

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
PRESENTORS LIAISON COMMITTEE MEETING
WAR MEMORIAL BOARD OF TRUSTEES SPECIAL MEETING
Thursday, May 12, 2016

The Presentors Liaison Committee of the Board of Trustees of the War Memorial of San Francisco met at 1:00 p.m. on Thursday, May 12, 2016, in the Trustees' Board Room, War Memorial Opera House, Committee Chair Bechtle presiding.

ROLL CALL

Present: Chair Bechtle, Trustee Lui, Trustee Moscone, Trustee Wilsey, President Horn, *Ex officio*

Absent: Trustee Shultz

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

Patina Restaurant Group request for Food and Beverage Price Increases:

Chair Bechtle reported that in advance of today's meeting, Committee members received the February letter from Patina requesting price changes to offset increases to the cost of doing business; a chart of Patina's food and beverage pricing from 1998 to present; and a chart of beverage pricing comparisons at various San Francisco venues.

Chair Bechtle stated that Committee members have today received a letter from the San Francisco Opera, Symphony and Ballet commenting on the proposed price increase and a copy of Patina's presentation concerning proposed pricing adjustments. She said she was pleased to see so many representatives of the Symphony, Opera and Ballet present at today's meeting.

Chair Bechtle called on Patina representatives Susan Serpanchy, Patina's General Manager at the War Memorial Complex, and Christian Muniz, Patina Vice President of Operations for Museums and Performing Arts Centers, to review their presentation.

Mr. Muniz presented a packet identifying cost factors that contribute to the need for price increases including labor, union health welfare and pension, and costs for food and commodities. He stated that the last time Patina increased prices was in 2012, and that was for only two items, the buffet and ala carte menu items.

Ms. Serpanchy explained that increased labor costs reflects increased staffing levels at each of the Opera House, Herbst Theatre and Davies Symphony Hall to improve service. She noted that staffing levels will vary depending on the type of presentation and the number of anticipated attendees. She also reviewed the union classifications which limit the tasks which food and beverage employees may be assigned.

Mr. Muniz reviewed the increased cost for union health and pension. He noted that while the health and pension monthly fees have remained the same since 2012, the number of employees eligible to receive the monthly health and pension payment has increased from an average 12 employees in 2012 to an average 21 employees in 2015. This has led to an \$80,000 increase in union health and pension expenses in 2015 when compared to 2012. Mr. Muniz also reviewed examples of food and commodity cost increases from 2012 to 2015.

In discussion, President Horn referenced the letter from the Symphony, Opera and Ballet which states they have shared concerns about food and beverage service. Noting the presence of senior staff from each organization, he asked if they would comment on those concerns.

Derek Dean, Chief Operating Officer of the San Francisco Symphony, stated that the focus should be on the patron experience. He said that Symphony patrons have ranked food and beverage experience low on patron

surveys and he would like to see food, beverage and service standards rise along with the price increases.

Russell Kelban, Chief Marketing Officer of the San Francisco Symphony, expanded on the low food and beverage patron survey ratings. He proposed there be further evaluation of the quality and price of food and beverage offerings. He added that the length of intermission lines are challenging.

Matthew Shilvock, General Director Designate of the San Francisco Opera, stated that in recent years there has been a shift among patrons and a high standard front-of-house experience has become increasingly important to patrons' overall satisfaction. The Opera wants to better activate front-of-house spaces and make lobby areas more interesting. He would like to see reduced lines at intermission bars and feels pre-orders may help, though communicating where to pick up orders continues to be a challenge.

Glenn McCoy, Executive Director of the San Francisco Ballet, stated that he echoed the statements of the Symphony and Opera. He said the Ballet is excited about the spirit of cooperation between all the stakeholders. He added that the Ballet will share information they receive from patron surveys with both the War Memorial and Patina in an effort to amplify the experience with a goal of providing a world class experience.

Mary Beth Smith, Director of Marketing of the San Francisco Ballet, stated that patrons indicate the value of the food and beverage product they are receiving is inconsistent with the price. She added her hope that Patina will optimize revenue by improving the overall experience.

Ms. Serpanchy stated she feels there is a great opportunity for Patina and resident licensees to continue working together towards better meeting patrons' food and beverage expectations. She added that with the end of the resident licensees' wine partnership, which included exclusive pouring rights for house wine, there is opportunity for more interesting wine offerings. Mr. Muniz stated that Patina also surveys patron experience through "Open Table" reviews and rankings and through a mystery shopper program. He stated the Opera House Café is ranked 4 out of 5 stars on "Open Table," which is a high rating for which Patina is pleased.

President Horn stated that food and beverage has been a vexing issue for the board for many, many years. It is a complicated enterprise to create world class experiences during an hour pre-play and a twenty minute intermission, and questioned the validity of asking patrons to compare our food and beverage concessions services to those of restaurants in Hayes Valley. He stated his experience that the food product at the Performing Arts Center is quite good. President Horn said that increased and ongoing communication between the parties is essential. He noted his concern about the length of concession lines and feels Patina should look at possibilities for more points of sale and higher staffing levels.

Following discussion, Chair Bechtle called for a motion on the item before the Committee. On motion of President Horn, seconded by Trustee Moscone, the following recommendation was unanimously adopted:

RECOMMENDED, By the Presentors Liaison Committee of the War Memorial Board of Trustees that Patina Restaurant Group's request for Food and Beverage Price Increases be approved.

General Public Comment:

Anne Treboux, stated she was here last month and that her public comment was not included in the draft minutes or the minutes so she just "sunshined" us. She asked the record reflect that she handed her written comment for this month to the recording secretary.

ADJOURNMENT

There being no further business, Chair Bechtle adjourned the meeting at 1:30 p.m.

Jennifer E. Norris
Executive Secretary