

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
SPECIAL BOARD MEETING

Thursday, April 23, 2020

The Board of Trustees of the War Memorial of San Francisco met remotely in special session on at 2:00 p.m. on Thursday, April 23, 2020, President Horn presiding.

ROLL CALL

Present: President Horn, Vice President Shultz, Trustee Bechtle, Trustee Gatti, Trustee Levin, Trustee Lui, Trustee Moscone, Trustee Myatt, Trustee Pelosi and Trustee Wilsey

Absent: Trustee Davis

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

REMOTE MEETING ANNOUNCEMENT:

Due to the COVID-19 health emergency, and to protect Trustees, City employees, and the public, the Trustees Board Room is currently closed. Trustees participated in this meeting remotely.

In our published notice and agenda for this meeting, we asked the public to participate remotely by emailing their public comment to the Board, or by submitting their public comment as a voicemail message. Any comments received in advance of the meeting have been entered into the minutes.

AUTHORIZATION TO MEET REMOTELY

Acknowledge and Adopt Meeting Notice and Meeting Conduct Requirements Pursuant to the Governor's Executive Order N-29-20 and the Fifth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency.

President Horn stated that before the meeting could proceed, the Board had to authorize notice and conduct of this meeting, as well as subsequent War Memorial Board and Committee meetings, to be held remotely during the COVID-19 health emergency. This authorization was pursuant to that contained in Governor Newsom's Executive Order N-29-20, which waives certain notice and meeting conduct requirements under the Brown Act, and the Fifth Supplement to the Mayoral Proclamation Declaring the Existence of a Local Emergency, which allows meetings of boards and commissions to be conducted remotely. President Horn also stated that War Memorial Staff must be authorized to address requests for reasonable accommodation from participants that are consistent with the Americans with Disabilities Act. These authorizations shall apply until such time as the authorizations in the Governor's Order and the Mayoral Proclamation have been rescinded. On motion of Trustee Gatti, seconded by Trustee Moscone, the authorization was unanimously approved.

RESOLUTION NO. 20-17

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it approves authorization to notice and conduct War Memorial Board and Committee meetings remotely consistent with the Governor's Order and Mayoral Proclamations, and to authorize staff to address requests for reasonable accommodations for meeting access consistent with the Americans with Disabilities Act is hereby approved.

APPROVAL OF MINUTES

President Horn called for approval of the minutes of the March 12, 2020 Building Committee meeting of the Board. On motion of Trustee Levin, seconded by Vice President Shultz, the minutes were unanimously approved.

President Horn called for approval of the minutes of the March 12, 2020 regular meeting of the Board. On motion of Trustee Lui, seconded by Trustee Moscone, the minutes were unanimously approved.

PRESIDENT'S REPORT

COVID-19 and Closure of War Memorial Performance and Event Spaces:

President Horn gave an update on COVID-19 infection and mortality rates locally as of Wednesday, April 22, 2020 at 4:45 p.m.:

- In California, there were a total of 37,344 confirmed cases, and 139 more people had died in the past 24-hours, bringing the total loss of life in the state to 1,421.
- The City and County of San Francisco had an additional two cases confirmed, bringing the total number of infections to 1,233. To date in San Francisco, 21 people have succumbed to the COVID-19 infection.

President Horn stated that every loss of life is significant, and on behalf of the Trustees, he extended condolences to the families and friends of all those who have been taken too soon by this virus. President Horn stated that he is heartened that San Francisco's infection and mortality rates have been kept low, when compared to many other parts of the country. He said that day-by-day it becomes increasingly clear that the aggressive actions taken by Mayor Breed and our City government have saved countless lives, and he knows that we are all proud to be a part of this community.

President Horn stated that the impacts of COVID-19 are far reaching as businesses are closed, people are out of work, and lives have been disrupted. Our resident companies have been impacted severely. President Horn invited Kelly Tweeddale of the San Francisco Ballet, Mark Hanson of the San Francisco Symphony, and Matthew Shilvock of the San Francisco Opera, to speak about how this situation is affecting their organizations.

Kelly Tweeddale, Executive Director of the San Francisco Ballet, thanked the War Memorial Board of Trustees for their leadership and for being great partners during this difficult time. Ms. Tweeddale said that the San Francisco Ballet feels fortunate to have received paycheck protection funding through the CARES Act, a lifeline that will allow the Ballet to pay their workforce through June 30, 2020.

Ms. Tweeddale reported that the Ballet is leading its staff by three values:

1. Protecting the safety of its community through helping others;
2. Protecting the health of the SF Ballet's workforce by working with artists to help them keep their bodies in shape, think creatively, make good choices, stay positive, and practice social distancing; and
3. Preparing for the longevity of the ballet art form during a time when the dancers find their careers disrupted.

Ms. Tweeddale said there is hashtag being used among the Ballet company: #ShelteredButNotShattered

Matthew Shilvock, General Director of the San Francisco Opera, stated that he appreciates the War Memorial Trustees' leadership and assistance, which made certain that art organizations had access to support provided by the CARES Act.

Mr. Shilvock said that although the Opera has canceled its Summer Season, it is committed to continuing opera performances in the fall. He shared his three primary concerns:

- When will the War Memorial buildings open, first to staff and then to the public?

- How many people will be allowed to attend a performance when the building is open?
- Will the public come back?

Mark Hanson, Executive Director of the San Francisco Symphony, echoed the Ballet and Opera's appreciation for the War Memorial Board of Trustees, Director Caldon, and War Memorial staff's ongoing support. Mr. Hanson noted that the Symphony has been sheltered in place for 5-6 weeks. He stated that the Farewell Concert for Michael Tilson Thomas will be canceled, and that Symphony staff is very disappointed.

Mr. Hanson stated that the Symphony is preparing for the worst, while hoping for the best. Next week they will announce the cancelation of the remainder of the 2019-20 Season. In June, they will celebrate MTT's 25 years by sharing digital content. Mr. Hanson said the Symphony is using online content to stay connected to current audiences and to develop new audiences in the Bay Area and beyond. Mr. Hanson thanked Mr. Shilvock for his exceptional work as Co-chair of the San Francisco Arts Alliance.

Ms. Tweeddale, Mr. Hanson and Mr. Shilvock urged all present to advocate for the arts at all levels of government, as the challenges of these closures for artists and arts organizations are very complex and cannot be overstated. They each also said that there is a need for future legislation to play a role in allowing organizations to collect on business interruption insurance.

MANAGING DIRECTOR'S REPORT

Rental Requests: Managing Director John Caldon stated that rental requests mailed to Trustees are substantial, as they include requests for the 20-21 season from many of our regular presenters in Herbst Theatre. He stated he is encouraged to see so many Herbst Theatre licensees prepared to get back to business once the Health Orders permits them to do so, and requested approval acknowledging that some rentals may be canceled should closures due to COVID-19 be extended. On motion of Trustee Moscone, seconded by Trustee Wilsey, the following resolution was unanimously adopted:

RESOLUTION NO. 20-18

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the April 23, 2020 rental requests are hereby approved.

Rental Refunds: Director Caldon stated that there is a high volume of rental fees to be refunded to licensees whose events have been canceled, totaling \$227,680. The refunds submitted as part of the request pertain to outside licensees whose events were canceled in the War Memorial Opera House, Herbst Theatre, The Green Room, and the Wilsey Center. Director Caldon requested approval of the rental refund requests as submitted.

On motion of Trustee Lui, seconded by Trustee Moscone, the following resolution was unanimously adopted:

RESOLUTION NO. 20-19

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the April 23, 2020 rental refund requests are hereby approved.

Additional Rental Refunds: Director Caldon stated that additional rental refund requests include refunds for the San Francisco Ballet and San Francisco Symphony for canceled performances. Because the War Memorial Board met remotely, the total amount of expected lost revenue to be refunded to each company was submitted into the record verbally.

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| • San Francisco Ballet | \$ 36,195 |
| • San Francisco Symphony | <u>\$ 95,355</u> |
| Total | \$131,550 |

On motion of Vice President Shultz, seconded by Trustee Bechtle, the following resolution was unanimously adopted:

RESOLUTION NO. 20-20

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the April 23, 2020 additional rental refund requests are hereby approved.

DIRECTOR'S REPORT

Director Caldon stated that War Memorial staff continues to maintain the facilities of each of our buildings at minimal operating levels. The War Memorial is supporting the City's response and relief efforts with its employees:

- 1 booking staff member managed a food bank curbside pick-up center for 2 weeks.
- 3 engineers are supporting the operations of San Francisco General Hospital.
- 1 as-needed stagehand is working as a site coordinator at a residential hotel.
- 3 security guards worked to facilitate intake procedures for childcare centers at Rec & Park clubhouses.

Director Caldon said he is proud of the War Memorial employees who have answered the call to disaster service work, and that staff will continue to respond to disaster service worker requests as we receive them from the City's Emergency Operations Center.

Director Caldon stated that much like the resident companies, the War Memorial itself is also experiencing adverse financial impacts due to COVID-19 closures, evidenced by today's vote to authorize refunds totaling close to a half million dollars, which is just part of a larger picture of lost revenue. Director Caldon asked CFO Chris Muyo to present a more comprehensive picture of the financial impact the department is experiencing.

Mr. Muyo stated that he projects financial losses to the War Memorial budget will continue due to cancelations of events and refunding of the rental fees. The following is a projection of expected losses between now and the end of the fiscal year, which represents approximately 25% of the War Memorial's annual earned revenue:

- Outside companies (\$270,000)
- Resident companies (\$405,000)
- Concessions (\$245,000)

Total Projected Losses FY 2019-20 (\$920,000)

Director Caldon reported that War Memorial staff continues to work both remotely and onsite to support the department's mission and its employees' needs. Director Caldon stated that staff is processing unemployment claims and sick-pay payouts, holding daily staff briefings, and finding new ways to connect, such as through a weekly staff newsletter recently created by Jennifer Norris that connects onsite staff with telecommuting staff. The War Memorial hosted a workshop to promote mental health and coping mechanisms in partnership with the City's Employee Assistance Program. As-needed stagehands have fabricated over 200 reusable cloth masks for use by staff and their families. Engineers are using this time to complete annual maintenance period tasks and execute emergency projects, such as the removal of the Pittosporum Trees, which were in danger of falling.

Director Caldon thanked the War Memorial staff for their continued efforts to maintain the work of the department, to assist with response and relief efforts, and to take care of each other in these difficult times. He said he is proud of the work staff is doing and touched by their generosity of spirit.

SECRETARY'S REPORT

Revenue, Appropriations and Housekeeping Expenditures Reports for March 2020: Ms. Norris stated that Revenue, Appropriations and Housekeeping Expenditures reports for March 2020 have been distributed to Trustees, and she requested approval of March 2020 Housekeeping Expenditures as submitted. On motion of Trustee Wilsey, seconded by Trustee Gatti, the following resolution was unanimously adopted:

RESOLUTION NO. 20-21

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. PO300273 through PO417033 are hereby approved.

REGULAR ITEMS

Revised War Memorial Departmental Budgets for Fiscal Years 2020-21 and 2021-22: President Horn stated that the Mayor's Budget Office has announced that due to catastrophic revenue losses to the City from decreased tourism activity and other tax collections, the COVID-19 crisis will necessitate revising all City department budgets that were submitted to the Controller's Office in February. Though we have not yet received the instructions for these budgets, we have been told that they will be distributed to departments in May 2020.

In order to meet any deadlines included in those forthcoming instructions, the Board will need to consider and approve a revised War Memorial proposed budget for Fiscal Years 2020-21 and 2021-22 at a special meeting in May. President Horn referred this matter to the Budget and Finance Committee and asked the Committee to meet to consider and adopt recommendations in advance of the Board's special meeting.

Consideration of staff recommendation to waive broadcast origination fees for all previously made audio and video recordings during COVID-19 venue closures: President Horn called on Managing Director Caldon to present the request. Director Caldon stated that as part of the War Memorial's revenue model, we collect origination fees for the broadcast of most audio and video recording that are made of live performances that take place in War Memorial venues. These fees range from \$350 for the commercial release of an audio recording made of a Herbst Theatre performance, to \$5,000 for the commercial distribution of a video recording of a performance in the Opera House or Davies Symphony Hall.

Director Caldon stated that during the COVID-19 venue closures, performing arts organizations across the country have made available to the public a great variety of audio and video recordings from their archives. The Opera, Ballet, Symphony and Herbst presenters, such as San Francisco Performances, have been offering content recorded at War Memorial venues to their patrons and donors. Some of these are offered in exchange for payment and some are offered for no charge. He reported that these offerings are intended to maintain audiences, raise donations, and to offer joy and solace during this difficult time.

The staff of the War Memorial recommends that all origination fees be waived for previously made audio and video recordings during the COVID-19 venue closures. Director Caldon requested the Trustees' approval. On motion of Trustee Moscone, seconded by Vice President Shultz, the following resolution was unanimously adopted:

RESOLUTION NO. 20-22

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that staff's recommendation to waive broadcast origination fees for all previously made audio and video recordings during COVID-19 venue closures are hereby approved.

Consideration of staff recommendation to adopt a policy regarding the issuance of rental fee refunds when requested by licensees during COVID-19 venue closures:

President Horn called on Managing Director Caldon to present the request. Director Caldon stated that during the COVID-19 venue closures, staff has been refunding in full all rental fees paid for events, performances and rehearsals that were canceled due to Health Orders prohibiting public gatherings and mandating that residents shelter-in-place. Recognizing that presentations take lead-time to prepare, market, and execute, staff is presently allowing refunds at the request of licensees for any canceled event or presentation through a period ending August 31, 2020.

Director Caldon said it seems prudent at this time to adopt a policy and procedure for extending the future refund period related to COVID-19, should that become necessary. We should be prepared for not only a continuation of the shelter-in-place order, but also for an extension of the prohibition on mass gatherings following the rescission of the shelter-in-place order. He stated that it is possible that public assembly venues may be forced to remain closed even after residents are no longer sheltering in place. It is also possible that public assembly venues may be allowed to reopen, but then forced to close again due to widespread or isolated outbreaks.

Director Caldon stated in order to provide staff the ability quickly and efficiently make decisions regarding extending or establishing COVID-19 related refund periods as future health orders are issued, staff requests that the War Memorial Board provide it the authority to establish new refund periods on an as-needed basis with approval from the President of the War Memorial Board of Trustees. Staff will continue to bring all refund requests to the full Board for approval. Director Caldon requested the Trustees' approval of this request. On motion of Trustee Wilsey, seconded by Trustee Moscone, the following resolution was unanimously adopted:

RESOLUTION NO. 20-23

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that staff's recommendation to establish rental fee refund periods during COVID-19 venue closures with approval from the President of the War Memorial Board of Trustees on an as-needed basis is hereby approved.

Request by SF Ballet and SF Opera to delay the Opera House Seat Replacement Project to provide for more performance opportunities in Spring and Summer 2021:

President Horn stated that Trustees have received a letter from the San Francisco Ballet and San Francisco Opera requesting to delay the Opera House Seat Replacement Project to provide more performance opportunities in Spring and Summer 2021. The Seating Project was scheduled to take place during a 14-week period from May 16 to August 21, 2021. The project necessitated that the Opera and the Ballet both perform shortened seasons in the Opera House in the first half of 2021. This shortening of seasons would have resulted in a planned loss of ticket revenue for both companies.

President Horn reported that given the significant loss of revenue to the Ballet and Opera resulting from the COVID-19 venue closures, the companies are requesting that the project be delayed to create more time for additional performances in the Opera House. President Horn said that representatives from the Ballet and Opera had joined us remotely to provide additional information.

Kelly Tweeddale, Executive Director of the San Francisco Ballet, stated that if the Opera House seats were to be replaced in 2021 as originally scheduled, the San Francisco Ballet would have two shortened seasons in a row. The Ballet could not sustain the loss of revenue for two consecutive seasons, and for this reason the Ballet and Opera jointly recommend delaying the project.

Matthew Shilvock, General Director of the San Francisco Opera, stated that he agrees with Ms. Tweeddale in stating that shortening the Opera House performance seasons two years in a row would exacerbate revenue losses for the Opera and the Ballet. Mr. Shilvock said he will remain flexible as to when the seat replacement project can go forward, but at this point the Opera and Ballet do not know when returning to the Opera House will be possible.

During discussion, Trustee Bechtle asked if there were enough Facility Funds to cover the projected expense of the project, as well as how these funds were treasured. Mr. Shilvock noted that Facility Funds are collected by the Ballet and Opera in increments of \$1.00 to \$3.00 per ticket, and that previous sales projections indicated the project would have been fully funded by May 2021, though the accrual of funds stopped with the closure of the Opera House. Mr. Shilvock stated Facility Fee Funds are treasured separately by the Ballet and the Opera in funds designated for hall improvements, and that the approval of all facility fund expenditures is to be determined cooperatively by representatives from the War Memorial, Ballet and Opera, subject to final approval of the War Memorial Board of Trustees.

President Horn asked if there is a motion to approve the request of the San Francisco Ballet and San Francisco Opera to delay the Opera House Seat Replacement Project in order to create time for performances. On motion of Trustee Pelosi, seconded by Trustee Moscone, the following resolution was unanimously adopted:

RESOLUTION NO. 20-24

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the request by San Francisco Ballet and San Francisco Opera to delay the Opera House Seat Replacement Project to provide for more performance opportunities in Spring and Summer 2021, provided that Facility Fee funds continue to be sequestered and reserved for this project, is hereby approved.

GOOD AND WELFARE

Vice President Shultz thanked the San Francisco Opera, San Francisco Symphony and San Francisco Ballet for their creative participation and for inviting their patrons to join Tony Bennett and all of San Francisco in paying tribute to hospital workers as they sing *I Left My Heart in San Francisco* at “high noon” on Saturday, April 25, 2020. She hopes the event will tell everybody that San Francisco will be back in business and asked for everybody to “Stay on Tune and Stay Tuned In”.

PUBLIC COMMENT

Public comment is an opportunity for members of the public to directly address the Trustees on items within the subject matter jurisdiction of the Board, but not on the agenda.

President Horn stated that during COVID-19 health emergency while Trustees are meeting remotely, members of the public may address the Board by emailing their public comment to WarMemorialBoard@sfgov.org or by leaving public comment as a voicemail at 415-554-6308 in advance of Board meetings. President Horn also invited the public to leave additional public comment until 12:00 p.m. on Friday, April 24, 2020.

Trustees encourage the public to provide their comments and feedback by email or voicemail.

It should be noted that no public comment was received either prior to the meeting or in the subsequent week.

ADJOURNMENT

There being no further business to come before the Board, President Horn adjourned the meeting at 3:25 p.m.



Jennifer E. Norris
Executive Secretary