

SAN FRANCISCO WAR MEMORIAL AND PERFORMING ARTS CENTER

RENTAL REQUESTS FOR: March 14, 2024

WAR MEMORIAL OPERA HOUSE

San Francisco Opera Partial Season	May-July, 2024	\$94,745.00
---------------------------------------	----------------	-------------

DAVIES SYMPHONY HALL

SFJAZZ Oscar Peterson Tribute	June 12, 2024	\$3,060.00 vs. 10% \$6,170.00 Maximum
----------------------------------	---------------	--

WF Company One Piece Symphony	July 8, 2024	\$3,215.00 vs. 10% \$9,170.00 Maximum
----------------------------------	--------------	--

ZELLERBACH REHEARSAL HALL

San Francisco Symphony Partial Season	April-Jun 2024	\$16,000.00
--	----------------	-------------

San Francisco Opera Partial Season	April-Jun 2024	\$75,240.00
---------------------------------------	----------------	-------------

THE GREEN ROOM

SF Chanticleer Reception	March 19, 2024	\$1,150.00
-----------------------------	----------------	------------

Open Doors to Future Possibilities Gala	March 22, 2024	\$1,310.00
--	----------------	------------

Chamber Music SF Pre-Concert Dinner	March 24, 2024	\$1,150.00
--	----------------	------------

Consulate General of Greece Reception	March 27, 2024	\$1,150.00
--	----------------	------------

Enterprising Women Networking Photoshoot/Reception	March 28, 2024	\$2,300.00
---	----------------	------------

UC College of the Law Reception	April 16, 2024	\$1,150.00
------------------------------------	----------------	------------

US Courts Northern District of California	May 8, 2024	\$1,150.00
---	-------------	------------

Minerva University Reception	May 17, 2024	\$1,150.00
---------------------------------	--------------	------------

Her Idea	May 23, 2024	\$1,150.00
----------	--------------	------------

SAN FRANCISCO WAR MEMORIAL AND PERFORMING ARTS CENTER

RENTAL REQUESTS FOR: March 14, 2024

THE GREEN ROOM (CONT.)

UCSF Family & Community Medicine	June 30, 2024	\$1,150.00
Office of Labor Standards Enforcement	October 3, 2024	\$1,865.00
Family Builders Reception	April 26, 2025	\$1,225.00

HERBST THEATRE

American Institute of Architects San Francisco 2024 AIASF Design Awards	April 18, 2024	\$1,450.00
Twirling Princess, Inc. Spring Bravo Bash 2024	May 18, 2024	\$1,450.00
Aranto Productions Inc. Mario Stefano Pietrodarchi Concert	September 27, 2024	\$3,050.00
Glasgow3 TEDx 2024	October 21-22, 2024	\$5,470.00
Twirling Princess, Inc. Winter Bravo Bash 2024	November 23, 2024	\$1,525.00
The Long Now Foundation Lost Landscapes 2024	December 9-10, 2024	\$3,050.00
SF Performances 2024-25 Season Concert	March 20, 2025	\$1,525.00
SF Performances 2024-25 Season Concert	March 28, 2025	\$1,525.00
Synergy School Spring Concert 2024	March 26-27, 2025	\$3,050.00
SF Performances 2024-25 Season Concert	April 3, 2025	\$1,525.00

WILSEY CENTER

Office of the Assessor-Recorder ASR All-Staff Meeting	April 17, 2024	\$860.00
Inter Music SF SF Music Day 2024	October 20, 2024	\$2,000.00
Glasgow3 TEDx 2024	October 21-22, 2024	\$8,000.00

San Francisco War Memorial				
Operating Account - 14670				
FY 2023 - 2024 Appropriations Report - February 29, 2024				
ACCOUNT	DESCRIPTION	REVISED APPROPRIATION	YTD ENCUMBERED & EXPENDED	BALANCE
Salaries & Benefits	Permanent Salaries	\$ 7,054,419	\$ 3,997,386	\$ 3,057,033
	Temporary Salaries	\$ 381,958	\$ 497,124	\$ (115,166)
	Premium Pay	\$ 153,945	\$ 86,388	\$ 67,557
	One-Time Salaries Payments	\$ -	\$ 33,068	\$ (33,068)
	Overtime	\$ 254,731	\$ 154,870	\$ 99,861
	Holiday	\$ 102,799	\$ 63,014	\$ 39,785
	Mandatory Fringe Benefits	\$ 3,491,587	\$ 2,067,561	\$ 1,424,026
	Sub Total	\$ 11,439,439	\$ 6,899,411	\$ 4,540,028
Non Personnel Services	Travel	\$ -	\$ -	\$ -
	Fees_Other	\$ -	\$ -	\$ -
	Training	\$ 18,076	\$ 9,950	\$ 8,126
	Employee_Expenses	\$ -	\$ 2,918	\$ (2,918)
	Membership_Fees	\$ 4,175	\$ 3,325	\$ 850
	Professional_Special_Services	\$ 91,403	\$ 92,244	\$ (841)
	Maintenance_Services_Build_Struct	\$ 948,374	\$ 918,677	\$ 29,697
	Maintenance_Services_Equipment	\$ 52,018	\$ 13,659	\$ 38,359
	Rent_Lease_Equipment	\$ 17,873	\$ 16,263	\$ 1,610
	Other Current Expenses	\$ 85,631	\$ 31,544	\$ 54,086
	Taxes_Licenses_Permits	\$ 219,681	\$ 195,667	\$ 24,014
	Utilities_Telephone	\$ -	\$ -	\$ -
	Sub Total	\$ 1,437,232	\$ 1,284,248	\$ 152,983
	Materials & Supplies	\$ 319,409	\$ 318,272	\$ 1,137
Services of other Departments	Human Resources Modernization	\$ 7,286	\$ 3,643	\$ 3,643
	Diversity Equity Inclusion	\$ 1,617	\$ 809	\$ 809
	GF-PUC-Light Heat & Power	\$ 2,065,355	\$ 886,329	\$ 1,179,026
	PUC Sewer Service Charges	\$ 195,925	\$ 59,456	\$ 136,469
	Ef-PUC-Water Charges	\$ 145,452	\$ 51,088	\$ 94,364
	DT Technology Projects	\$ -	\$ -	\$ -
	DT Technology Infrastructure	\$ 176,577	\$ 88,289	\$ 88,289
	GF-City Attorney-Legal Service	\$ 93,283	\$ 4,746	\$ 88,538
	DT Enterprise Tech Contracts	\$ 25,124	\$ 25,124	\$ -
	DT Telecommunications Services	\$ 29,514	\$ 16,751	\$ 12,763
	GF-GSA-Facilities Mgmt Svcs	\$ 4,346,552	\$ 1,052,695	\$ 3,293,857
	GF-HR-Equal Emplmnt Opportuni	\$ 26,654	\$ 13,327	\$ 13,327
	GF-HR-Mgmt Training	\$ 65,880	\$ -	\$ 65,880
	GF-HR-Workers' Comp Claims	\$ 120,533	\$ 38,983	\$ 81,550
	GF-Chs-Medical Service	\$ 30,254	\$ -	\$ 30,254
	GF-Chs-Toxic Waste&Haz Mat Svc	\$ 14,881	\$ 1,175	\$ 13,706
	Is-Purch-Reproduction	\$ 8,500	\$ -	\$ 8,500
	GF-Rec & Park-Gardener	\$ 198,668	\$ 92,145	\$ 106,523
	Sub Total	\$ 7,552,055	\$ 2,334,558	\$ 5,217,497
		TOTAL OPERATING	\$ 20,748,134	\$ 10,836,489
14680	Annual Capital Improvement Project	\$ 741,795	\$ 525,719	\$ 216,076
	GRAND TOTAL	\$ 21,489,930	\$ 11,362,209	\$ 10,127,721
10000	Debt Service	\$ 9,600,895	\$ 8,810,021	\$ 790,875
14720	War Memorial Reserve	\$ 1,398,024	\$ 430,757	\$ 967,267
14700	Concessions Equip. Repl. Fund	\$ 53,835	\$ 12,616	\$ 41,219

**San Francisco War Memorial
FY 2023-2024 Housekeeping Expenditures - February 29, 2024**

PO Number	Description	Amount	Fund Source
<u>PURCHASE ORDER</u>			
800671	B B I ENGINEERING INC	\$ 6,990.00	14720
800859	PACE SUPPLY CORP	\$ 327.16	14670
801374	GRAINGER	\$ 60.34	14670
801788	GRAINGER	\$ 622.88	14670
801874	GRAINGER	\$ 1,637.33	14670
801896	SIMONDS MACHINERY CO	\$ 9,536.35	14680
802763	TK ELEVATOR CORPORATION	\$ 8,590.47	14680
802811	Central Refrigeration Company Inc.	\$ 1,500.00	14670
802878	SIEMENS INDUSTRY INC	\$ 8,150.72	14680
804200	CONTROLCO	\$ 9,963.42	14680
804201	WIRELESS VOICE & DATA INC	\$ 2,635.30	14670
804214	SIEMENS INDUSTRY INC	\$ 4,305.63	14670
806664	B B I ENGINEERING INC	\$ 387,928.50	14720
806664	B B I ENGINEERING INC	\$ 76,243.50	14820
807279	PIPER MURAKAMI	\$ 200.00	14670
807307	SAN FRANCISCO OPERA ASSN	\$ 5,500.00	14670
807316	GLOBAL GOURMET CATERING	\$ 2,918.43	14670
	Total	\$ 527,110.03	
FUND CODE:	DESCRIPTION:		
14670	Operating	\$ 19,707.07	
14680	Facilities Maintenance	\$ 36,240.96	
14690	Capital Projects	\$ -	
14700	Concessions Equipment Replacement Fund	\$ -	
14720	War Memorial Reserve	\$ 394,918.50	
14820	Gift Fund	\$ 76,243.50	
	Total	\$ 527,110.03	

San Francisco War Memorial
FY 2023-24 Revenue Report - February 29, 2024

Account		FEBRUARY REVENUE	YEAR TO DATE	FY2023-24 Budget	Percent of Budget	LAST YEAR TO DATE
FACILITY RENTAL						
435511	Opera House	\$ 158,820.00	\$ 483,005.00	\$ 543,932.00	89%	\$ 509,870.00
435512	Green Room	15,790.00	127,150.00	287,351.00	44%	146,950.00
435521	Herbst Theatre	37,615.00	208,965.00	241,287.00	87%	179,428.00
435531	Davies Symphony Hall	-	464,890.00	664,772.00	70%	453,925.80
435542	Wilsey Center	11,360.00	140,925.06	163,158.00	86%	120,292.50
462891	Zellerbach Rehearsal Hall	8,310.00	209,290.80	256,063.00	82%	173,585.00
	Sub Total	\$ 231,895.00	\$ 1,634,225.86	\$ 2,156,563.00	76%	\$ 1,584,051.30
OFFICE RENTAL						
435517	San Francisco Ballet (OH)	\$ 5,542.52	\$ 24,941.34	\$ 28,267.00	88%	\$ 22,170.08
435519	San Francisco Opera (OH)	15,982.59	143,843.31	163,022.00	88%	168,059.94
435539	San Francisco Symphony (DSH)	-	128,793.60	164,212.00	78%	128,793.60
435540	Veterans Bldg. Office Rent (SFO)	40,199.22	361,792.98	410,656.00	88%	337,576.35
462861	Veterans Building Occupancy Fees	10,437.66	87,154.92	109,570.00	80%	87,154.92
	Sub Total	\$ 72,161.99	\$ 746,526.15	\$ 875,727.00	85%	\$ 743,754.89
FOOD/BEVERAGE CONCESSIONS						
435611	Opera House	\$ 27,079.99	\$ 312,516.72	\$ 350,000.00	89%	\$ 291,962.25
435611	Herbst Theatre	\$1,914.75	12,642.56	9,749.00	130%	17,692.97
435631	Davies Symphony Hall	17,733.29	165,634.28	207,132.00	80%	142,819.61
	Sub Total	\$ 46,728.03	\$ 490,793.55	\$ 566,881.00	87%	\$ 452,474.83
PROGRAM CONCESSIONS						
435612	Opera House	\$ -	\$ 412.64	\$ 4,000.00	10%	\$ -
435612	Herbst Theatre	111.35	2,014.68	1,468.00	137%	1,287.27
435632	Davies Symphony Hall	2,576.71	3,617.71	4,201.00	86%	4,311.30
	Sub Total	\$ 2,688.06	\$ 6,045.03	\$ 9,669.00	63%	\$ 5,598.57
MISCELLANEOUS REVENUE						
435232	Parking Fees	\$ 5,282.00	\$ 27,388.00	\$ 46,518.00	59%	\$ 24,251.00
462899	Miscellaneous Revenue	17,663.00	152,522.59	148,171.00	103%	107,131.09
	Sub Total	\$ 22,945.00	\$ 179,910.59	\$ 194,689.00	92%	\$ 131,382.09
	GROSS REVENUE	\$ 376,418.08	\$ 3,057,501.18	\$ 3,803,529.00	80%	\$ 2,917,261.68
	Less 15% War Memorial Reserve	\$ (56,462.71)	\$ (458,625.18)			\$ (437,589.25)
	Payment to War Memorial Commission	(4,450.00)	(35,600.00)			(27,800.00)
	NET REVENUE	\$ 315,505.37	\$ 2,563,276.01			\$ 2,451,872.43
OTHER FUNDS						
435614	Concessions Equipment Replacement	\$ 2,134.58	\$ 25,145.07	-		\$ 20,956.83

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

Wednesday, January 24, 2024

The Budget and Finance Committee of the Board of Trustees of the War Memorial of San Francisco met in-person at 2:00 p.m. on Wednesday, January 24, 2024, in the Trustees' Board Room, War Memorial Opera House, Chair Wright presiding.

ROLL CALL

Committee Members Present: Chair Wright, President Horn, Trustee Kopp, Trustee Lui, and Trustee Muduroglu

Committee Members Absent: Trustee Fisher

Staff Present: Kate Sofis, Managing Director; Rob Levin, Assistant Managing Director; Francesca Cicero, Board Secretary

War Memorial Proposed Departmental Budget for Fiscal Years 2024-25 and 2025-26: Chair Wright stated that in advance of the meeting, Committee members received staff's departmental budget presentation document and a detailed summary of staff's proposed revenues and expenditures for the next two fiscal years. She reminded the Committee that City ordinance requires the Board to hold two public meetings regarding the budget, no fewer than 15-days apart, and thus the Committee would not vote on the proposed budget at the meeting and was an opportunity for Trustees and the public to ask questions and provide feedback. She stated that staff will return to the next Budget and Finance Committee meeting with a revised budget, at which time the Committee will vote on the recommendation that goes to the full Board for approval at the February 8 Regular Board of Trustees meeting.

Chair Wright then invited Managing Director Kate Sofis to review staff's proposed Departmental Budget. Director Sofis began by reviewing the War Memorial's Mission Statement: "The San Francisco War Memorial and Performing Arts Center manages, maintains and operates safe, accessible, world-class venues to promote cultural, educational, and entertainment opportunities in a cost-effective manner for enjoyment by the public, while best serving the purposes and beneficiaries of the War Memorial Trust." She thanked staff for their collaboration on the budget, including Director of Finance and Administration, Donna D'Cruz, and accountant Dave Salem.

Director Sofis began her discussion with earned revenue, through rental of spaces and working with resident companies and outside licensees on performances and events. She described the projected performance and event activity, beginning with Fiscal Year 2018-2019 as a point of comparison as the last full fiscal year before the pandemic. She stated that since then, looking at total performances and total attendance figures, there is a slow and steady improvement over time. She noted that the more the Department is smart about the rates set for rentals, as well as getting some marketing and social media support, the more they will continue to drive attendance to the buildings. She also noted that the Department is not back to pre-pandemic numbers, nor are the resident companies, who make up the majority of the performances in Davies Symphony Hall and the Opera House. Director Sofis noted that she also sees growth opportunities with outside licensees as well as looking for opportunities to help drive audiences to the resident companies' performances. Trustee Lui noted that the greatest potential for growth would be in The Green Room, the Herbst Theatre, and the Wilsey Center.

Director Sofis then provided information on the earned revenue numbers. She noted that for Fiscal Year 2022-2023, the Department is on track to be on par with the earned revenue numbers from Fiscal Year 2018-2019, pre-pandemic. She pointed out, in response to Trustee Kopp, that the revenue numbers are not keeping up with the

cost of expenditures, such as buying materials and labor costs. Director Sofis then turned to recurring revenue, and distinguished it from earned revenue as from revenue (rent, concessions, etc.) from performances and events in the building. She noted that with regards to the total funding of the Department, it includes earned revenue and revenue coming from other City Departments, including Veterans Building rent and General Fund support. She noted that all City Departments are being asked to cut budgets, but cannot cut or change revenue or expenses that come in from other Departments. She explained that specifically that means that the San Francisco Art Commission and Grants for the Arts will receive the same modest cost-of-living increase to their rent of approximately 6%. Director Sofis noted that the General Fund is where the mandatory budget cuts must come from. She noted that the \$510,000 number reflects the mandatory budget cuts that have already been cut from the budget this year. She explained that the \$660,000 number reflects the amount that the Mayor's Budget Office has told the Department that it must cut for FY 2024-25. She noted that the discussion today is if the Department has to cut that amount, where will those cuts come from and what are the implications of those cuts on the Department. She also noted that in addition to the \$660,000 cuts, Departments have been instructed to have an additional amount of contingency cuts if the City's economic forecast does not improve. Trustee Wright questioned as to whether that would involve staff cuts. Managing Director Sofis responded that the Mayor has stated at this time she does not want to see Departments laying off staff due to these budget cuts. She noted that in terms of staffing, the only budget savings that the Department could realize, is to continue to put the positions that are not yet filled into attrition. She also noted that because the Department is so small, there are not many vacancies to offer up. Trustee Kopp asked about the line item "Savings from Prior Years." Director Sofis responded that every year the Department makes projections on certain expenditures that the Department will need. She further explained that at times, projects can be delayed or otherwise not be completed, and there are monies remaining that were previously earmarked for certain projects that carry over. She noted that typically that amount is approximately \$600K, but due to the budget cuts proposed, those monies will now be used to cover some of those cuts and zeroing out any potential savings year-to-year.

Director Sofis then touched on a separate amount of funding, that the Department is not being asked to cut currently, for major capital funding projects. Director D'Cruz noted that the Department in FY2023-24 had requested funds for two projects in the Opera House: one elevator modernization (\$1.3m) and the mansard roof replacement (\$7m), for a total of \$8.3 million for Fiscal Year 2023-24. She noted that these funds are through Certificates of Participation, and therefore these funds can only be requested when the Department is ready to expend those funds. She stated that the mansard roof project is currently in progress with the Department of Public Works and the Opera House elevator project that has been funded is also underway. Director D'Cruz noted that the Department will be requesting modernization for three elevators in the Opera House, ADA upgrades for Davies and the Opera House, in addition to a digital video system for the Opera House for FY 2024-25. Director D'Cruz pointed out that the Department spent almost half a million dollars on elevator repairs last year, which remains a safety issue.

President Horn emphasized that the War Memorial is not like other City departments, as the buildings were built with private funds, and as a condition of giving the buildings to the City, the City committed in the trust and the Charter, that they would keep and maintain these buildings, especially for ADA upgrades. He explained that other City departments do not have the same legal obligations as the War Memorial does under the trust – which is why the Board is comprised of trustees and not commissioners. Trustee Wright suggested providing the Mayor's Budget Office with this institutional knowledge with an accompanying letter to the departmental budget submission. President Horn suggested engaging the City Attorney to assist with the letter, as the City Attorney has given many opinions over the years on this issue.

Director Sofis then explained the mid-year budget cuts that were already taken in October 2023, as well as the proposed cuts for Fiscal Year 2024-25. She explained that the mid-year budget cuts included the elimination of one full-time employee position, going from 70 full-time employees to 69, the reduction of services of other City departments, non-personnel services, and old project closeouts. Director Sofis noted that non-personnel services is where the majority of current and future cuts would be coming from, which includes waste management, elevator repairs, infrastructure upgrades and ongoing maintenance of the buildings.

War Memorial Proposed Rental Rates for Fiscal Years 2024-25 and 2025-26:

Chair Wright invited Managing Director Sofis to discuss the rental rate increases for the next two fiscal years. She noted that traditionally the Department increases the rental rates every two years, usually between 4-6 percent based on the category. She noted that with the current budget cycle, the Department proposes an average 5% increase in rental of performance space and 6% average increase for office space rentals. She also pointed out that with regards to the modest increases in parking rates, the City only allows parking fees to be set at \$10 dollars above the base-rate MUNI pass. She also emphasized that the Board recently approved changes to The Green Room rental rates for weddings, which has already seen an increase in bookings. Trustee Wright asked about marketing support. Director Sofis stated that the Department sees adding marketing capacity to drive revenue, through things like social media, as an opportunity. Assistant Managing Director Rob Levin noted that prior to the pandemic, the Department never needed marketing support because the venues were always full, but the world has changed since that time. Andrew Dubowski from the Symphony addressed the Committee and reiterated that having regular, predictable rent increases is greatly appreciated by the Symphony and all the resident companies as it allows them to plan ahead for each year.

PUBLIC COMMENT

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

There being no public comment, Chair Wright closed public comment.

ADJOURNMENT

There being no further business to come before the Board, Chair Wright adjourned the meeting at 1:45 p.m.

Francesca Cicero
Board Secretary

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

Friday, February 2, 2024

The Budget and Finance Committee of the Board of Trustees of the War Memorial of San Francisco met in-person at 10:30 a.m. on Friday, February 2, 2024, in the Trustees' Board Room, War Memorial Opera House, Chair Wright presiding.

ROLL CALL

Committee Members Present: Chair Wright, President Horn, Trustee Fisher, Trustee Lui, and Trustee Muduroglu

Committee Members Absent: Trustee Kopp

Staff Present: Kate Sofis, Managing Director; Rob Levin, Assistant Managing Director; and Francesca Cicero, Board Secretary

Chair Wright stated that in advance of the meeting, Committee members received staff's departmental budget presentation document and a detailed summary of staff's proposed revenues and expenditures for the next two fiscal years. She reminded the Committee that City ordinance requires the Board to hold two public meetings regarding the budget, no fewer than 15 days apart, and the second meeting will be held at February 8th Regular meeting of the Board of Trustees where the full board will vote on the approval of the budget. She noted the present meeting is for the Budget and Finance Committee to provide recommendations to the full Board regarding the budget.

War Memorial Proposed Rental Rates for Fiscal Years 2024-25 and 2025-26: Chair Wright invited Managing Director Sofis to discuss the rental rate increases for the next two fiscal years. She reminded the Board that traditionally the Department increases venue, office space, and parking rental rates every two years, usually between 4-6 percent based on the category. She noted that with the current budget cycle, the Department proposes an average 5% increase in rental of performance space and 6% average increase for office space rentals. Assistant Managing Director Levin noted that this is historically how the Department has increased rates and the rate increases are typical for other similar venues. Chair Wright emphasized the need to market these spaces, because cost reductions in the budget will not be enough, in order to increase revenue. Trustee Fisher questioned the strategy of increasing rental rates only every two years, with the rate of inflation as it currently stands. Director Sofis noted that for outside events, in addition to the base rental, the Department also charges for labor costs, which is a cost-recovery model. She stated that in discussions with staff the biggest opportunity is to find more ways to rent the spaces that we have and noted that reducing the base rate on The Green Room is already seeing positive results with regard to rentals.

Andrew Dubowski from the San Francisco Symphony addressed the Committee and reiterated that having regular, predictable, modest rent increases is greatly appreciated by the Symphony and all the resident companies as it allows them to plan ahead for each year.

Following discussion, and on motion of Vice President Wilsey, seconded by Trustee Muduroglu, 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 rentals rates for Fiscal Years 2024-25 and 2025-26.

War Memorial Proposed Departmental Budget for Fiscal Years 2024-25 and 2025-26:

Chair Wright noted that post-pandemic has challenged organizations that maintain facilities and emphasized the critical need for the arts in the revitalization of the economy. She then invited Managing Director Kate Sofis to review staff's proposed Departmental Budget. Director Sofis began by noting the City's current economic reset, and how the tax revenues have impacted the General Fund. She stated that as a charitable trust Department, the responsibility is to protect the buildings and the veterans and arts organizations housed within them.

Director Sofis turned to the proposed budget cuts directed by the Mayor's Budget Office. She noted that the current budget indicates areas that the Department would cut if required, which is submitted to the Budget Office in a few weeks. She stated that then the Mayor's Budget Office then reviews budgets across all City departments, before making final approvals, balancing all Departmental requests. She stated that once that is complete, the budget then goes before the Board of Supervisors where the Department advocates for its position. She noted that as a special fund department, the War Memorial balances its budget with a combination of earned revenue and General Fund support to cover expenses, and the more the Department can focus on revenue, the less dependent it is on that variable support from the City. She reviewed the budget presentation for the Committee and noted that while the total number of performances is rebounding, it is still below pre-pandemic numbers. There was a discussion about the opportunities surrounding The Green Room, Herbst Theatre, and Wilsey Center, and how to market and price these spaces more effectively, as the licensees for these venues are typically more price-sensitive. Trustee Fisher suggested having a dashboard for each monthly meeting to be able to track the increase in rentals for the spaces.

Director Sofis then turned to recurring revenue, reminding the Trustees that all City Departments were asked to make mid-year budget cuts of 10% of their budgets, which was the \$510K cut for the War Memorial Departmental budget, giving up one full-time position (FTE), which will carry over to the next fiscal year. She noted, however, that there are challenging decisions to be made for the upcoming cuts to the next fiscal year budget, which will be approximately \$660K. She also stated that the Department is not being asked to halt major capital projects at this point in time. She emphasized that the City has indicated that they will be looking across all City properties to determine the funding for any new major capital projects, and projects that relate to safety and accessibility are likely to be prioritized. She noted that these priorities are demonstrated by the Department's proposed capital projects for the upcoming fiscal year which include modernization of the elevators in the Opera House. She noted that if those modernization projects are funded, it will have an impact on the amount of money that the Department currently needs to service and maintain these elevators. Trustee Fisher inquired about the Opera House digital video display proposal. Director Sofis responded that the Department does not anticipate the City will be funding any theatrical or sound system equipment proposals but were advised to submit all requests to Capital Planning, rather than only submit the highest priority items.

Director Sofis then explained the mid-year budget cuts that were already taken in October 2023 included the elimination of one full-time employee position, the reduction of services of other City departments, non-personnel services, and old project closeouts. Director Sofis noted there for the upcoming budget proposal, they would continue to keep that one position eliminated and non-personnel services is where the majority of current and future cuts would have to come from, which includes waste management, elevator repairs, infrastructure upgrades and ongoing maintenance of the buildings. She also noted that the Mayor's directive is to not reduce interdepartmental costs, which is a majority of the budget for custodial services from Real Estate and building maintenance with the Department of Public Works. She noted that the Department would be required to utilize reserve funds in order to manage the budget shortfall. Director Sofis also summarized for the Committee the options related to submission of the budget: to submit the budget with the \$600K in proposed cuts; to not submit the budget at all; or to submit the budget with a letter from the full Board of Trustees outlining the detrimental effects that deferred maintenance and capital projects will have on the War Memorial campus and its partners. Trustee Lui agreed that part of the responsibility as Trustees is to maintain the integrity of the buildings for patrons, performers, and the public. Trustee Muduroglu emphasized demonstrating to the Mayor's Budget Office that the Department is putting forth its best efforts to comply with the directive to make cuts, rather than simply not submitting a budget. President Horn emphasized the fiduciary responsibility as Trustees of a charitable trust department, that the City keep and maintain the buildings, and the current proposed budget cuts would not allow

for the City to meet that obligation. Director Sofis also stressed the vital role the War Memorial plays in the economic recovery of the City.

Following discussion, and on motion of Vice President Wilsey, seconded by President Horn, the following recommendation was unanimously adopted:

RECOMMENDED, To the Board of Trustees of the War Memorial of San Francisco that it approve for submission staff's proposed War Memorial Departmental budget for Fiscal Years 2024-25 and 2025-26 and include a letter to the Mayor's Budget Office from the Board of Trustees regarding the impact of the proposed cuts.

PUBLIC COMMENT

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

There being no public comment, Chair Wright closed public comment.

ADJOURNMENT

There being no further business to come before the Board, Chair Wright adjourned the meeting at 11:30 a.m.

Francesca Cicero
Board Secretary

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
REGULAR BOARD MEETING
Thursday, February 8, 2024

The Board of Trustees of the War Memorial of San Francisco met in regular session on Thursday, February 8, 2024, at 2:00 p.m., in the Trustees' Board Room, War Memorial Opera House, President Horn presiding.

ROLL CALL

- Present: President Horn, Vice President Wilsey, Trustee Kopp, Trustee Lui, Trustee Muduroglu, Trustee Newstat, Trustee Pelosi (*arrived 2:08 pm*), Trustee Wilsey, and Trustee Wright
- Absent: Trustee Fisher, Trustee Gatti, Trustee Lui, and Trustee Rocco
- Staff Present: Kate Sofis, Managing Director; Rob Levin, Assistant Managing Director; Francesca Cicero, Board Secretary

PRESIDENT'S REPORT

President Horn opened the meeting congratulating the San Francisco Ballet on opening its 2024 repertory season on January 26, 2024, with *Mere Mortals*. He remarked on how full the Opera House was and with a youthful audience enjoying the performance and concessions, as well as the after party. There was a discussion amongst the Trustees about how the performance has brought in new audiences to the Opera House. Managing Director Sofis remarked that she has been working with all three resident companies on creating this same type of integrative experience for performances moving forward and how to support their creative vision. President Horn also announced that the Board would have to postpone the tour of the facilities that Peter Pastreich, Executive Director of the San Francisco Symphony for thirty years, had offered to give the Trustees and hopes to reschedule for May.

MANAGING DIRECTOR'S REPORT

Managing Director Kate Sofis reminded the Trustees that their annual ethics filings and trainings are due April 2, 2024. She also announced there would be a safety and security analysis of the entire campus done by a security consultant, being led by War Memorial's head of security Omar Castillo, in collaboration with the resident companies.

ASSISTANT MANAGING DIRECTOR'S REPORT

Approval of Consent Agenda: Assistant Managing Director Levin stated that items submitted on the Consent Agenda included: the minutes of the Building Committee Meeting of January 11, 2024; Regular Board Meeting of January 11, 2024; Rental Requests for February 8, 2024; and the Revenue, Appropriations and Housekeeping Expenditures reports for January 2024.

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

RESOLUTION NO. 24-03

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco, the minutes of the Building Committee Meeting of January 11, 2024; Regular Board Meeting of January 11, 2024; Rental Requests for February 8, 2024; and the Revenue, Appropriations and Housekeeping Expenditures reports for January 2024, are hereby approved.

Assistant Managing Director Levin also updated the Board that there are three hires currently in progress for the Booking Team, and they should be fully staffed soon, which will help to drive more revenue to the venues. He also stated that they are working with Global Gourmet to maximize the opportunity for concessions for the two upcoming Sting concerts.

BUDGET & FINANCE COMMITTEE REPORT

President Horn stated the Budget and Finance Committee met twice to consider two items: the proposed rental rates for Fiscal Years 2024-25 and 2025-26, and the War Memorial Departmental budget for Fiscal Years 2024-25 and 2025-26. He invited Chair Wright to give a report.

Proposed Rental Rates for FY 2024-25 and 2025-26: Chair Wright stated that she was excited to hear about the incoming staff and the potential opportunities to increase revenue for the Department. She invited Managing Director Sofis to report on the proposed rental rates. Director Sofis noted that the Department currently reviews rental rates every two years and staff's proposed rental rates for the next two fiscal years include a 6% average increase for office space rentals and 5% average increase for performance and event venue rentals. She also acknowledged Trustee Fisher's comment that while it is traditional to increase rental rates every two years, it may be beneficial to look at a more frequent schedule in the future. Chair Wright stated that the Committee voted to recommend approval of staff's proposed rental rates for both fiscal years. Andrew Dubowski from the San Francisco Symphony expressed gratitude to the Board for the regular and modest increases that help the resident companies project their costs year-to-year. Trustee Kopp thanked the Booking Team for their work in attracting new organizations to the venues.

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

RESOLUTION NO. 24-04

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco to adopt the recommendation of the Budget and Finance Committee and approve staff's proposed Rental Rates for Fiscal Year 2024-25 and Fiscal Year 2025-26.

War Memorial Departmental Budget for FY 2024-25 and 2025-26: Chair Wright stated that the previous meetings included discussion of revenues and expenditures for operating, facilities maintenance, and capital budgets. She noted there was a robust discussion about the proposed cuts of \$660K and the potential impact to the Department. She emphasized the need to balance this directive and the obligations of the City in the maintenance of the buildings as well as the fiduciary duties of Trustees to these buildings. Chair Wright noted that the Committee ultimately agreed it was not prudent to withhold the Departmental budget for submission to the Mayor's Budget Office, but instead voted to recommend submission of staff's proposed two-year budget for Fiscal Years 2024-25 and 2025-26, and recommended inclusion of a letter from the Trustees on how the proposed budget cuts will impact the Department.

Director Sofis briefly gave an overview of the proposed budget. She reminded the Trustees that the Department has already maintained \$550K in mid-year budget cuts for the current year. She noted that departments are being asked to identify an additional 10% from their operating budgets, which for the War Memorial is \$660K, plus an additional \$330K of contingency cuts. She explained that the majority of those cuts would have to be under non-personnel services, like elevator repair, HVAC, electrician, which also greatly impact the Department's ability to maintain the buildings at the level of service in which they currently are.

Director Sofis noted that once the budget is passed by the Board, then the approval process with the Mayor's Budget Office begins in late February, where those cuts are accepted or rejected. She explained that this is an opportunity for the Department to explain how these budget cuts will impact the Department and there is potentially an opportunity to have those cuts restored. Chair Wright circulated a draft of a proposed letter she drafted on behalf of the Board regarding these budget cuts. President Horn emphasized the Trustees' role as fiduciaries under the Trust, which distinguishes the War Memorial from other City departments. Trustee Newstat agreed that the letter was important, noting that cuts to the War Memorial's budget are more impactful due to the size of the Department, and the inability to absorb those cuts unlike larger departments. Board Secretary Cicero stated she would circulate the final draft after the meeting to all the Trustees for their signature to include with the budget submission. President Horn thanked Chair Wright and the Budget and Finance Committee members for their hard work on this initiative.

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

RESOLUTION NO. 24-04

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco to adopt the recommendation of the Budget and Finance Committee and approve staff's proposed War Memorial Department two-year budget for Fiscal Year 2024-25 and Fiscal Year 2025-26 for submission and include a letter from the full Board of Trustees regarding the impacts of the proposed budget cuts.

REGULAR ITEMS

None.

MISCELLANEOUS CORRESPONDENCE

None.

GOOD AND WELFARE

There was a brief discussion about security measures for the Ballet gala event at City Hall and how it affected patrons entering the building. There being no further good and welfare, President Horn closed good and welfare.

PUBLIC COMMENT

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

ADJOURNMENT

There being no further business, Chair Horn adjourned the meeting at 2:50 p.m.

Francesca Cicero
Board Secretary

Open Doors

to Future Possibilities

1550 The Alameda, Ste 150
San Jose, CA 95126

Tel: (408) 564-7174
(408) 564-7228

Toll free: 1-888-291-7303

March 5, 2024

War Memorial Board of Trustees
401 Van Ness Avenue - Suite 110
San Francisco, California 94102

Dear Board of Trustees,

My name is Simone Lundquist, and I am the Founder and Executive Director of Open Doors to Future Possibilities. As Executive Director of Open Doors to Future Possibilities, I request the War Memorial Board of Trustees kindly waive the Green Room rental fee of \$1,150 for our Grand Opening Celebration on Friday, March 22.

One of our branches is located in Suite 224 of the War Memorial Building. This Grand Opening is a celebration of the expansion of our services for Veterans into San Francisco. We are not selling tickets or charging for this event in any form.

Open Doors to Future Possibilities is a 501(c)(3) non-profit. We provide free-of-charge counseling, tutoring, housing, educational and employment opportunities and essential supplies and resources for Veterans, Active-Duty Military, and their families.

Thank you for your support.

Simone Lundquist

Simone Lundquist, Ph.D.
Founder and Executive Director
Open Doors to Future Possibilities

 *New Meanings to the past. New Beginnings for the future.*

OpenDoorsToFuturePossibilities.org   

A California Nonprofit Public
Benefit Corporation

Consultation
Center &
Academy for
Healing and
Transformation