

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
BUDGET AND FINANCE COMMITTEE/ SPECIAL MEETING

Tuesday, February 13, 2018

The Budget and Finance Committee of the Board of Trustees of the War Memorial of San Francisco met at 2:00 p.m. on Tuesday, February 13, 2018, in the Trustees' Board Room, War Memorial Opera House, Chair Lui presiding.

ROLL CALL

Committee Members Present: Chair Lui, Trustee Davis, Trustee Horn, Trustee Moscone, Trustee Myatt, President Bechtle, *Ex officio*, Vice President Walker, *Ex officio*

Non-Committee Members Present: Trustee Levin

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

Proposed Rental Rates for Fiscal Year 2018-19:

Chair Lui stated that in advance of today's meeting, Committee members received staff's proposed rental rates for Fiscal Year 2018-19. Chair Lui asked Beth Murray to outline staff's rental rate proposals.

Ms. Murray stated that it has been the practice of the Board to adjust rental rates every other year based on actual and projected increases in operating costs. She said that rental rates for the Herbst Theatre and Green Room were last raised on 7/1/15, and rental rates for the Opera House, Davies Symphony Hall and Zellerbach Rehearsal Hall were last raised on 7/1/16. Based on our practice, the rental rates approved for FY 2018-19 are projected to stay in place through FY 2019-20.

Ms. Murray stated that staff is proposing an overall average 5.5-6% rental rate increase based on projected operating cost increases in the next two fiscal years. She noted that Committee members received charts showing the impact of the proposed rental rate increase on each of our resident licensees, the Ballet, Opera and Symphony.

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

RECOMMENDED, To the Board of Trustees of the War Memorial of San Francisco that it approve staff's proposed Rental Rates for Fiscal Year 2018-19.

War Memorial Departmental Budget for Fiscal Years 2018-19 and 2019-20:

Chair Lui stated that in advance of today's meeting, Committee members received staff's budget presentation document and a detailed summary of staff's proposed revenues and expenditures for the next two fiscal years. She noted that this is not a fixed two-year budget. Following the Mayor's and Board of Supervisors' review and approval of budget requests, the Fiscal Year 2018-19 budget will be adopted and the Fiscal Year 2019-20 approved amounts will serve as the base budget for next year's budget process. Chair Lui asked Beth Murray to review staff's proposed Departmental Budgets.

Ms. Murray stated that the Fiscal Year 2018-19 and 2019-20 proposed operating budgets maintain current-year personnel and services and include cost of living increases for salaries and annual services. She said the proposed FY 2018-19 operating budget is \$16,806,463, an increase of 6% over the current-year operating budget. She reviewed revenue and expenditure summaries noting the following changes from the current-year budget:

- New position in classification 1822 Administrative Analyst effective 9/24/18, increasing War Memorial finance/accounting staff from 1 to 2 positions. Position is required to assist in annual budget development, monitor budget v. actuals, and oversee accounting entries in the City's new F&P financial system. Position is annualized to 1.00 FTE in FY 2019-20.
- Increase in Temporary Salaries for 1) addition of 900 hours in FY 2018-19 for temporary/as-needed 8207 Building & Grounds Patrol Officers to cover vacant shifts due to permanent employee absence or leave and 2) reduction of 780 hours in FY 2018-19 for temporary 0923 Manager II to administer the War Memorial's 2018 Food & Beverage Concession Request for Proposal
- Ms. Murray reviewed staff's proposed Capital Budget for FY 2018-19 including annual facilities maintenance of \$501,252 and three capital projects totaling \$5,000,000. This includes \$4,600,000 for replacement of the Opera House mansard roof, construction of which is targeted for the summer of 2020. For FY 2019-20, staff is proposing annual facilities maintenance of \$526,315 and four capital projects totaling \$955,000. She reviewed each of the proposed capital projects which have been submitted to the City's Capital Planning Committee for consideration and recommendation to the Mayor and Board of Supervisors.

Following discussion, and on motion of Vice President Walker, seconded by Trustee Moscone, the following recommendation was unanimously adopted:

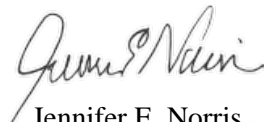
RECOMMENDED, To the Board of Trustees of the War Memorial of San Francisco that it approve staff's proposed War Memorial Departmental Budget Requests for Fiscal Years 2018-19 and 2019-20.

Public Comment:

Chair Lui called for public comment on items within the jurisdiction of the Budget & Finance Committee of the Board of Trustees, but not on the agenda. There being no public comment, Chair Lui closed public comment.

ADJOURNMENT

There being no further business, Chair Lui adjourned the meeting at 3:00 p.m.


Jennifer E. Norris
Executive Secretary