

MINUTES**WAR MEMORIAL BOARD OF TRUSTEES****BUDGET & FINANCE COMMITTEE / SPECIAL MEETING****Tuesday, January 27, 2026**

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 Tuesday, January 27, 2026, in the in the Trustees' Board Room, War Memorial Opera House, Chair Muduroglu presiding.

ROLL CALL

Committee Members Present: Chair Muduroglu, Vice President Horn, Trustee Newstat and Trustee Kopp,
Committee Members Absent: President Wilsey, Trustee Makras and Trustee Wright
Staff Present: Kate Sofis, Managing Director; Rob Levin, Assistant Managing Director; Francesca Cicero, Board Secretary

War Memorial Proposed Departmental Budget for Fiscal Years 2026-27 and 2027-28: Chair Muduroglu stated that in advance of the meeting, Committee members received staff's departmental budget presentation document 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 on February 12, 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 12, 2026, Regular Board of Trustees meeting.

Chair Muduroglu invited Managing Director Kate Sofis to review staff's proposed Departmental Budget. She explained the City is anticipating a citywide budget shortfall of approximately \$936 million dollars by the end of fiscal year 2028. She noted that the Mayor's Budget Office has instructed all City Departments to reduce General Fund spending by approximately \$400 million dollars, restructure around current staffing levels, and reduce interdepartmental workorder costs between City Departments. She noted that the War Memorial Department would be focusing on licensee-reimbursable expenditures (e.g., patron screening, public safety, stage electricians). She also stated that there would be an increased focus on utilizing facility ticket fees for significant theatrical capital projects. She also noted that the Department would be repurposing capital project savings from previous years to reduce draw on the annual capital fund, with a goal of not using it more quickly than it accrues.

Director Sofis explained that the Department would focus on continuing to find new ways to increase earned revenue in the venues. This includes increasing rentals of the Herbst Theatre, booking major tours in conjunction with the Symphony, and attracting more campus-wide multi-venue events. There was a discussion of potential partnerships with large presenters and the ability to highlight the venues for intimate shows before or after festivals occurring in the City. She also explained that moving to annual rent adjustments would help the Department keep pace with inflation and better track real costs. This would include a rental rate proposal for the current budget year and creating a forecast for the second year. There was a discussion about the rates charged and ensuring that they are kept affordable to ensure a strong arts and culture environment in San Francisco, especially for nonprofits. Director Sofis also noted that the Department proposes implementing a modest project management fee based on a percentage on the full amount of the cost for outside events, to enable the Department to recover the time and labor of the Booking Team. This would change from the 25% fee solely on payroll costs to a 15% fee on the total cost of the event, which should generate enough to cover the fixed costs of both the Foundation and the Department, without being a significant jump in costs for the licensee.

Director Sofis explained the major capital project requests for the upcoming budget season, which include requests for the Opera House Elevator Modernization project, generator and electrical upgrades, and ADA lifts in the Opera House and Davies Symphony Hall. She also noted that the Department was looking for alternative sources of funding for capital projects, including overages and monies left over from previous capital projects and Facility Fees collected from ticket purchases.

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 Muduroglu closed public comment.

ADJOURNMENT

There being no further business to come before the Board, Chair Muduroglu adjourned the meeting at 2:59 p.m.

Francesca Cicero
Board Secretary