

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
REGULAR MEETING
Thursday, November 13, 2014

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, November 13, 2014, in the Trustees' Board Room, War Memorial Opera House, President Myatt presiding.

ROLL CALL

Present: President Myatt, Vice President Bashford, Trustee Bechtle, Trustee Davis, Trustee Horn, Trustee Lui, Trustee Stafford, Trustee Wilsey

Absent: Trustee Moscone, Trustee Pelosi, Trustee Shultz

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

APPROVAL OF MINUTES

President Myatt called for approval of the minutes of the October 9, 2014 regular meeting of the Board. On motion of Trustee Bechtle, seconded by Trustee Wilsey, the minutes were unanimously approved.

PRESIDENT'S REPORT

San Francisco Veterans Memorial - Dedication: President Myatt stated that the San Francisco Veterans Memorial was dedicated and opened on October 10, 2014 with a flawless and beautiful ceremony. Many trustees were present together with City officials, Senator Dianne Feinstein, and many veterans and active duty military. With completion of the memorial, the original design intent of the War Memorial Complex is now complete, albeit 82 years later. President Myatt thanked Trustee Bashford for co-chairing the Veterans Memorial Working Committee, the Board of Trustees for their continuing support of this project, and the Veterans Memorial Working Committee for making the memorial a reality. President Myatt stated that copies of the dedication program have been distributed to those Trustees who were unable to attend the dedication ceremony.

MANAGING DIRECTOR'S REPORT

Rental Requests: Ms. Murray stated that rental requests mailed to Trustees are routine and she requested their approval. On motion of Trustee Bechtle, seconded by Trustee Horn, the following resolution was unanimously adopted:

RESOLUTION NO. 14-40

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 Opera Guild	December 1, 2014	\$2,175.00
Holiday Reception & Onstage Dinner		Catering Exemption #1

LOUISE M. DAVIES SYMPHONY HALL

San Francisco University High School
Graduation Ceremony

June 1, 2015

\$3,500.00

Director's Report:

New Website: Ms. Murray reported that after more than a year of work, the War Memorial is today launching a new and improved website. The new website has been reorganized to simplify access to information by the public and potential licensees and contains beautiful new photography. The website also has new features including a 360-degree Virtual Tour of the buildings and direct access to up-to-date booking information via *Artifax*, the War Memorial's booking database. Ms. Murray recognized and thanked John Caldon, War Memorial Marketing and Special Events Manager, who coordinated the design and layout of the new website. Ms. Murray encouraged Trustees to visit and tour the new website at www.sfwmpac.org.

Zellerbach Rehearsal Hall – "Sound Box": Ms. Murray announced that the San Francisco Symphony will open a new musical series in Zellerbach Rehearsal Hall Room A – named "Sound Box" – on December 13 at 9pm. She reported that over the last two years, the Symphony, with the Trustees' approval, has invested approximately \$2.5 million in various improvements to Zellerbach Rehearsal Hall Room A, including access upgrades, additional restroom facilities, lighting upgrades and installation of a Meyer "Constellation" acoustic architecture system. The Symphony's new series is designed to expand the Symphony's outreach to younger audiences and explore innovative styles of programming and performance. Ms. Murray said that Sound Box will have a mixture of lounge-style seating and standing room space, and Patina will be providing a specialty bar offering craft cocktails and snacks for this new series.

Final Report of Revenue and Expenditures for Fiscal Year 2013-14: Ms. Murray stated that in advance of today's meeting, Trustees received the Final Report of Revenue and Expenditures for Fiscal Year 2013-14. Highlights of this report include:

- Actual earned revenue exceeded budgeted revenue by \$302,000, largely due to greater than anticipated revenue from outside rentals at the Opera House and Davies Symphony Hall.
- Actual operating expenditures were under budget by \$590,000, largely due to salary and fringe benefits savings from unfilled positions and lower light, heat and power costs, due to the closure of the Veterans Building.
- Facilities Maintenance and Capital Improvement Projects completed during FY 2013-14 included Opera House Fire Sprinkler System upgrades, Opera House lower lounge floor refinishing, and replacement of Opera House box seats; installation of City fiber at Davies Symphony Hall and replacement of Davies Symphony Hall carpeting; and Zellerbach Rehearsal Hall electrical improvements.
- Expenditures totaling \$24,000 were made from the War Memorial's Concessions Equipment Replacement Fund ("CERF") for replacement of various concessions equipment items in the Opera House and Davies Symphony Hall. The CERF fund is supported by monthly revenue paid by Patina Catering at the rate of .75% of concessions gross receipts.
- Expenditures of \$1.5 million from private donations in the War Memorial Gift Fund for construction of the San Francisco Veterans Memorial.
- Fiscal Year savings of \$893,000 from excess revenues and under-expenditures were added to the War Memorial Special Fund balance, bringing the total unappropriated fund balance to \$2.245 million as of June 30, 2014. The War Memorial's FY 2014-15 budget includes use of \$1.376 million of Special Fund balance, bringing the current balance of War Memorial Special Fund to \$869,154; the War Memorial's FY 2015-16 preliminary budget includes use of \$324,327 of Special Fund balance, bringing the projected balance of War Memorial Special Fund to \$544,827 at 7/1/15.

Trustee Bechtle inquired about the status of the Opera House Café Lighting Upgrade Project. Ms. Murray stated that the preliminary rough order of magnitude cost estimate for this project is \$240,000, which includes anticipated costs for removing and replacing the lower lounge ceiling. She said this project will be appear in the FY 2015-16 budget proposal to be submitted to the Trustees in February 2015.

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

RESOLUTION NO. 14-41

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the Final Report of Revenue and Expenditures for Fiscal Year 2013-14 is hereby approved:

SECRETARY'S REPORT

Revenue, Appropriations and Housekeeping Expenditures Reports for October 2014: Ms. Norris stated that Revenue, Appropriations and Housekeeping Expenditures reports for October 2014 have been distributed to Trustees, and she requested approval of October housekeeping expenditures as submitted. On motion of Vice President Bashford, seconded by Trustee Wilsey, the following resolution was unanimously adopted:

RESOLUTION NO. 14-42

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM150081 through WM150096 are hereby approved.

COMMITTEE REPORTS

Veterans Building Project Committee

Veterans Building Seismic Upgrade & Improvements Project:

Trustee Horn reported on bi-weekly tours of the Veterans Building on October 21 and November 4. He reported that new skylights are now mostly installed with the south side remaining and waterproofing testing is continuing. Roof work continues and now that all of the steel is in the building, the center of the roof can be closed. With cooperation from the weather, it should take another three weeks to get all skylights in place and then another month to finish the roof.

Trustee Horn stated that build-back is in progress throughout the building and rooms are beginning to take shape, particularly in the new Herbst Theatre backstage suite and new veterans' offices and meeting rooms on the second floor. He added that Webcor Builders, contractor for the Opera tenant improvements on the fourth floor, is moving forward with fourth floor work.

Trustee Horn said that the elevator installation is running about a month behind schedule. It is hoped that installation can be accelerated so as not to impact the overall schedule. He noted that a Certificate of Occupancy will not be granted until elevators are functioning and approved.

At the end of his report, Trustee Horn took a moment to recognize and thank President Myatt and Vice President Bashford for their leadership in making the Veterans Memorial come to fruition. He stated that the new memorial is beautiful and meaningful in its simplicity. Trustee Bashford acknowledged Trustees Horn's thanks and thanked Beth Murray whose tireless efforts made the memorial a reality.

REGULAR ITEMS

Opera/Ballet request to begin replacement of Opera House auditorium seats: President Myatt stated that Trustees received a copy of the letter from the San Francisco Opera and Ballet requesting to begin their bid

process for replacement of auditorium seats in the Opera House Dress Circle, Balcony Circle and Balcony seating sections, to be funded by the Opera and Ballet facility fee which is applied to each ticket purchased.

Beth Murray provided additional details noting that in September 2013, Trustees approved the proposal of the Opera and Ballet to implement a per ticket facility fee to be used to fund replacement of all Opera House auditorium seats. Per the approved proposal, the Opera and Ballet began including a facility fee on their per-ticket cost effective November 2013. The Opera/Ballet plan provided a tentative phased schedule for implementing seat replacement beginning with the summer of 2014 through the summer of 2017. Ms. Murray reported that following a series of meetings amongst the Opera, Ballet and War Memorial, together with the Opera/Ballet seating consultant Adam Shalleck, the Opera/Ballet are now proposing to move forward with the first phase of seat replacement, replacing all seats on the Dress Circle, Balcony Circle and Balcony levels. It is proposed that existing seats, which are original reupholstered seats, be replaced on a seat-for-seat basis with a new seat that closely replicates the original but with code-required changes such as self-rising seat and aisle lighting on all end standards. Ms. Murray referred to a photo of the proposed new chair which has been provided to Trustees. She stated that the Opera/Ballet are requesting to begin their bid process for this seat replacement so they can take advantage of available time during the summer of 2015 to implement the replacement. As part of the bid process, bidders will submit a sample new seat that the Trustees will have opportunity to review.

Ms. Murray stated that Phase Two of the Seating Replacement will include seat replacement on the Orchestra and Grand Tier levels, which areas are more complicated as they require a custom design which will take more time to plan and implement.

Matthew Shilvock, San Francisco Opera Associate Director, and San Francisco Ballet General Manager Debra Bernard were present to answer questions.

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

RESOLUTION NO. 14-43

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby approves the request from the San Francisco Opera and Ballet to begin their bid process for replacement of auditorium seats in the Opera House Dress Circle, Balcony Circle and Balcony seating sections, to be funded by the Opera and Ballet per ticket facility fee.

PUBLIC COMMENT

There was no public comment on items not on today's agenda.

REGULAR ITEMS

Evaluation of Managing Director: President Myatt stated that, in keeping with the City's Performance Plan and Appraisal Report Program for Employees, the Board will meet today in closed session to review the performance plan and appraisal for the War Memorial Managing Director. President Myatt called for any public comment on matters pertaining to the closed session and there being none, he asked for a motion to enter into closed session. On motion of Vice President Bashford, seconded by Trustee Shultz, the Board of Trustees voted unanimously to convene in closed session pursuant to San Francisco Administrative Code Section 67.10(b) and Government Code Section 54957, to consider the performance plan and appraisal of a public employee, Managing Director Elizabeth Murray.

CLOSED SESSION

RECONVENE IN OPEN SESSION

President Myatt reconvened the meeting in open session. President Myatt called for a motion not to disclose any of the discussion during the closed session, and on motion of Trustee Horn, seconded by Trustee Wilsey, the Board of Trustees voted unanimously not to disclose any of the discussion during the closed session.

President Myatt reported that during the closed session, Trustees completed the Managing Director's performance appraisal for 2013-14, and approved performance plan objectives for 2014-15.

ADJOURNMENT

There being no further business to come before the Board, President Myatt adjourned the meeting at 3:00 p.m.

Jennifer E. Norris
Executive Secretary