

MINUTES
ASIAN ART COMMISSION
Executive Committee Meeting
Wednesday, May 23, 2018, 4:00 – 6:00 pm
Education Classrooms
200 Larkin Street, San Francisco, California

Commissioners Present:	Akiko Yamazaki, Chair Alexander D. Calhoun Timothy F. Kahn	Bill S. Kim Anthony Sun Judith F. Wilbur
Commissioners Absent:	Joan Danforth James D. Marver (phone)	Jane Tom Kenneth P. Wilcox
Trustees in Attendance:	Robert L. Duffy Gorretti Lo Lui	Kevin J. Martin Nanci Nishimura
Also Present:	Jay Xu Joanne Chou Catherine Finn Rob Mintz	Nancy Sackson Caryl Sherpa Laura Hathhorn

Akiko Yamazaki called the meeting to order at 4:05 p.m., a quorum being present. Minutes from the February 27, 2018 meeting were approved.

Chair’s Report. Ms. Yamazaki called on Succession Committee co-chair Anthony Sun who gave an update on the search for an individual to serve as co-chair of the Commission and Foundation alongside Akiko Yamazaki. He explained that Akiko’s second, two-year, term as Chair would expire as of the September 2018 annual meeting and that she had stated her willingness to serve a third term under the condition that a co-chair be elected to serve alongside equally. [An ad hoc succession committee was established at the November 15, 2017 Commission and Foundation Executive Committee meeting to be co-chaired by Fred Levin and Tony Sun. Additional members appointed were Kumar Malavalli, Cori Bates, Jim Marver, Pehong Chen and Chong-Moon Lee.] Tony reported on the sequence of the committee’s work and research over the months and their agreement on Commissioner and Trustee Lucy Sun as the nominee alongside Akiko Yamazaki to be presented for approval by the nominating committees and the full boards.

Transformation Project Report

Foundation Campaign Executive Committee. Ms. Yamazaki reviewed progress since the last meeting, noting great momentum with gifts coming in daily. Akiko announced new campaign commitments toward the \$90 million goal included (i) \$2 million (anonymous); (ii) \$1 million, Sako and Bill Fisher; (iii) 100th campaign donors, Jim Hormel and Michael Nguyen, \$250,000; (iv) Bob and Michelle Friend, \$100,000; (v) Ashok and Gita Vaish, \$100,000, (vi) a very special gift of \$60,000 from the Society for Asian Art in celebration of their 60th anniversary, (vii) Jess and Joanne Erickson, \$25,000, and (viii) Kathleen Henschel, \$15,000. She noted \$22 million had been raised to date in fiscal year 2018 alone bringing the total raised to \$82.5 million, reflected in the three buckets as noted below:

- Packages Funds: \$23.1 million raised toward a \$27 million goal
- Facilities Funds: \$40.6 million raised toward a \$42.5 million goal
- Endowment Funds: \$18.9 million raised toward a \$25 million goal

Akiko also noted the start of the community phase with \$157,000 raised toward a \$500,000 goal.

Foundation Transformation Project Committee Update. Tim Kahn reviewed back to January and February when delays by the Historic Preservation Commission started and carried into May when the museum received word it would be allowed to proceed (with some remaining information regarding modification for disability and accessibility still forthcoming). Tim noted accessibility (managed through the Mayor's Office on Disability) was a major new scope addition to the project that would result in some additional costs. He noted the delay itself incurred costs, fortunately covered by campaign contributions. Tim updated the committee on the three regulatory risks: accessibility/MOD, archaeological findings, and fire/life safety. Caryl gave a permit status update reviewing permits received and pending as well as a review of work on all levels. Tim reviewed the estimation of associated cost increases, the final construction budget, and the TPC's recommendations to the Executive Committee to approve resolutions later in the meeting for a revised project budget of \$40.7 million and retention of current unused contingency reserve in addition to the project budget. He reviewed the risks range prior to any use of contingency reserve before reminding/reviewing what all the project encompasses: Pavilion, art terrace, ground floor renovation, collection galleries/masterpieces, city entitlements (Mayor's Office of Disability), signage/graphics, contingency. Caryl reviewed the project schedule for the next few weeks and the staff's excitement about the project. She reviewed all the work to take place on the ground level as well as the masterpiece construction schedule taking place on the third and second floors.

Foundation Development Report. Chief Philanthropy Officer Nancy Sackson noted plans for a groundbreaking activity in conjunction with the September 25 annual meeting and the hope that it would leverage additional gifts at the \$25K and below level as part of the community phase. Nancy provided a snapshot of contributed revenue results as of May 23, 2018, noting 80% toward the overall FY18 revised goal of \$8.96 million (down from \$9.76 million). Regarding board revenue goals, she noted percentages toward goal for unrestricted (61%), restricted (23%) and special events (224%) – the Gala goal of \$358,500 was exceeded by \$282,666. Nancy promoted sponsorship opportunities for upcoming exhibitions, including Haroon Mirza: The Night Journey, Painting is My Everything: Art from India's Mithila Region, and Kimono Refashioned. In closing, Akiko acknowledged the approximate \$2 million in Trustee giving that had been contributed to date, thanking board members for their generosity in addition to the campaign that is ongoing. She recognized the work of the Committee on Trustees, noting the addition of five new board members and reminding everyone that all new board members are asked to contribute at the \$50k level. She acknowledged it was a great sign of community support that so many people want to join the board at this time.

Operations Report.

Director Jay Xu expressed appreciation on behalf of himself and the staff for the leadership of the board. He welcomed Dany Chan, Assistant Curator for Exhibition Projects, who presented the Art Hit: Floral Designs on Chinese Porcelain of the 18th Century.

Finance Report. Chief Operating Officer Joanne Chou presented a thorough and concise finance report focused on the nine months actuals and full year forecast for FY18 as well as the FY19 proposed budget. Ms. Chou reviewed FY18 accomplishments, including the special exhibitions, the new café, Sunday at the Museum, new earned revenue sources (seasonal artisan markets and the store's "round-up" program), \$81million in campaign commitments from 101 donors, TPC site turn over to General Contractor, \$800K raised in planned giving, and collection growth through acquisitions. For the nine months operating results versus plan for FY18, Joanne reported contributed income (89%), earned income (123%), other income (88%) and operating expenses (90%). She presented the proposed FY 19 budget of \$28.9 million, including requested approval of board reserves to cover an expected deficit of up to \$1 million.

Director's Report. Dr. Xu continued his report with updates that included recent staff appreciation events, introduction of staff leaders Bob Willging, Assistant Manager of Retail Operations, and Chuck Etheridge, Museum Security Supervisor, who gave updates on Vision Boards recently established to apply REINA values to address culture and morale (2.0a) and the visitor's experience (2.0b), and Jay's

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recent opportunities at home and abroad to communicate about our transformation. Jay highlighted the Society for Asian Art's recent celebration of its 60th Anniversary on April 19, the festivities celebrating Asian Pacific American Heritage Month in May, and the DPW's annual signature tree planting ceremony – this year in honor of Mayor Edwin M. Lee. Additional highpoints included Raj Desai being honored by the Board of Supervisors as a 2018 APA Heritage Month Honoree for District 1, Chong-Moon Lee being honored by the World Affairs Council for contributions made to our economy and culture by exceptional individuals born abroad, and the opening of Ink Worlds: Contemporary Chinese Painting from the Collection of Akiko Yamazaki and Jerry Yang at the Cantor Arts Center from May 23 through September 3. In closing, Jay reviewed the museum's current exhibitions: *Divine Bodies, Testimony, and A Guided Tour of Hell*.

Consideration and Possible Action Items

a. Acknowledgement of Approval of Food and Beverage Operations and Services Agreement between the Asian Art Museum Foundation and Sunday Boba LLC

WHEREAS, The Asian Art Museum Foundation of San Francisco, a California Non-Profit Corporation ("Foundation") and Sunday Boba LLC, a California limited liability company ("Sunday Boba"), have been working under a provisional Food and Beverage Operations and Services Agreement ("provisional Agreement") since January 10, 2018; and

WHEREAS, Foundation approval of a final Food and Beverage Operations and Services Agreement ("final Agreement") authorizes the Museum Director to negotiate and execute the final Agreement and amendments with reasonable business terms, subject to the approval of the Foundation Chair or Foundation President, and authorizes the Director to delegate day-to-day negotiation of amendments, subject to the Director's final approval of negotiations, to the CFO/COO; and

WHEREAS, The final Agreement includes language stating final approval of amendments, modifications or supplements, including those by custom, usage of trade, or course of dealing shall be binding on any of the parties unless it is in writing and signed by the parties then in interest and approved by the Asian Art Commission ("Commission"); now, therefore, be it

RESOLVED, That the Commission acknowledges the Foundation's approval of the final Agreement with Sunday Boba, and their requirement to approve amendments, modifications or supplements as stated above.

b. Acknowledgement of Asian Art Museum Foundation's Approval of Revised Project Budget and Related Authority to Transformation Project Committee and Staff

WHEREAS, On September 6, 2017, the Asian Art Museum Foundation (Foundation) passed Resolution F17-022 approving the final Transformation Project ("Project") budget of \$38 million; and

WHEREAS, Site preparation, excavation and construction of the Project has been delayed but is now beginning, and material additional modifications to the Project have been required through the entitlement and permitting process, including updating of the existing Museum spaces to current accessibility standards; and

WHEREAS, The Project budget has been updated to reflect best current estimates, including the costs of delay and of required modifications to design and scope, recognizing that several important regulatory requirements are still pending final resolution; and

WHEREAS, On May 23, 2018, the Foundation approved a revised Project budget of \$40.7 million and also authorized the Transformation Project Committee ("TPC") and staff to proceed to construction with the budget, and they authorized the TPC to continue to maintain the existing \$1.8 million owner's

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contingency reserve in addition to the \$40.7 million budget, to be released by the TPC to staff as the TPC may determine is necessary, following the TPC's existing approved protocols; now, therefore, be it

RESOLVED, The Asian Art Commission acknowledges the Foundation's approval of the revised Project budget and related authority to the TPC and staff.

Adjournment

The meeting was adjourned at 6:00 pm.