

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

**Thursday, February 14, 2019**

The Budget and Finance Committee of the Board of Trustees of the War Memorial of San Francisco met at 1:30 p.m. on Thursday, February 14, 2019, in the Trustees' Board Room, War Memorial Opera House, Chair Lui presiding.

**ROLL CALL**

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

Committee Members Absent: Trustee Davis

Non-Committee Members Present: Trustee Levin, Trustee Shultz

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

**War Memorial Departmental Budget for Fiscal Years 2019-20 and 2020-21:**

Chair Lui stated that in advance of today's meeting, Committee members received staff's high-level summary of the proposed departmental budgets for the next two fiscal years, and a detailed report of staff's proposed revenues and expenditures. Chair Lui asked Beth Murray to review staff's proposed departmental budgets.

Ms. Murray stated that the Fiscal Year 2019-20 and 2020-21 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 2019-20 operating budget is \$850,000 or 5% over the current-year operating budget; the proposed FY 2020-21 operating budget is \$417,000 or 2.5% over the FY 2019-20 budget. Ms. Murray reviewed revenue and expenditure summaries noting the following changes from the current-year budget:

- **General Fund Support:** As a General Fund supported department, the General Fund provides increased support to cover annual cost of living increases as well as increases in City-wide work orders for custodial services, workers compensation, and utilities. For FY 2019-20, General Fund operating support will increase by \$662,000; for FY 2020-21, General Fund operating support will increase by \$381,000. The City's General Fund also fully supports the War Memorial annual capital budget as recommended by the City's Capital Planning Department and approved by the Mayor and Board of Supervisors. Finally, the General Fund covers the annual cost of debt service related to the 2013-15 Veterans Building Seismic Upgrade and Improvements Project which will be paid annually for 30 years through 2045.
- **Earned Revenue:**
  - FY 2019-20: Earned revenue is projected to increase by \$290,000 or 8.5% in FY 2019-20. This increase is largely due to occupancy fees to be paid by Swords to Plowshares for assigned Veterans Building office space effective on or about April 1, 2019, and increases in Opera House and Davies Hall food and beverage commissions based on actual food and beverage revenues in FYs 2016-17 and 2017-18.
  - FY 2020-21: In FY 2020-21, earned revenue is projected to decrease by \$214,000 or 5.8% due to the plan to close the Opera House for 14 weeks in the spring and summer of 2021 to replace the Opera House orchestra seats. Each of the San Francisco Opera and San Francisco Ballet will truncate their 2020-21 performance seasons to accommodate this important project. This closure will result in reductions in 2020-21 earned revenue from Opera House Rent, Opera House Food &

Beverage Concessions and Zellerbach Rehearsal Hall rent.

- FY 2019-20 Operating Budget:

FY 2019-20 Operating budget will increase \$850,000 or 5% over the current year budget. Major increases include:

Salaries and Fringe Benefits for current positions: \$569,000

While we are proposing two position exchanges in 2019-20, no new positions are proposed in this two-year budget.

Tax Assessment for Civic Center Community Benefit District: \$ 99,000

Increased tax assessment based on Civic Center Community Benefit District's proposal for a 15-year renewal with increased assessments for expanded district area and services.

GSA Custodial Services: \$ 60,000

Light, heat, power, sewer and water service: \$ 71,000

- Capital Budget: Ms. Murray noted the facilities maintenance and capital improvement project budget proposals submitted to the City's Capital Planning Committee for consideration and recommendation to the Mayor and Board of Supervisors:

- FY 2019-20: Staff's proposed Capital Budget for FY 2019-20 including annual facilities maintenance of \$436,000 and three capital projects totaling \$4,826,500. This includes \$4.2 million for replacement of the Opera House mansard roof, construction of which is targeted for the summer of 2021; additional funding of \$376,500 for Davies Symphony Hall elevator modernization; and \$250,000 for ADA upgrade to the Opera House rehearsal studio floor.
- FY 2020-21: For FY 2020-21, staff is proposing annual facilities maintenance of \$552,631 and four capital projects totaling \$2,780,000. This includes additional and final funding of \$2.22 million for Davies Symphony Hall elevator modernization; \$200,000 for replacement of the Opera House lower lounge wood floor; \$260,000 for phases 1 and 2 of Davies Symphony Hall HVAC upgrade; and \$100,000 for conservation treatment for the Henry Moore sculpture.

Following discussion, and on motion of Trustee Horn, seconded by Trustee Myatt, 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 2019-20 and 2020-21.

### 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 2:05 p.m.

  
Jennifer E. Norris  
Executive Secretary