

**MINUTES OF REGULAR MEETING OF
THE LOS ANGELES MEMORIAL COLISEUM COMMISSION**

December 4, 2013

CALL TO ORDER

The Regular Meeting of the Los Angeles Memorial Coliseum Commission was convened in the Commission Board Room on Wednesday, November 6, 2013, and called to order at 2:40 p.m. by President Don KNABE.

PRESENT: Commissioner Don Knabe, President
Commissioner Johnathan Williams, Vice President
Commissioner Mike Antonovich
Commissioner Curren Price (arrived at 2:50pm)
Commissioner Barry Sanders
Commissioner Glenn Sonnenberg
Ex-officio member Senator Rod Wright

ALSO PRESENT: Attorney Thomas Faughnan
Attorney Donovan Main
Attorney Noreen Vincent
Mr. John Sandbrook, interim Chief Administrative Officer
Mr. Greg Hellmold, interim Chief Financial Officer
Ms. Kathy Markarian, acting Executive Director

ABSENT: Commissioner William Chadwick
Commissioner Mark Ridley-Thomas
Alternate Tom LaBonge
Alternate Zev Yaroslavsky
Ex-officio member Reginald Jones-Sawyer

PUBLIC COMMENT

President KNABE invited Public Comment, to which four individuals responded.

Mr. Paul PAOLASSO and Mr. Bill RALEIGH, officials of the International Alliance of Theatrical and Stage Employees (IATSE), addressed the Commission with comments as to the work performed by IATSE union personnel for many years for events held at the Coliseum and Sports Arena,

in addition to other major venues in Los Angeles.

Mr. Joe ESSY asked the Commission as to the status of its efforts for the restructuring of the Commission and again stated his support for the Coliseum to be included in the pending Los Angeles proposal to serve as the U.S. candidate city for the selection process from 2015-2017 for the host city for the 2024 Olympics. Mr. KNABE responded by stating that Agenda Item Open-2 at today's meeting would address the status of the proposed restructuring of the Commission, but that the City of Los Angeles City Council had taken action on December to join the previous action taken by the County of Los Angeles Board of Supervisors on October 15, 2013 and the pending action to be discussed at the December 11 meeting of the Board of Directors of Exposition Park/California Science Center Mr. SANDERS responded by expressing his appreciation for the comments from Mr. ESSY about the 2024 Olympics.

Ms. Diane SHER asked that the draft minutes of the Commission meeting of November 6 be corrected to reflect her statements at that meeting urging that the Coliseum Commission initiate the efforts necessary to have responsibility assigned to the Commission for the maintenance of the Olympic Gateway statues in the Coliseum peristyle. Mr. KNABE stated that the minutes would be corrected as she requested. Interim Chief Administrative Officer SANDBROOK stated that Agenda Item Open-9 at today's meeting addressed both the past jurisdictional issue regarding the Olympic Gateway statues and the proposals recently received from Mr. Steven GRAHAM, son of the original sculptor, the late Robert GRAHAM, for maintenance and restoration of the statues.

APPROVAL OF MINUTES

President KNABE requested a motion to approve the draft minutes of the meeting of November 6, 2013, with the modification requested in public comment. The motion was then made by

Commissioner SONNENBERG and seconded by Commissioner WILLIAMS. Commission President KNABE asked if there were any objections. Hearing none, Mr. KNABE declared the minutes of the meeting of November 6, 2013 to be approved, with the revision noted in public comment.

PRESIDENT'S COMMENTS

President KNABE stated that he wished all members of the Commission and those in attendance best wishes for the holiday season. He also noted that today's meeting was anticipated to be the final meeting in which the Commission would be supported by interim Chief Administrative Officer SANDBROOK and interim Chief Financial Officer HELLMOLD. Mr. KNABE noted that Mr. SANDBROOK had begun his service with a four-month contract in March 2011 and had been asked on eight subsequent occasions to extend his service. With the completion of the eighth extension, a total of 33 months will have been completed. MR. KNABE indicated that, in his opinion, both Mr. SANDBROOK and Mr. HELLMOLD had been "the right persons at the right time" for the Coliseum, Commission during a very challenging period.

Mr. SANDBROOK responded by expressing his appreciation to the Commission for the opportunity to serve the Commission and assist during this very challenging time period.

CHIEF ADMINISTRATIVE OFFICER'S REPORT

1. Agenda Item OPEN-1: General Announcements

Interim General Manager John SANDBROOK reviewed for the Commission the items in the General Announcements agenda item:

- a. The memorial service event held at the Sports Arena on November 12 for Gerardo

Hernandez, the U.S. Transportation Services Agent killed in the line-of-duty at LAX on

November 1; and the lighting of the Olympic torch at the Coliseum on November 22 for the 50th anniversary commemoration of the assassination of U.S. President John F.

Kennedy on November 22,

- b. The update on the status of the nine applications to the U.S. Patent and Trademark Office (USPTO) for the Coliseum and Sports Arena trademarks to receive federal registration was provided. As presented in the agenda item, three of the applications have been approved and have been issued federal registrations; three of the applications that had previously been published for public opposition had received none and were expected to receive USPTO federal registrations shortly; and the last three applications were still being evaluated by an USPTO examiner prior to publication for public opposition. Mr. SANDBROOK expressed his appreciation to Mr. Phillip LAM, Intellectual Property Counsel in the office of the City Attorney, for his efforts on the Commission's behalf.
- c. The 2013 annual meeting of the Board of Directors of the Los Angeles Memorial Coliseum Association, Inc. had been held at 1:45pm today (December 4, 2013), with the agenda for that meeting included in the Commission agenda book for information.

2. Agenda Item OPEN-2: Status of Proposed Amended and Restated Joint Powers Authority Agreement/Approval of Contingent Meeting Schedule for 2014

Mr. SANDBROOK reported that, confirming the previous statement by Mr. KNABE in public comment, the City of Los Angeles City Council had approved on December 3, 2013 the proposed amended and restated Joint Powers Authority (JPA) agreement, joining the approval provided by the County of Los Angeles Board of Supervisors on October 15, 2013. Mr. SANDBROOK also noted that agenda for the December 11 meeting of the Board of Directors of

Exposition Park/California Science Center did include a notice for the proposed amended and restated JPA agreement, which had been transmitted by President KNABE on October 2, 2013.

Mr. SANDBROOK noted the reduced number of members of the Commission set forth in the proposed amended and restated JPA agreement and the change from a monthly to a quarterly meeting schedule. However, because the proposed amended and restated JPA agreement was not yet effective, Mr. SANDBROOK requested approval by the Commission of a monthly meeting schedule for January-June 2014 as set forth in agenda item Open-2, commencing on January 8, 2014, with the understanding that, should the proposed amended and restated JPA agreement become effective, the monthly schedule would be replaced by a new schedule.

Commissioner SANDERS asked whether, if the proposed amended and restated JPA agreement became effective later in the current month of December, the first meeting of the restructured Commission board would be on January 8, 2014 or at a later date in the first quarter of 2014. Ms. MARKARIAN responded by stating that she would need to confer with the members of the Commission board but that her recommendation would be that the first meeting be in February 2014. Commissioner SANDERS stated that he thought that was a sensible approach.

President Knabe requested a motion to approve the contingent meeting schedule for January 8, 2014; February 5, 2014; March 5, 2014; April 2, 2014; May 7, 2014, and June 4, 2014. A motion for approval was made by Commissioner WILLIAMS and seconded by Commissioner SONNENBERG. President KNABE asked if there were any objections. Hearing none, Mr. KNABE announced that the motion was approved as stated in Agenda Item Open-2.

Mr. SANDBROOK stated that, upon the execution of the proposed amended and restated JPA agreement, the financial services functions of the Commission would be transferred to the County of Los Angeles, pending approval by the Commission of the action proposed in agenda item

Open-4 at today's meeting.

Mr. SANDBROOK also stated that transition meetings had already been held between County IT staff and USC IT staff regarding the development of two separate websites: one to be hosted by the County for the Coliseum Commission to serve its public agency obligations, and the other to be hosted by USC to provide event and ticket information. Mr. SANDBROOK noted that a two-directional link would be provided at each website.

Mr. SANDBROOK also reminded the Commission that, for any member of the Commission who concludes service on the Commission before April 1, 2014, that individual will have the obligation to file a "Leaving Office" Statement of Economic Interests/FPPC Form 700 with the County of Los Angeles Board of Supervisors Executive Office and that the filing needed to be completed within 30 days following the conclusion of service.

Ex-officio member WRIGHT stated that it was his recollection that the membership of the Commission was governed by State legislative statute and that the Commission did not have authority on its own to change its membership structure without action by the State legislature. Attorney FAUGHNAN responded by stating that the JPA is an agreement between the State, the County and the City and that all three parties could agree to make such changes to the JPA agreement, that only the ex officio membership of the Commission was governed by statute, and the proposed revisions to the JPA agreement did not affect the ex officio membership.

(Note: Later in the meeting, ex-officio member WRIGHT indicated that he had conferred with State legislative counsel and he now concurred with the statement of Mr. FAUGHNAN and that no action was required from the State legislature to change the regular membership structure of the Coliseum Commission.)

3. Agenda Item OPEN-3: Presentation of Audited Financial Statements and the Auditor's Report to the Governing Body for FY ending June 30, 2013

Mr. SANDBROOK announced that Mr. Jeff ALTSHULER and Mr. Chris RIVERA of McGladrey LLP would join Mr. HELLMOLD for the presentation of this agenda item and that this presentation had already been provided to the Board of Directors of the Coliseum Association, Inc. at its meeting of December 4. It was noted that the audited financial statements were a consolidated report of the Coliseum Commission, a public agency, and the Coliseum Association, Inc., a private 501(c)(3) corporation.

Mr. HELLMOLD reviewed the consolidated audited financial statements for the FY ending June 30, 2013 and noted that the statements and the accompanying auditor's report, which had been distributed with the agenda book for today's meeting, had been reviewed in draft by the Commission's Ad Hoc Task Force on Audit and Policy Compliance on November 22, 2013 and then finalized and delivered on December 2, 2013.

In response to a question from President KNABE, Mr. ALTSHULER explained that the consolidated statement presented to the Commission and to the Coliseum Association, Inc. had been prepared under provisions of the Governmental Accounting Standards Board (GASB) and not the provisions of the Financial Accounting Standards Board (FASB) which apply to entities such as IBM.

Mr. ALTSHULER stated that McGladrey was providing an unmodified opinion for the statements for the FY ending June 30, 2013. Mr. ALTSHULER also stated that, due to the initiation of the Second Amendment to the USC-Coliseum Commission lease on July 29, 2013 – after the conclusion of the FY ending June 30, 2013 – McGladrey LLP had removed the statement included in the prior year's reports that questioned the Commission's ability to be a going concern. Mr.

ALTSHULER noted that the provisions for support of the Commission from USC in the Second Amendment now ensured the continuation of the Commission as a going concern.

Mr. HELLMOLD also noted that, as explained to the Board of Directors of the Coliseum Association, Inc. at its earlier meeting, the Coliseum Association, Inc. would continue to exist as a corporate entity until the conclusion of the current litigation in which the Coliseum Association, Inc. joined the Commission as a co-plaintiff.

Mr. ALTSHULER acknowledged the excellent and efficient cooperation that McGladrey LLP had received from Mr. HELLMOLD and those members of the USC staff assisting him during the transition period to provide McGladrey LLP with the required information.

President KNABE stated that this was the third report that had been provided by McGladrey LLP to the Commission, following its reports for the years ending June 30, 2011, and June 30, 2012.

President KNABE stated that no action was required of the Commission to approve these reports but that formal notice would be included in the minutes that the reports had been received, with appreciation.

4. Agenda Item OPEN-4: Financial Report--Current

Mr. HELLMOLD asked for approval of two recommended actions: (a) approval of a revised operating budget for FY 2013-2014 to reflect a determination by legal counsel subsequent to the last meeting that the Commission continued to have a financial obligation for its Kinetic Leasing, Inc. lease agreement for the Coliseum videoboard even though USC has now agreed to make all monthly lease payments due through July 2016; and (b) adoption of the County of Los Angeles Fiscal Policy Manual for the conduct of the Commission's financial affairs, subject to one proposed amendment regarding the maximum expenditure amount for which the acting Executive Director would have

authority.

Commissioner SANDERS moved approval of both actions. Commissioner WILLAMS seconded the motion. President KNABE asked for objections. Hearing none, Mr. KNABE announced that both motions, as printed in the agenda item, were approved.

Mr. HELLMOLD asked if there were any questions about the monthly financial reports for the months of August 2013; September 2013; and October 2013 that were included in the agenda book. No questions were asked.

Mr. SANDBROOK stated that McGladrey LLP would be completing and filing the Form 990 on behalf of the Coliseum Association, Inc. for the FY ending June 30, 2013 and was expected to complete that task by the IRS filing deadline of February 15, 2014.

5. Agenda Item OPEN-5: Valuation Report from California Public Employees Retirement System (CalPERS)

Mr. SANDBROOK reported that CalPERS had delivered on December 2 to the Commission the annual Valuation Report for the Commission's account and obligations to CalPERS for the period ending June 30, 2012.

Mr. SANDBROOK stated that, upon the conclusion of his employment by the Commission on December 14, 2013, the Commission would no longer have any salaried personnel and, as a result, would no longer be making any employer contributions to CalPERS.

Mr. SANDBROOK stated that Mr. HELLMOLD would now be formally requesting from CalPERS an evaluation of the Commission's financial obligation to CalPERS so that the Commission could decide in 2014 whether to initiate a change to "inactive" status immediately rather than in 2016-2017.

Mr. HELLMOLD noted that the Commission's "side fund" with CalPERS still had an estimated value of \$903,989 as of June 30, 2013.

Mr. SANDBROOK noted that pages 2-3 of the printed agenda item provided information about the overall membership in CalPERS of 36 Commission-related annuitants and that page 6 of the printed agenda item provided information regarding retirement benefit decisions made by the employees whose Commission employment concluded on July 27, 2013, as well as the actuarial and market funding levels of the "Miscellaneous 2.5% at Age 55" CalPERS Risk Pool, in which the Commission participates, along with approximately 165 other public agencies.

6. Agenda Item OPEN-6: State-Coliseum Commission Agreements

Mr. SANDBROOK reviewed for the Commission the three agreements pending between the State of California and the Coliseum Commission as the last of the trio of overall arrangements, following the execution of: (i) the Second Amendment to the USC-Coliseum Commission Lease on July 25, 2013; and (ii) the State-USC agreements on September 5, 2013.

Mr. SANDBROOK explained that the three agreements pending between the State of California and the Coliseum Commission were summarized in the Term Sheet approved by the Commission at its meeting of May 1, 2013 and approved by the Board of Directors of Exposition Park/California Science Center at its meeting of June 5, 2013:

- Agreement for the transfer to the State of the Commission's property in Exposition Park lot no. 1, lot no. 3 and Jesse Brewer Park.
- Amendment to the State/Coliseum Commission lease of January 3, 1956 for the Coliseum property in order to provide for the waiver of the rent due for the period of July 1, 2012 through July 28, 2013;

- Amendment to the State/Coliseum Commission lease of January 3, 1956 for the Sports Arena property in order to provide for the waiver of the rent due for the period of July 1, 2012 through July 28, 2013.

Mr. SANDBROOK reported that the approval by the State Public Works Board was required for the property transfer agreement and that the required review of the proposed property transfer agreement had been commenced by the State Department of General Services (DGS) in July 2013.

Mr. SANDBROOK reported that the Commission outside legal counsel, Jeffrey HEINTZ, Esq. of Munger Tolles and Olson LLP, had participated in a one-hour conference call earlier on December 4 with representatives of the State Department of Finance and the State Department of General Services. Mr. SANDBROOK stated that Mr. HEINTZ had reported that action by the State Public Works Board to approve the proposed property transfer agreement was still scheduled for December 13, 2013 and that a revised final draft of the agreement, including the revised text approved by the Commission on November 6, 2013 regarding the process of the use of any surplus funds for projects in Exposition Park, would be sent to him shortly by the State Department of General Services for review prior to requesting signature by Commission President Knabe.

7. Agenda Item OPEN-7: Proposed Agreement with County of Los Angeles re Transfer of funds for Coliseum Court of Honor Plaque

Mr. SANDBROOK stated that since this agenda item involved a proposed agreement with the County of Los Angeles, the official record of the meeting would note that, since Commissioners Knabe and Antonovich would be participating in the consideration of this item, each of them has a non-qualifying personal interest since they receive income from the County of Los Angeles.

Mr. SANDBROOK explained that at its meeting of February 6, 2013, the Commission had

approved the nomination of Commissioner/Supervisor RIDLEY-THOMAS that a plaque be added to the Coliseum Court of Honor to commemorate the "Tribute to Nelson Mandela" event held in the Coliseum on June 29, 1990 with an estimated 75,000 in attendance.

Mr. SANDBROOK also explained that, at the request of Mr. RIDLEY-THOMAS, further steps for the actual manufacturing of the plaque and a formal induction ceremony were deferred.

Mr. SANDBROOK stated that the County of Los Angeles now proposed to transfer to the Commission a sum of \$20,000 for the plaque and related expenses and that Commission counsel had opined that execution of the agreement with the County required action by the Commission.

Mr. SANDBROOK also stated that the recommended action is that the Commission would be responsible for the ordering of the plaque, subject to text and artwork not yet provided by the office of Mr. RIDLEY-THOMAS, and that a maximum of \$5,000 in Commission funds be authorized for expenditure for this project.

Mr. SANDBROOK also stated that the recommended location was the inside-face of the main peristyle arch of the Coliseum, opposite the plaque commemorating the July 1960 speech by John F. Kennedy at the Coliseum. Mr. SANDBROOK noted that further discussion with USC was required regarding the relocation of the 25-second playclock currently at that location.

Commissioner SANDERS moved for approval of the recommended action, as stated in the printed agenda item. Commissioner SONNENBERG seconded the motion. President KNABE asked if there were any objections. Hearing none, President KNABE stated that the action, as stated in the printed agenda item, was approved.

8. Agenda Item OPEN-8: Olympic Gateway Statues/Coliseum Peristyle

Mr. SANDBROOK stated that this agenda item requested no action by the Commission and was for information only. He indicated that the purpose of the printed agenda item and the attachments was to provide: (a) an overall description of the history of the Olympic Gateway statues; (b) information about the copyright issues associated with the sculptures; (c) the current effort underway to provide clarity as to responsibility for the statues; and (d) the proposals received from Mr. Steven GRAHAM, son of the late sculptor Robert GRAHAM, for the immediate and ongoing maintenance requirements of the statues.

Mr. SANDBROOK stated that he had already provided this information and the historical documents to USC Senior Vice President Todd DICKEY and USC Associate Senior Vice President Dan STIMMLER and would now be forwarding to them the proposals received from Mr. Steve GRAHAM.

9. Agenda Item OPEN-9: Coliseum Commission Procedures for Identification of the Non-Profit "Commission Events" for Scheduling at the Coliseum

Mr. SANDBROOK stated that this agenda item requested no action by the Commission and was for information only. He indicated that the purpose of the printed agenda item was to provide the information needed for the Commission to use in 2014 in its effort to develop specific procedures for the identification of non-profit events to be endorsed by the Commission as "Commission events" and scheduled at the Coliseum between early December and early July 2014 each year, as allowed in Paragraph 6.1 of the Second Amendment to the USC-Coliseum Commission Lease.

Mr. SANDBROOK stated that, due to the reassignment of the Exposition Park area from the

8th Council district to the 9th Council district, he had met with USC officials and the staff of Commissioner/City Councilmember PRICE (9th District) regarding the past arrangements for the City of Los Angeles Fourth of July fireworks event held at the Coliseum/Exposition Park since 2003 under the aegis of former Commissioner/City Councilmember PARKS (8th District).

10. Agenda Item OPEN-10: Update on USC-Coliseum Commission Lease

Mr. SANDBROOK stated that this agenda item requested no action by the Commission and was for information only. He indicated that the purpose of the printed agenda item was to provide an update on the USC management of the Coliseum/Sports Arena facilities pursuant to the Second Amendment to the USC-Coliseum Lease.

Mr. SANDBROOK noted that the printed agenda item included the statistics for the announced attendance at the seven-home game USC 2013 football season in the Coliseum compared to similar annual statistics since 1998.

Mr. SANDBROOK stated that, as described on page 2 of the printed agenda item, the first of the semi-annual reports to be provided by USC to the Coliseum Commission would be due on March 31, 2014 and that on December 3 he had coordinated a meeting with Ms. MARKARIAN and Mr. STIMMLER to discuss the process by which the two of them would reach agreement in Q1 2014 as to the format for such reports.

Mr. SANDBROOK also noted that, following the conclusion of the federal registration of all of the Coliseum/Sports Arena trademarks by the U.S. Patent and Trademark Office as described in agenda item Open-1, USC would have the authority to use those trademarks and also be responsible for enforcement of those marks. Mr. SANDBROOK also noted that USC would have a future obligation to submit reports to the Coliseum Commission about its uses, revenues and enforcement

actions, as described on page 3 of the printed agenda item.

Mr. SANDBROOK stated that the joint Coliseum Commission-USC project to develop various historical displays regarding the Coliseum and past events at the Coliseum had not yet been initiated.

Mr. SANDBROOK noted that pages 4-5 of the printed agenda item provided specific information from USC as to the firms that have been retained by USC for initial analysis of the projects proposed at the Coliseum, pursuant to USC's obligations for the Coliseum Centennial Capital Campaign to be concluded by the time of the Coliseum's centennial celebration in 2021-2023.

Mr. SANDBROOK stated that this concluded the Open Session report from the office of the Chief Administrative Officer and invited questions or new topics. Hearing none, Commission President KNABE requested Commission legal counsel to announce the start of Closed Session.

CLOSED SESSION

Attorney FAUGHNAN announced that the Commission would meet in Closed Session regarding the matters listed on the printed agenda. Closed Session commenced at 3:25p.m.

RETURN TO OPEN SESSION

Following the conclusion of Closed Session, the Commission returned to Open Session at 4:20pm.

REPORT OF ACTIONS TAKENS DURING CLOSED SESSION

Attorney FAUGHNAN announced that that there were no reportable actions taken by the Commission during Closed Session.

ADJOURNMENT

Announcing the completion of the business set forth on the printed agenda, President KNABE declared the meeting of the Coliseum Commission to be adjourned at 4:23pm.


Secretary