

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
REGULAR BOARD MEETING

Thursday, January 12, 2023

The Board of Trustees of the War Memorial of San Francisco met in regular session on Thursday, January 12, 2023, at 2:00 p.m., in the Trustees' Board Room, War Memorial Opera House, President Horn presiding. As authorized by California Government Code Section 54953(e) and Mayor Breed's 45th Supplement to her February 25, 2020 emergency proclamation, some members of the public also attended this meeting remotely.

ROLL CALL

Present: President Horn, Vice President Lui, Trustee Fisher, Trustee Kopp, Trustee Muduroglu, (in person) Trustee Pelosi, Trustee Newstat, Trustee Rocco, Trustee Wilsey, and Trustee Wright
 Absent: Trustee Gatti
 Staff Present: Rob Levin, Acting Managing Director/Executive Secretary

PRESIDENT'S REPORT

2023 Ballet Season: President Horn stated that the San Francisco Ballet's Nutcracker season began on December 8 and after 33 performances concluded on December 27, 2022. He noted that the audience levels met or exceeded the Ballet's projections. He remarked that the Ballet will open their 90th season on Thursday, January 19, 2023, with their annual gala, including a Sparkling Stroll in the Grand Foyer of the War Memorial Opera House and a 6:30 PM performance at the Opera House, previewing the next@90 world premieres. On behalf of the Board, President Horn wished the Ballet the best in their 2023 season.

Ballet's new Artistic Director: President Horn invited the new Artistic Director of the San Francisco Ballet, Tamara Rojo, the Spanish ballerina who led the English National Ballet as both Principal Dancer and Artistic Director, to speak to the Board.

Tamara Rojo addressed the Board and stated she was looking forward to working together and furthering the relationship between the San Francisco Ballet and War Memorial. She recounted her ballet career which began in Madrid, then won an international competition in Paris, which introduced her to the Royal Ballet, where she spent 12 years of her career before moving on to the English National Ballet. She remarked on how much she appreciated the English National Ballet's commitment to the artform, as well as their commitment to bringing the artform to new audiences. She noted that the company was in a very good financial situation and felt that it was time to move on and for someone new to take the helm of the English National Ballet. She also humorously noted that many years she had tried to audition for Helgi Tomasson and he declined. She also remarked that San Francisco Ballet shares her own personal values: pursuit of excellence, as well understanding the importance of tradition, while also opening the artform to new voices and being relevant to today's audiences. She thanked the Board for the opportunity and looked forward to working with them in the future.

President Horn congratulated Ms. Rojo and wished her the best of luck on her tenure with the Ballet.

MANAGING DIRECTOR'S REPORT

Approval of Consent Agenda: Acting Managing Director Levin stated that items submitted on the Consent Agenda included: the minutes of the December 8, 2022 Regular Meeting of the Board; Rental Requests for January 12, 2023; the December 2022 Revenue, Appropriations and Housekeeping Expenditures reports; and the Resolution Adopting Findings to Allow Teleconferenced Meetings Under California Government Code.

Following discussion, on motion of Trustee Kopp, seconded by Vice President Lui, the following resolution was unanimously adopted:

RESOLUTION NO. 23-01

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco the minutes of the December 8, 2022 Regular Meeting of the Board; Rental Requests for January 12, 2023; the December 2022 Revenue, Appropriations and Housekeeping Expenditures reports; and the Resolution Adopting Findings to Allow Teleconferenced Meetings Under California Government Code are hereby approved.

Budget for Fiscal Year 2023-24 and Fiscal Year 2024-25: Director Levin updated the Board on the upcoming budget submission for the next two fiscal years. He mentioned that although outside rentals of the venues are on a post-COVID rise, they have not returned as quickly as originally estimated, a trend that is being seen across venues nationally, which will impact the earned revenue. He thanked the finance team, because despite the impacts to earned revenue, the Department will have a balanced budget for submittal.

Director Levin noted that rentals of the larger venues are growing more slowly than anticipated, but the smaller venues, like the Herbst Theatre, are rebounding more quickly. Director Levin surmised that this is due to licensees are being more cautious booking the larger venues both due to the higher costs of production in larger spaces, as well as the challenge of trying to sell 2500-3000 tickets to audiences, still cautious in this third year of the pandemic. He noted that first of two Budget & Finance Committee meetings for the budget cycle will be held on Wednesday, January 25 and Thursday, February 9 at 1:30pm. Trustee Fisher inquired about whether Director Levin thought that any budget numbers would need to be reevaluated mid-cycle due to earned revenue not meeting the target. He responded that they were conservative when projecting the rental revenue numbers this cycle and is confident that the Department will meet the budget, although the budget is lower than historically it has been.

Recent Storms: Director Levin gave an update on the extreme weather that has been impacting the Bay Area with atmospheric river/bomb cyclone storms causing record rainfall, heavy winds and flooding. He noted that the extreme weather has caused the regular leaks in the venues to surface and thanked the engineering team and custodial teams for mobilizing quickly to address the impacts to the buildings. He pointed out that to-date there have been no performances canceled due to the weather.

Art With Elders: - Director Levin also reported on the art exhibition in the lobby of the Veterans Building from a group called "Art With Elders," who have exhibited in the building twice previously. He described the organization as a community group that goes out to long-term care facilities and teaches art and art theory to seniors, culminating in an exhibition by the participants.

Director Levin also noted that he received a memo from the City Attorney immediately prior to the meeting about the return to in-person meetings for all City policy bodies, as of March 1, 2023.

COMMITTEE REPORT

Special Hiring Committee: President Horn reported that the Special Hiring Committee meeting met at 11am to begin the process of finding a new Managing Director for the War Memorial. He noted that the one item in front of the Board is the approval of the job description, circulated prior to the meeting, which is a comprehensive list of desirable qualities in a candidate. He stated that there were two minor language changes to the existing job description, which was used to hire the previous Managing Director, John Caldon. Director Levin noted that the job description outlines the full wish list of qualifications.

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

RESOLUTION NO. 23-02

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco the job description for the Managing Director of the War Memorial, as recommended by the Special Hiring Committee, is hereby approved.

President Horn noted that the job description would be distributed to the list of local Bay Area arts organizations that was circulated, as well as all City Departments, and through the International Association of Venue Managers. He stated that the vetting of applications will be done by senior staff in conjunction with the Committee. He said that they hope to have approximately 2-3 candidates for the Committee to interview and ultimately have one to recommend to the full Board. President Horn also reported that Acting Managing Director Rob Levin has taken himself out of the process and asked not to be considered for the position, and that he will be a valuable resource in helping to vet the candidates along with the Human Resources staff.

Trustee Kopp asked whether non-committee members would be allowed in the Special Hiring Committee meetings. President Horn noted that only Committee members would be permitted in upcoming meetings because they will be held in closed session, as personnel matters would be discussed with individual candidates during their interviews. Trustee Fisher inquired about the timeline for the process and President Horn invited Donna D’Cruz, Director of Finance and Administration to address the Board. Ms. D’Cruz stated that typically jobs are posted with the City for 2-3 weeks, but since this position is not subject to Civil Service rules, it could be extended. She described that the vetting would commence with brief zoom meetings by staff and they would narrow the field to the potentially qualified candidates to be interviewed first by the Committee and then the full Board, which she hopes will take 3-4 months.

REGULAR ITEMS

Global Gourmet Catering Request for Amendments to Original Contract: President Horn noted that prior to the meeting, Trustees received a letter from Global Gourmet Catering requesting consideration and approval to amend the original contract terms, which involves forgiveness of outstanding and future capital expense requirements and reduction of the current commission rate.

President Horn referred the item to the Presentors Liaison Committee and requested that the Committee meet to review and consider approval of the request. He then invited Garo Eldemir, Director of Concessions for Global Gourmet Catering, to address the Board. Mr. Eldemir introduced the CEO of Global Gourmet Catering, Laura Lyons. Ms. Lyons noted that the current revenue under the contract is at the point where Global Gourmet is losing money. She noted that while they are still finalizing their books for Fiscal Year 2022, they intend to open the books to the Board for inspection, and come to the Committee with a proposal.

President Horn noted that in Global Gourmet’s original proposal, they referred to it as a prestige account and noted that it was possible they might lose money. Ms. Lyons responded that they can no longer afford to do anything that is not profitable, as the business operated in the red for 26 consecutive months due to the pandemic. Trustee Kopp asked about what the commission rate is and Mr. Eldemir answered that it is somewhat complicated but overall it is in the low 20%. Trustee Muduroglu asked about the challenges in engagement of audiences. Mr. Eldemir noted issues include the number of shows performed, whether or not the Opera will require masks, and whether they will let patrons bring drinks into the auditorium. Vice President Lui asked about Café Valor. Mr. Eldemir noted that the café is not a money-maker for the building, but something that they kept open for the community, and the foot traffic has not bounced back from the return back to the office. Ms. Lyons also noted that Fiscal Year 2022 is operating at about 60% of the sales volume of 2019, and inflation and labor cost increases over the last few years have contributed to the challenging environment. Ms. Lyons assured the Board that their books would be complete on January 23, 2023, to be able to present the actual numbers to the Committee.

GOOD AND WELFARE

President Horn welcomed Trustee Pelosi back in person and expressed how grateful the Board was to have him

back. There being no further good and welfare, President Horn closed good and welfare.

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 415-554-6377 in advance of Board meetings. President Horn also invited the public to leave additional public comment until 12:00 p.m. on War Memorial Board meeting day. 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.

There being no public comment, President Horn closed public comment.

ADJOURNMENT

There being no further business to come before the Board, President Horn adjourned the meeting at 2:49 p.m.



Rob Levin
Executive Secretary