a three-year term with a two-year extension option at the discretion of the War Memorial. The Committee heard from Beth Murray on the terms of the renewal proposal and heard from Lauren McQuade, owner of City Box Office, concerning City Box Office's new technological upgrades to ticket sales operations.

Trustee Bechtle reported that following discussion, the Committee voted unanimously to recommend approval of the renewal of agreement with City Box Office for the provision of Herbst Theatre Box Office and Ticket Sales Services.

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

RESOLUTION NO. 15-50

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendation of its Presentors Liaison Committee, and approves the renewal of agreement with City Box Office for the provision of Herbst Theatre Box Office and Ticket Sales Services for a three-year term from October 1, 2015 to September 30, 2018, with an option at the discretion of the War Memorial for a two-year extension.

Amendment to Food and Beverage Concession Agreement between War Memorial and Patina Restaurant Group for operation of Veterans Building Café:

Trustee Bechtle reported that Committee members reviewed the proposal from Patina Restaurant Group for an amendment to the War Memorial's Food and Beverage Concession Agreement to grant Patina the exclusive right to operate food and beverage services in the Veterans Building first floor café.

Trustee Bechtle stated that Patina representatives made a presentation for operating the café under their branded name of "C+M" (which is short for Coffee and Milk). Patina operates three other C+M's in Southern California. The proposal provides for general operating hours of 7am to 3pm, on Mondays through Friday, with service of a variety of breakfast and lunch offerings. The Committee reviewed Patina's sample menus and Patina's planned marketing and branding plans.

Trustee Bechtle said the Committee also heard from Beth Murray on the amendment contractual provisions. The amendment would add the Veterans Building Café as one of the premises for which Patina has exclusive right to operate all food and beverage concession services. The amendment also provides:

- War Memorial shall make available for Patina on the premises all the City-owned equipment, fixtures and furnishings presently located in the Café installed as part of the Veterans Building project;
- War Memorial and Patina agree to an expenditure not to exceed \$20,000 from the War Memorial's and Patina's shared "Concessions Equipment Replacement Fund" for additional designated equipment fixtures and furnishings;
- Patina shall expend up to \$35,000 for additional required equipment, fixtures and furnishings;
- Patina shall expend up to \$30,500 for pre-opening expenses including staff recruiting, training and uniforms, mock services, marketing and printing and graphics;

- Standard concession fees related to food and non-alcoholic beverages, under our existing agreement, will apply to sales at this new location; however, Patina shall pay no concession fees to War Memorial until Patina has recovered its expenditures for equipment, fixtures and furnishings and pre-opening expenses not to exceed a total of \$65,499.

Trustee Bechtle reported that following discussion, the Committee voted unanimously to recommend approval of the proposed amendment to the War Memorial's food and beverage concession agreement with Patina Restaurant Group granting Patina the exclusive right to operate food and beverage services in the Veterans Building first floor café, and that Patina shall return to the Presentors Liaison Committee with specific options for branding signage and the style and placement of tables and chairs.

Trustee Bechtle stated that, while not an action item, the Committee also discussed with Patina the need for savory food offerings in the Herbst Theatre lower lounge, and Patina agreed to provide such additional offerings on a trial basis.

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

RESOLUTION NO. 15-51

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendation of its Presentors Liaison Committee and approves the proposed amendment to the War Memorial's Food and Beverage Concession Agreement with Patina Restaurant Group, granting Patina the exclusive right to operate food and beverage services in the Veterans Building first floor café, and that Patina shall return to the Presentors Liaison Committee with specific options for branding signage and the style and placement of tables and chairs.

Budget and Finance Committee:

Lease Agreement with San Francisco Opera for lease of Veterans Building space:

Vice President Horn, Acting Chair of the Budget and Finance Committee, reported that the Committee met on December 10 to consider the lease agreement between the War Memorial and San Francisco Opera Association for the Opera's lease of space in the Veterans Building. Vice President Horn recapped that in February of 2014, the Board of Trustees approved the Letter of Intent between the San Francisco Opera Association and the War Memorial concerning the Opera's development and lease of Veterans Building space. The Letter of Intent set forth the Opera's planned improvements to the basement and 4th floor of the Veterans Building and outlined the provisions to be included in a subsequent 30-year lease between the Opera and War Memorial.

Vice President Horn stated that Committee members reviewed the "Basic Lease Information" section of the draft Lease Agreement between the War Memorial and the Opera for the Opera's lease of space in the Veterans Building. The lease agreement incorporates all provisions previously agreed upon in the Letter of Intent and includes all required provisions for leases with the City and County of San Francisco.

Vice President Horn reported that following discussion, the Committee voted unanimously to recommend approval of the 30-year lease agreement between the War Memorial and San Francisco Opera Association for the Opera's lease of space in the Veterans Building.

A motion was made by Vice President Horn and seconded by Trustee Bechtle to adopt the recommendation of the Budget and Finance Committee and approve the proposed lease agreement between the War Memorial and San Francisco Opera Association.

During public comment on the motion, Wallace Levin, Commander of the Veterans of Foreign Wars, Post 1205, stated that when the subject of the Opera renting space in the Veterans Building was first discussed, it was stated that veterans through the War Memorial Commission would have access to some of the new

meeting space on the 4th floor during six months of the year. Mr. Levin asked if it is written in the agreement because he wants veterans' rights to be protected.

Paul Cox, Chair of the American Legion War Memorial Commission, stated they are happy to have the Opera in the Veterans Building but would like the record to show that they disagree with the 30-year lease because there is no way of knowing the kind of space the San Francisco Posts of the American Legion will need in the future. Mr. Cox stated that he thinks a 10-year renewable lease would be more reasonable.

Following further discussion, the following resolution was adopted 7-0, with Trustees Shultz and Wilsey recusing themselves from the vote:

RESOLUTION NO. 15-52

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 30-year lease agreement between the War Memorial and San Francisco Opera Association for the Opera's lease of space in the Veterans Building.

GOOD AND WELFARE

Trustee Myatt stated that in January 2016, the War Memorial staff will be contacting an artist to design a display for the lobby of the Veterans Building that tells the story of the Veterans Building.

PUBLIC COMMENT

John Patrick McCaffrey, Viet Nam Veteran, stated that he is following up on the ADA discrepancies he reported at the November meeting and wanted to know if the problems were taken care of. Ms. Murray stated that the discrepancies have been referred to the architect and they will address the problem with the water supplies but will not remove the light switch because it is not an ADA requirement.

REGULAR ITEMS

Election of Officers for Calendar Year 2016:

President Bashford opened the floor to nominations for the offices of President and Vice President of the War Memorial Board of Trustees for calendar year 2016.

Trustee Bechtle nominated President Wilkes Bashford for second term as President, and Vice President Horn for a second term as Vice President, of the War Memorial Board of Trustees for 2016. The nominations were seconded by Trustee Pelosi, and the following resolution was unanimously adopted:

RESOLUTION NO. 15-53

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that nominations for the offices of President and Vice President of the Board of Trustees for 2016 are hereby closed; and further,

RESOLVED, That this Board unanimously elects Wilkes Bashford as its President and Thomas E. Horn as its Vice President for calendar year 2016.

President Bashford stated that it is an honor to occupy any position on the War Memorial Board. He stated his hope that in 2016 the Board and War Memorial constituents will have harmonious times, working together to support each other.

Closed Session for Conference with Legal Counsel for Existing Litigation: President Bashford stated that as noticed on today's agenda, the Trustees will meet in closed session with legal counsel on existing litigation

regarding space allocation for and facility use by the San Francisco Posts of the American Legion in the Veterans Building.

President Bashford stated that first, the Board will take public comment on all matters pertaining to the closed session. Then the Board will entertain a motion to hold a closed session to confer with the City Attorney pursuant to Government Code Sections 54956.9(d)(1) and San Francisco Administrative Code Section 67.10(d)(1).

Public Comment:

President Bashford asked if there was any public comment relating to any aspect of this agenda item, including whether the Board should confer with the City Attorney in closed session, and whether the Board should disclose any or all of its closed session discussion.

There being no public comment, public comment was closed.

Motion to go into Closed Session:

President Bashford stated that attorneys for the petitioner, San Francisco Posts of the American Legion, filed a lawsuit in Superior Court of the State of California on Tuesday, July 28, 2015, naming the City, acting through this Board of Trustees, as the respondent. The case name is "In the Matter of San Francisco War Memorial Trust, dated August 19, 1921, as amended June 30, 1928" and the case number is PTR-15-298701.

President Bashford asked for a motion to invoke the attorney-client privilege and go into closed session to confer with or receive advice from the City Attorney pursuant to Government Code Sections 54956.9(d)(1) and San Francisco Administrative Code Section 67.10(d)(1).

On motion of Trustee Myatt, seconded by Vice President Horn, the Board of Trustees voted unanimously to convene in closed session pursuant to Government Code Sections 54956.9(d)(1) and San Francisco Administrative Code Section 67.10(d)(1).

CLOSED SESSION

RECONVENE IN OPEN SESSION

President Bashford reconvened the meeting in open session. President Bashford announced that the Board of Trustees took no action that is required to be reported under the Brown Act or Sunshine Ordinance during the closed session. President Bashford called for a motion on whether to disclose the contents of the closed session. On motion of Trustee Myatt, seconded by Trustee Bechtle, the Board of Trustees voted unanimously not to disclose any of the discussion during the closed session.

ADJOURNMENT

There being no further business to come before the Board, President Bashford adjourned the meeting at 3:06 p.m.

Jennifer E. Norris
Executive Secretary