

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

Thursday, April 13, 2017

The Presentors Liaison Committee of the Board of Trustees of the War Memorial of San Francisco met at 1:00 p.m. on Thursday, April 13, 2017, in the Trustees' Board Room, War Memorial Opera House, Committee Chair Bechtle presiding.

ROLL CALL

Present: Chair Bechtle, Trustee Lui, Trustee Moscone, Trustee Shultz, Trustee Wilsey, President Horn,
Ex officio

Non-Committee Trustees Present: Trustee Levin

Staff Present: Elizabeth Murray, Managing Director; Jennifer Norris, Assistant Managing Director

REGULAR ITEMS

1. Mid-term report on six-month Pilot Program to allow beverages in Opera House and Davies Symphony Hall Auditoriums:

Chair Bechtle stated that at its meeting on October 13, 2016, the Board of Trustees approved the request of the San Francisco Opera, Symphony and Ballet to conduct a six-month pilot program allowing covered beverages in the Opera House and Davies Symphony Hall auditoriums effective January 2017. The Board's approval provided that midway through the six-month pilot program, representatives of the War Memorial, resident licensees and Patina will provide a status report to the Presentors Liaison Committee including patron survey data, beverage sales information, and custodial, ushering and maintenance issues.

Chair Bechtle stated that the pilot program began on January 13 in Davies Symphony Hall and on January 24 in the Opera House, so we are now halfway through the six-month period.

Chair Bechtle said that Russell Kelban from the San Francisco Symphony and Mary Beth Smith from the San Francisco Ballet provided the Committee with Symphony and Ballet patron survey results. Chair Bechtle asked Mr. Kelban and Ms. Smith to review the information for the Committee.

Russell Kelban and Mary Beth Smith reported:

- Patrons were emailed a post-performance survey.
- Symphony survey results covered 43 performances with initial results through March 28, 2017.
- Ballet survey results covered 39 performances with initial results through March 22, 2017.

They noted that according to survey results and sales data, which Patina will present subsequently, Ballet patrons were much more likely to take advantage of the drinks in the auditorium program with 34% of survey respondents doing so, versus only 19% of Symphony respondents.

The following are conclusions from the surveys:

- Of those who did bring a drink into the hall, the majority reported it either greatly enhanced or enhanced their experience.
- Of those who did not bring a drink into the hall, the majority responded they did not notice others with drinks or, if they did notice others with drinks, it had no effect on their experience.

- When asked if they would bring drinks into the hall, Symphony patrons were equally ambivalent on whether or not they would. A larger proportion of Ballet respondents reported they would likely or somewhat likely bring a drink into the hall.
- Overall, the percentage of those who brought a drink into the hall responded very favorably to the pilot program for both Symphony and Ballet.
- For those patrons who felt that drinks should be prohibited, concerns were mostly focused on spills and distraction from the performance. However, there were quite a number of patrons who suggested better containers or cup holders to help manage possible spillage.

Chair Bechtle asked Brian Crowell, Patina's General Manager at the War Memorial complex, to provide a report on beverage sales and other issues relating to the pilot program. Mr. Crowell reported that overall the pilot program is going very well and he noted the following sales trends:

At the Opera House:

- Participation is up an average 6% over the first 10 weeks of the prior year.
- Wine and champagne sales lead the overall impact, with beer sales up slightly.
- All other sales categories relatively unchanged, including water and coffee.
- Very minor amount of drink cups left in the theatre.
- Feedback regarding drinks being allowed in the theatre all positive with foodservice personnel.

At Davies Symphony Hall:

- Participation is up an average 1.3% over the first 11 weeks of the prior year.
- Liquor and coffee sales have increased while water sales have decreased.
- All other categories relative unchanged.
- Very minor amount of drink cups left in the theatre.
- Feedback regarding drinks being allowed in the theatre all positive with foodservice personnel.

Chair Bechtle asked for War Memorial staff comments on the pilot program. Beth Murray reported that concerns about potential spills and other patron issues had not been realized and that staff is pleased with the results thus far. Jennifer Norris added that staff is developing new signage to better direct patrons to compostable containers.

Chair Bechtle stated that this agenda item is to provide information to the committee for discussion. The Committee members asked questions, made comments, and had a discussion concerning the pilot program. Chair Bechtle said that the Committee looks forward to a second report on this matter at the end of the six-month pilot program.

2. Patina request for food and beverage pricing increases:

Chair Bechtle stated that in advance of today's meeting, Committee members received Patina's March 2, 2017 letter requesting price increases for selected food and beverage items, effective May 31, 2017, to offset the impact of minimum wage increase and health care ordinances. Committee members also received a chart on food and beverage pricing history from 1998 to present.

Chair Bechtle asked Brian Crowell, Patina General Manager, to review Patina's request. Mr. Crowell stated that just prior to his starting his position last year, the City had concluded an audit of Patina's operation at the Performing Arts Center and found Patina to be non-compliant with the City healthcare ordinances. Coming into compliance had a \$300,000 impact. Patina ended 2016 \$10,000 in the red at the War Memorial.

Mr. Crowell said that in an effort to make the business profitable he re-structured the management team, maximized food and beverage offerings, and worked to reduce all controllable costs. Despite these efforts Patina is still forecasting a \$230,000 loss for the coming year. Mr. Crowell said the final way to improve this outcome is to institute price increases for selected items.

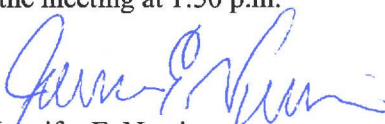
Mr. Crowell reviewed the chart of the food and beverage pricing history, noting ten items for which Patina is requesting a price increase including, the Opera House buffet price increasing from \$40 to \$45, and \$1 price increases for Café ala carte items, coffee/tea, premium cocktails, Irish coffee, house wine, sparkling wine, bottled water and cookies/brownies.

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

RECOMMENDED, By the Presentors Liaison Committee of the War Memorial Board of Trustees to approve the request of Patina Restaurant Group to increase pricing on selected food and beverage items effective May 31, 2017.

ADJOURNMENT

There being no further business, Chair Bechtle adjourned the meeting at 1:50 p.m.


Jennifer E. Norris
Executive Secretary