

MINUTES

WAR MEMORIAL BOARD OF TRUSTEES

PRESENTORS LIAISON COMMITTEE / SPECIAL MEETING

Monday, November 7, 2022

The Presentors Liaison Committee of the Board of Trustees of the War Memorial of San Francisco met in-person at 5:30 p.m. on Monday, November 7, 2022, in the Trustees' Board Room, War Memorial Opera House, Chair Wilsey 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

Committee Members Present: Chair Wilsey, President Horn, and Trustee Fisher

Committee Members Absent: Trustee Pelosi

Staff Present: John Caldon, Managing Director, and Rob Levin, Executive Secretary

Global Gourmet Catering Request for Price Increases to Food and Beverage Items:

Chair Wilsey noted that prior to the meeting, members of the Presentors Liaison Committee received a letter from Global Gourmet Catering requesting consideration and approval to update the pricing of concessions items. She stated that price increases were last approved by this Board in September 2021. She remarked that Trustees also received a chart of proposed food and beverage prices, which compared the current pricing to Global Gourmet's new proposed pricing, included detailed information regarding the impact of inflation on Global Gourmet's costs, and showed the costs of comparable food and beverage items from restaurants in the area.

Chair Wilsey then invited Garo Eldemir, Director of Concessions for Global Gourmet, and Gina Robak, General Manager of Global Gourmet, to present the request to the Committee.

Mr. Eldemir stated that increased prices due to inflation, coupled with the reduced schedule of performances, as well as the policy prohibiting drinks in the auditorium, have contributed to the adverse financial impacts being felt by Global Gourmet. He noted that the projections in the proposed increases were made as conservatively as possible to match other businesses in the neighborhood. He stated that he also provided information illustrating the increase to Global Gourmet's food and beverage product costs, which shows some item costs having increased by as much as 125 percent. Mr. Eldemir stated that Global Gourmet is asking for an average increase of 21.4 percent, so as to stay in line with the neighborhood.

Ms. Robak noted that their Executive Chef has been operating in these buildings for over 22 years and has built a great rapport with suppliers, which allows Global Gourmet to purchase high quality food at a competitive price. She also reported that the cost of gas has increased, which affects delivery costs, and that minimum wage increased on July 1, 2022, from \$16.32 to \$16.99, which also has an impact. Mr. Eldemir further noted that service staff who work more than thirteen (13) shifts in a month, are eligible to receive Union healthcare, which also increases costs.

President Horn raised the concern that Global Gourmet would be pricing itself out of the neighborhood. Mr. Eldemir responded that a direct comparison to restaurants is difficult as Global Gourmet can operate only when there are performances, which makes achieving profitability even more challenging than in restaurants.

Chair Wilsey asked about the availability of hot entrees in the North Box Bar. Mr. Eldemir responded that generally in the North Box Bar, food is served room temperature due to logistics and further responded that past attempts to serve hot food in that location have been unsuccessful.

Trustee Fisher inquired about whether raising prices might also have the unintended consequence of lowering demand. Mr. Eldemir noted that that is always a concern. He responded that Global Gourmet had researched and calculated the proposed increases based on its costs as well as the environment, which includes a convenience factor for those attending performances. Mr. Eldemir noted that there are items on the menu that they do keep at a low price specifically for people to have an option at a lower price point, like a grab-and-go salad or coffee and tea, where something like the buffet or an entrée in the North Box Bar would be priced as more of a luxury.

Trustee Fisher cautioned Global Gourmet to communicate these increases to audiences clearly and in advance, and to be mindful that the buildings are civic institutions. Director Caldon noted that the timing on these increases was intended to coincide with the upcoming Ballet season, so prices would not change during Opera season.

President Horn acknowledged that it is a difficult position to be the exclusive concessionaire in a space that is only open certain nights of the week, which leaves limited time to sell product. President Horn noted that the Board could approve the proposed pricing increases to give Global Gourmet flexibility while it monitors how the prices might affect their patronage. Mr. Eldemir noted that Global Gourmet is currently operating at a loss due to multiple factors, including raised costs and lower attendance, and noted the opportunity of the upcoming “Nutcracker” season to recoup losses, which would help Global Gourmet sustain its quality of service for patrons.

Director Caldon confirmed that Global Gourmet’s profit and loss statements demonstrate they are currently operating at a loss every month except December, and that last fiscal year it was “Nutcracker” that allowed Global Gourmet to break even. Chair Wilsey and Mr. Eldemir further discussed issues related to the temperature of entrees served in the North Box Bar.

Following discussion, on motion of President Horn and seconded by Trustee Fisher, the Presentors Liaison Committee voted unanimously to recommend to the full Board approving Global Gourmet’s request for price increases to food and beverage items.

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, Chair Wilsey closed public comment.

ADJOURNMENT

There being no further business, Chair Wilsey adjourned the meeting at 5:55 p.m.



Rob Levin
Executive Secretary