

**MINUTES**  
**WAR MEMORIAL BOARD OF TRUSTEES**  
**PRESENTORS LIAISON COMMITTEE / SPECIAL MEETING**

**Thursday, April 11, 2024**

The Presentors Liaison Committee of the Board of Trustees of the War Memorial of San Francisco met in-person at 1:00 p.m. on Thursday, April 11, 2024, in the in the Trustees' Board Room, War Memorial Opera House, Chair Horn presiding.

**ROLL CALL**

Committee Members Present: President Horn, Trustee Fisher, Trustee Pelosi, Trustee Newstat

Committee Members Absent: Vice President Wilsey

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

**San Francisco Ballet and Opera Proposal to use of Accrued and Future “Facility Fee” funds for upgrades to automatic rigging system and associated theatrical systems in the Opera House:** President Horn stated that there was a proposal before the Committee from the San Francisco Ballet and Opera to approve use of current and future accrued “Facility Fee” funds, to upgrade the automatic rigging and associated theatrical systems in the Opera House and to dedicate future collected “Facility Fees” to the project to cover expected expenditures. He reminded the Trustees that at the last Regular Board meeting, Matthew Shilvock from the San Francisco Opera presented to the full Board about this project. President Horn invited Arturo Jacobus from the San Francisco Ballet to present to the Committee.

Mr. Jacobus explained that the automatic rigging system is a mission-critical system in the Opera House, involving the art of moving things onstage using motors and computers: including curtains, scenery, lighting bridges, and people. He noted that before 2011 the theatrical systems were manual. He stated that post-2011, the Ballet and Opera invested (80% & 20% ratio) in an automated system, installed between 2001-2011, replacing dangerous counterweights with motors, controlled by a computerized system, bringing in more contemporary functioning in the Opera House. Mr. Jacobus stated that the system was anticipated to have an in-service life of 10-15 years, and the automation system critically needs replacement now. He also explained that in late 2021, the manufacturer of the existing “Nomad” automation system, TAIT, informed the Opera they would no longer be manufacturing parts, or servicing the Nomad system as of December 2022, basically forcing a change to their new “Navigator” system. Mr. Jacobus acknowledged that without TAIT support, parts must be foraged from disposed systems around the country or on sites like eBay. He also acknowledged that if something goes wrong, there is limited ability to fix it, and TAIT is not able to work with the resident companies on configuring the system for critical production-specific solutions.

Mr. Jacobus stated that with each passing month, the risk of losing a performance to an automation malfunction increases, moving beyond an acceptable level of risk. He explained that the issues will eventually lead to the cancellation of performances. Mr. Jacobus explained that the proposal involves a multi-phase implementation of the TAIT Navigator, which will address system vulnerabilities and add functionality. He explained that the Opera has been implementing preparatory phases, and the next major work needs to be undertaken in July 2025 – but parts must be ordered by August 2024 to secure the parts in time. He noted that the total cost of the upgrade to the Navigator system is projected to be \$5.5 million dollars, \$2.7 of which will be covered by San Francisco Opera capital, and \$2.9 million which is requested in facility fees. He also noted that since paying off the balance of the

seating project, the Opera and Ballet will have secured sufficient facility fees to cover the project by the end of Fiscal Year 2027.

Mr. Jacobus stated that while the Opera has agreed to invest almost 50 percent of the system through its own capital planning, the Facility Fee is the only viable funding source for the remaining 50 percent. He noted that the agreement to use the Facility Fee requires three-way approval between the Opera, Ballet, and War Memorial, and respectfully requested that the Committee consider the proposal.

President Horn asked what happens to any overage amounts in Facility Fees once the systems replacement is complete. Managing Director Sofis responded that monies would continue to accrue as long as the Board continues to collect Facility Fees and can be used for other projects in the future. Trustee Fisher asked about the ongoing run-rate for operation of the systems. Jeremy Patfield, Director of Production for the San Francisco Opera, responded that the lifecycle of the upgrades to the systems are similar to the current configuration and operation costs are contained within the number presented to the Board, so no additional funds would be required for the normal operation, training, or software upgrades.

Following discussion, and on motion of Trustee Pelosi, seconded by Trustee Fisher, the following recommendation was unanimously adopted:

RECOMMENDED, To the Board of Trustees of the War Memorial of San Francisco that it approve the request from the San Francisco Opera and San Francisco Ballet to use accrued and future “Facility Fees” towards the upgrades to the automatic rigging and associated theatrical systems in the Opera House as presented.

**Proposal to Extend Collection of “Facility Fee” to Outside Licensees of the Opera House:** President Horn then discussed the proposal to begin collecting “Facility Fees” from outside licensees who rent the Opera House, in order to make it consistent across licensees who rent the Opera House. Assistant Managing Director Levin noted that this proposal is designed to bring equity among all licensees who rent the Opera House, who would also enjoy the benefits of upgrades to the venue. He explained that this would add a Facility Fee to all ticketed events occurring at the Opera House. Trustee Fisher noted that everyone who uses the building should be involved in contributing to the cost of the wear-and-tear and maintenance. Director Sofis responded that most of the funds that the Department gets from the City are for maintenance of the buildings, and the “Facility Fee” is designed to cover projects that would not fall within the regular maintenance, like upgrades to theatrical systems or the seating replacement project in the Opera House. Trustee Newstat underscored the need to be aware of the public and the perception of fees being added to ticket prices. Trustee Fisher suggested adding a note in the programs about the breakdown of what these “Facility Fees” cover for the venues they are visiting.

Following discussion, and on motion of Trustee Fisher, seconded by Trustee Pelosi, the following recommendation was unanimously adopted:

RECOMMENDED, To the Board of Trustees of the War Memorial of San Francisco that it approve staff’s proposal to begin collecting “Facility Fees” from all outside licensees who rent the Opera House, as presented.

**Global Gourmet Catering Contract Terms:** President Horn noted that consideration of outstanding Capital Expenditure requirements and reduction of the current commission rate in the Global Gourmet Catering agreement with the War Memorial was referred to the Presentors Liaison Committee at the January 12, 2023, Regular Board meeting. He stated that on August 10, 2023, a request from Global Gourmet regarding their intent to extend their contract for another five-year period was also referred to the Committee. He stated that the renewal of the agreement is upcoming and Global Gourmet is in attendance to discuss the proposed amendments to the original contract terms and the renewal agreement between the War Memorial and Global Gourmet Catering as the

exclusive concessionaire of the campus. President Horn invited Laura Lyons, CEO of Global Gourmet to address the Trustees. Ms. Lyons thanked the Board for their assistance over the challenging years of the pandemic. She noted that in 2023, Global Gourmet requested that the remainder of the capital expenditure requirements under the five-year deal be forgiven, because there was not enough revenue generated due to Covid. Director Sofis noted that staff and Global Gourmet have been meeting weekly on the renewal of the agreement to understand what is working and what opportunities there are to support the resident companies and outside licensees with a creative food and beverage program. She began with how the Department looked at Global Gourmet's investment into the food and beverage premises of the buildings. She stated that previously Global Gourmet was paying into the "Concessions Equipment Replacement Fund (CERF)" which was designed to fund replacement and repair of equipment that breaks. She noted the second set of funds is known as "CapEx" which is a commitment of funds to support larger improvements to the War Memorial premises. She explained that as staff analyzed expenditures, there seemed to be an artificial distinction between these two types of expenditures. She also noted that since CapEx is a fixed amount, the Department also does not benefit when Global Gourmet is more successful and are not relieved of obligations if they do not (such as in the pandemic, when performances were canceled, and the buildings were closed). Director Sofis explained that the proposal involved combining these into one single Food and Beverage Improvement Fund, at a contribution rate of 6% of the gross receipts. She also stated that these funds would be sent directly to the Department monthly. She noted that this new calculation will contribute an amount significantly higher than the Department would receive under the previous methodology, and staff believes Global Gourmet have contributed the most that they can against their original CapEx commitment. Director Sofis also noted one minor change to allow the renewal to start on January 1, 2025, to coincide with the calendar year.

Director Sofis also noted that all three resident companies are seeking ways to provide patrons with experiences that combine a performance with a special food and beverage "experience" before, during, or after the performance, like extending regular concession hours, to concessions with a themed specialty food or cocktails. She stated that the changes to the current contract here would allow for a third category of resident company events and activations, keeping the same percentage as regular concessions operations. She also clarified that two annual outside caterer exemptions allotted to each resident company cover all activations/sub-events for the same event, no matter how many spaces or buildings are used, which allow resident companies to save costs by engaging a single caterer for their large-scale events. Director Sofis also explained that the proposal also includes events held on the grounds of the War Memorial, to ensure that Global Gourmet participates in these activations.

President Horn invited representatives from the resident companies to weigh in on these proposed changes. Andrew Dubowski from the San Francisco Symphony stated that they are supportive of the changes, especially the one exemption per-event change and found the process of reviewing the contract with the Department to be very collaborative. Juliette Leblanc from the San Francisco Ballet agreed that they were also in favor of this proposed agreement. Jen Good from the San Francisco Opera also noted their support of the changes. Trustee Fisher asked how the 6% was calculated. Ms. Lyons responded that Global Gourmet was projecting a modest 5% increase, as organizations are still recovering from the effects of the pandemic. Director Sofis also noted that staff looked at Global Gourmet's financials, including their gross margins and net income to determine what would work in relation to their earned income figures. Gina Robak of Global Gourmet said that the special activations have been successful and they look forward to evolving these in partnership with the resident companies. President Horn remarked favorably on the level of collaboration between all the parties.

Following discussion, and on motion of Trustee Newstat, seconded by Trustee Fisher, the following recommendation was unanimously adopted:

**RECOMMENDED,** To the Board of Trustees of the War Memorial of San Francisco that it approve staff's proposal regarding the renewal agreement with Global Gourmet Catering and direct staff to negotiate the final contract with Global Gourmet on proposed terms, to begin January 1, 2025, as submitted.

**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.

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

**ADJOURNMENT**

There being no further business, President Horn adjourned the meeting at 2:53 p.m.

A handwritten signature in black ink, appearing to be 'FC' with a horizontal line extending to the right.

Francesca Cicero  
Board Secretary