

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

**Thursday, June 11, 2020**

The Budget and Finance Committee of the Board of Trustees of the War Memorial of San Francisco met remotely at 1:30 p.m. on Thursday, June 11, 2020, Chair Lui presiding.

**ROLL CALL**

Committee Members Present: Chair Lui, Vice-chair Wilsey, Trustee Moscone, Trustee Myatt, President Horn, *Ex officio*

Non-Committee Members Present: Trustee Bechtle, Trustee Gatti, Trustee Levin and Trustee Pelosi

Staff Present: John Caldon, Managing Director  
Jennifer Norris, Assistant Managing Director

**War Memorial Revised Departmental Budget for Fiscal Years 2020-21 and 2021-22:**

Chair Lui stated that in order to slow the spread of COVID-19, large sectors of the economy have been closed, including performing arts venues such as the War Memorial. This has resulted in significant decreases in tax collection and other City revenues. So that the Mayor may submit a balanced budget to the Board of Supervisors, Mayor Breed has instructed all City departments to revise and re-submit their departmental budgets. Chair Lui said that today the Budget and Finance Committee will consider the revised proposed departmental budget drafted by War Memorial Staff.

Chair Lui said that staff is not recommending any changes to the rental rates approved by the Budget Committee and the full Board on February 13, 2020, therefore rental rates will not be considered at the meeting today.

Chair Lui stated that in advance of today's meeting, Committee members received staff's revised budget presentation document and a detailed summary of staff's revised budget proposal for the next two fiscal years. Chair Lui asked John Caldon, Managing Director, to review staff's proposed departmental budget.

Director Caldon noted that the budget is based on significant assumptions about when public health officials will allow performing arts venues to reopen. To contextualize staff's proposed budget, Director Caldon reviewed with the Committee the War Memorial's historic mission: "The San Francisco War Memorial and Performing Arts Center manages, operates, and maintains safe, accessible, world-class venues to promote cultural, educational and entertainment opportunities in a cost-effective manner for the enjoyment of the public, while best serving the purposes and beneficiaries of the War Memorial Trust."

Director Caldon stated he felt it was useful to reframe the department's mission during the COVID-19 pandemic to more accurately reflect our support of the City's current needs. This temporary mission is: "The San Francisco War Memorial & Performing Arts Center supports the City's COVID-19 efforts by deploying staff as Disaster Service Workers, providing use of facilities to support emergency response needs, and maintaining safe spaces for essential workers, tenants, and Trust beneficiaries, all while executing targeted maintenance and building upgrades to provide a safe environment for patrons following reopening."

Director Caldon explained that in order to project earned revenues, he estimated a reopening timeline based on the stages of reopening as defined by Governor Newsom and the Department of Public Health. Staff is projecting The Green Room might reopen as early as April 2021, but that fixed-seat venues will not reopen for 18-24 months, with performances possibly resuming in December 2021. Based on these assumptions, staff used percentages to estimate revenue, starting with 25% capacity in the fourth quarter of Fiscal Year 2021-22, and expanding by 10-15% each quarter until average rental volumes are regained in Fiscal Year 2022-23.

Director Caldon said that as a Special Fund Department, the War Memorial is not subject to the 10% target cut for General Fund departments, but must offset earned revenue losses projected to be \$2.8 million in Fiscal Year 2020-21 and \$1.8 million in Fiscal Year 2021-22. Savings are being realized through attrition by holding vacant 11.35 full-time positions, as well as operational savings made possible by the closures, including a reduction in the work order for custodial service from the Real Estate Division and reduced utility costs.

Director Caldon noted that General Fund operating support is currently not decreasing. The budget also reflects funding levels of \$2.7 million in Fiscal Year 2020-21 and \$4.4 million in Fiscal Year 2021-22 from the Capital Planning Committee for replacement of Davies Symphony Hall passenger elevators and the War Memorial Opera House mansard roof.

Director Caldon stated that War Memorial Fund Balance revenue reflects the use of unappropriated funds accrued from prior year revenue overages and expenditure savings, including \$750,000 of Fund Balance to be used in Fiscal Year 2020-21 and \$750,000 to be used in Fiscal Year 2021-22.

Following discussion, on motion of Trustee Pelosi, seconded by Trustee Moscone, the following recommendation was adopted after a unanimous roll call vote of Committee members:

RECOMMENDED, To the Board of Trustees of the War Memorial of San Francisco that it approve staff's proposed revised War Memorial Departmental Budget Requests for Fiscal Years 2020-21 and 2021-22.

#### **PUBLIC COMMENT**

Chair Lui called for public comment on items within the jurisdiction of the Budget and Finance Committee of the Board of Trustees, but not on the agenda.

Andrew Dubowski, Senior Director of Operations for the San Francisco Symphony, requested that the Davies Hall Elevator Replacement Project be fast-tracked during the building closure if possible.

There being no further public comment, Chair Lui closed public comment.

#### **ADJOURNMENT**

There being no further business, Chair Lui adjourned the meeting at 2:20 p.m.



Jennifer E. Norris  
Executive Secretary