

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

November 6, 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 2:45 p.m. by President Don KNABE.

PRESENT: Commissioner Don Knabe, President
Commissioner Johnathan Williams, Vice President
Commissioner William Chadwick, Secretary
Commissioner Mike Antonovich (arrived at 3:10pm)
Commissioner Curren Price
Commissioner Barry Sanders
Alternate Zev Yaroslavsky (arrived at 3:20pm)
Ex-officio member Senator Rod Wright
Ex-officio member Assemblymember Reginald Jones-Sawyer

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

ABSENT: Commissioner Mark Ridley-Thomas
Commissioner Glenn Sonnenberg
Alternate Tom LaBonge

PUBLIC COMMENT

President KNABE invited Public Comment, to which two individuals responded. Martin CUTLER, Esq. of Los Angeles requested contact information for the promoter that cancelled the Messi & Friends soccer match that had been scheduled for July 3, 2013 so that his client, SoccerShop USA, could pursue settlement of financial dispute with that promoter related to that event. (Commission legal counsel FAUGHNAN agreed to provide the information requested.)

Ms. Diane SHER offered comments about the Olympic Gateway with the two Olympic statues in the Coliseum peristyle plaza and urged that the Coliseum Commission become the entity in Exposition Park with responsibility for the maintenance of the Olympic Gateway statues. (Interim Chief Administrative Officer SANDBROOK explained that the statues are the property of the State of California but are due to be transferred to the Coliseum Commission as part of the pending property transfer agreement/lease amendments scheduled for approval and execution before December 31, 2013. Mr. SANDBROOK also stated that, at the suggestion of Commission alternate and Councilmember Tom LABONGE, he would be contacting Steven GRAHAM, the son of the late sculptor Robert GRAHAM, to request one or more proposals about the statues.)

APPROVAL OF MINUTES

Approval of the minutes of the meeting of September 11, 2013 was moved by Commissioner CHADWICK and seconded by Commission WILLIAMS. Commission President KNABE asked if there were any objections. Hearing none, Mr. KNABE declared the minutes of the meeting of September 11, 2013 to be approved.

PRESIDENT'S COMMENTS

President KNABE stated that he had no comments to make and asked to move to the staff reports. Mr. SANDBROOK noted that the audio recording of today's meeting of the Coliseum Commission would be conducted by staff from the Commission Services Division of the County Board of Supervisors Executive Office. Mr. SANDBROOK also announced that, pursuant to the court ruling issued on October 4 in the case of Los Angeles Times LLC, et al. vs. the Coliseum Commission, both the open session and closed session portions of today's meeting of the Commission would be audio-

recorded and that the County Board of Supervisors Executive Office would retain the audio tape of the closed session portion of the meeting, similar to the process used for retention of the audio recordings of closed session meetings of the County Board of Supervisors.

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. Two anniversary milestones were noted. First, the 90th anniversary of the first football game played at the Coliseum had occurred on October 6, 2013. Second, the 100th anniversary celebration of the Los Angeles County Natural History Museum in Exposition Park was being held at 5:30pm, immediately after the conclusion of today's meeting of the Coliseum Commission.
- b. The plaque in the Coliseum Memorial Court of Honor recognizing the individuals who had served on the Coliseum Commission between 1999 and 2013 had been installed in the peristyle, adjacent to the four previous plaques recognizing the individuals who had served on the Coliseum Commission between 1921 and 1998.
- c. 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 have been published for public opposition, if any; and the last three applications are 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.

- d. A meeting of the Board of Directors of the Los Angeles Memorial Coliseum Association, Inc. would be scheduled on December 4, 2013, prior to the regular meeting of the Coliseum Commission scheduled for that day.

2. Agenda Item OPEN-2: Agreements with the County of Los Angeles

Mr. SANDBROOK reported that, on October 8, 2013, the County Board of Supervisors had approved the proposed agreement, approved by the Commission on September 11, 2013, with the County Board of Supervisors Executive Office to assume the administrative support functions of the Commission beginning not later than January 1, 2014. Mr. SANDBROOK reminded the Commission that the end date of Extension/Amendment no.8 of his employment contract as interim Chief Administrative Officer is December 14, 2013.

Mr. SANDBROOK announced that Ms. Sachi HAMAI, Executive Officer to the County Board of Supervisors, met with him and interim Chief Financial Officer Greg HELLMOLD on October 9 to inform them that she had appointed Ms. Kathy MARKARIAN to serve as acting Executive Director of the Coliseum Commission. Mr. SANDBROOK introduced Ms. MARKARIAN to the Commission and reported that transition meetings had been held on a regular basis since mid-October.

Mr. SANDBROOK requested the Commission's approval of two amendments to the Commission's agreement with the County Office of Auditor-Controller: (A) to increase from \$75,000 to \$100,000 the authorized amount to the County Office of the Auditor-Controller for the continued services of Mr. HELLMOLD as interim Chief Financial Officer not later than June 30,

2014; and (B) to authorize an additional \$25,000 to be available through June 30, 2014 for other staff of the County Office of the Auditor-Controller to provide immediate fiscal services for the Commission.

Mr. SANDBROOK also requested the Commission's concurrence to include in the action item an instruction from the Commission to prepare and submit to the Commission at its next meeting on December 4 any documents necessary for the transfer of Commission fiscal responsibilities to the County Treasurer-Tax Collector and the County Auditor-Controller, subject to the approval of the revised amended and restated Joint Powers Authority agreement by the State, County and City that was in progress and possibly completed during December 2013.

Commissioner CHADWICK moved that the Commission approve the agenda item as set forth in the substitute text distributed as a handout. Commissioner WILLIAMS seconded the motion. President KNABE asked if there were any objections. Hearing none, President KNABE announced that the substitute motion, provided in the handout, was approved.

3. Agenda Item OPEN-3: Restated Joint Powers Authority Agreement

Mr. SANDBROOK announced that, as authorized by the Commission at its last meeting on September 11, 2013, letters had been sent by President KNABE on October 2, 2013, to the State of California, the County of Los Angeles and the City of Los Angeles requesting approval of the proposed amended and restated Joint Powers Authority agreement endorsed by the Commission at its meeting of June 5, 2013.

Mr. SANDBROOK announced that: (A) the County Board of Supervisors had approved the restated agreement at its meeting of October 15, 2013; (B) the Board of Directors for Exposition Park/California Science Center was expected to consider the request for approval at its next meeting

on December 11, 2013; and (C) the office of the City Council President had requested the office of the Chief Legislative Analyst to prepare the motion for submittal to the City Council but that no date had yet been established for the approval of the restated agreement to be presented to the City Council.

Mr. SANDBROOK reminded the Commission that, assuming the restated Joint Powers Authority agreement is approved in December 2013 and the membership structure of the Commission thereby changed, those current members of the Commission who would no longer be serving on the Commission would be required to file his "Leaving Office" Statement of Economic Interests/FPPC Form 700 within 30 days of the date of the conclusion of service on the Commission instead of the "Annual" Statement for the January 1, 2013-December 1, 2013 period that would be due on April 1, 2014.

4. Agenda Item OPEN-4: Update regarding State of California-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, based on that review and subsequent to the last meeting of the Commission on September 11, DGS had informed him that the State could not agree to the specific text in the proposed provision in the lease amendments regarding the use of any surplus funds accruing to the Commission from USC under the terms of the Second Amendment to the USC-Coliseum Commission Lease. The proposed provision had stated that, after the contribution of any surplus funds had been forwarded by the Commission to the State of California for the Exposition Park Improvement Fund, the approval of the Commission would still be required for the State to be authorized to proceed with allocating any portion of those Commission-originated funds for one or more particular project(s). The objection from the State is that, once the funds are received by the State, existing State law mandates that State have sole authority over expenditures.

Mr. SANDBROOK recommended that the Commission approve a change to this text under which, upon a request from the Commission and a notice of the availability of funds, the Board of Directors of Exposition Park would submit to the Coliseum Commission for its approval in advance one or more specific projects for which the Commission's surplus funds, still held by the

Commission, could be used. Upon Commission approval of the proposal(s) for one or more particular projects, the Commission would then transfer the surplus funds to the State for expenditure on the projects approved by the Commission.

Mr. SANDBROOK stated that President KNABE had received concurrence in this suggested revision from the negotiating committee of the Board of Directors and that, at the meeting of the Board of Directors earlier on November 6, the Board had authorized Board member Ms. Irene ROMERO to execute the agreements with the Commission, following approval by the State Public Works Board (SPWB) of the property transfer agreement that was now expected to be considered by the SPWB at its meeting of December 13, 2013. Mr. SANDBROOK also announced that the State had already opened escrow for the proposed property transfer transaction and that he had been informed by DGS staff that action by the SPWB at its meeting of December 13, 2013 would still permit completion of the transaction before December 31, 2013.

Mr. SANDBROOK stated that, since this revised text was different from that approved on May 1, 2013 by the Commission in the Term Sheet, formal action by the Commission to approve this revised text was required at today's meeting in order for President KNABE, as authorized by the Commission also on May 1, 2013, to execute the agreements with the State of California.

Commissioner SANDERS moved that the Commission approve the revised text, as set forth in the agenda item. Commissioner PRICE seconded the motion. President KNABE asked if there were any objections. Hearing none, President KNABE announced that the motion had been approved.

Subsequent to the vote of the Commission, attorney FAUGHAN informed the Commission that the specific text included in the handout with the agenda item was actually at variance with the final version of the revised text that had been agreed to by legal counsel for the State. President

KNABE asked for and received concurrence for reconsideration of the previous motion.

President KNABE asked that the Commission approve a new motion that would authorize Commission legal counsel to determine the specific text for the amendment, consistent with the description previously provided by Mr. SANDBROOK, rather than the specific text in the Agenda Book. Commissioner SANDERS moved the new motion as stated by President KNABE. Commissioner PRICE seconded the motion. President KNABE asked if there were any objections to the new motion. Hearing none, President KNABE announced that the motion, as he had restated it, was approved.

5. Agenda Item OPEN-5: Update Regarding USC-Coliseum Commission Lease

Mr. SANDBROOK stated that the preceding day (November 5) had marked the completion of 100 days of the management of the Coliseum and Sports Arena by USC, following the commencement of the Second Amendment to the USC-Coliseum Commission lease on July 29, 2013. Mr. SANDBROOK also expressed his appreciation to USC Coliseum/Sports Arena Executive Director Mike GARCIA for the assistance provided by USC staff to the Commission for transition/wrap-up assignments since July 29.

Mr. SANDBROOK provided a brief recap of the events held at the Coliseum and Sports Arena and managed by USC since July 29.

Mr. SANDBROOK reported that, pursuant to the Second Amendment, USC Senior Vice President DICKY and USC Associate Senior Vice President STIMMLER had met on September 20 with Commissioner SANDERS – in his capacity as President of the Southern California Committee for the Olympic Games – to discuss the role of the Coliseum in the pending proposal for Los Angeles to be selected by the U.S. Olympic Committee in 2015 to be the U.S. candidate city for

the designation in 2017 by the International Olympic Committee of the host city for the 2024 Summer Olympics.

Mr. SANDROOK reviewed with the Commission the various reporting requirements of USC as set forth in the Second Amendment and presented in the agenda item. Mr. SANDBROOK stated that he had informed USC that the first semi-annual report should be submitted as of March 31, 2014.

Mr. SANDBROOK reported that SB 695 (Wright) that had been approved by the State Assembly on September 4 and concurred in by the State Senate on September 6 regarding certain restrictions regarding the leasing of parking facilities in Exposition Park had been vetoed by Governor Brown on October 5.

6. Agenda Item OPEN-6: Financial Report

Interim Chief Financial Officer HELLMOLD presented the monthly consolidated financial report for the month of July 2013, as provided in the Agenda Book. Mr. HELLMOLD stated that the Commission had been responsible for the management of the Coliseum and Sports Arena through Sunday, July 28, 2013 but that all staff had been separated as of July 27, 2013. As of Monday, July 29, 2013, Mr. HELLMOLD stated that the Second Amendment to the USC-Coliseum Commission Lease had become effective and that the previous Coliseum/Sports Arena staff had become USC employees.

Mr. HELLMOLD informed the Commission that the net income report showed a combined operating loss of <\$533,900> for the month of July primarily due to the absence of any revenue-generating events. Mr. HELLMOLD also described the significant negative entries to the Commission's financial statements and the resulting negative net position due to the booking – as

required by Government Accounting Standards Board polices -- of the transactions related to the change in management before July 31.

Mr. HELLMOLD then reported that, as described to the Commission at the September 11 meeting, the two annual reports required to be filed with the office of the State Controller had been filed in conformance with the deadline of October 18, 2013: (A) the unaudited organizational financial summary for the fiscal year ending June 30, 2013; and (B) the compensation report for all full-time and part-time personnel employed by the Commission for the period of January 1, 2012-December 31, 2012. Mr. HELLMOLD stated that the compensation report had listed 799 separate individuals as having received compensation from the Commission during the 2012 calendar year.

Mr. HELLMOLD then reported that McGladrey LLP was on schedule to complete its work for the presentation of the audited financial statements and management analysis to the Commission at its meeting of December 4, 2013 and that a draft of those documents would be reviewed by the Commission's Ad Hoc Committee on Audit and Policy Compliance on November 22, 2013.

Mr. HELLMOLD then reported that McGladrey LLP would be filing with the IRS for an automatic three-month extension, to February 15, 2014, for the filing of the Form 990 for FY 2012-2013 on behalf of the Coliseum Association.

Mr. HELLMOLD then presented via handout a revised operating budget for the Commission for the current FY ending June 30, 2014; he asked that the attachment to Agenda Item OPEN-6 in the Agenda Book be replaced with the handout. Mr. HELLMOLD explained that the revised budget included changes to various expenditure categories, based on the agreements with the County of Los Angeles as explained in Agenda Item Open-2. Mr. HELLMOLD requested approval by the Commission of the revised operating budget, replacing the FY 2013-2014 budget approved by the Commission at its meeting of June 5, 2013.

Commissioner SANDERS moved approval of the revised operating budget as presented by Mr. HELLMOLD in the handout rather than the version included in the Agenda Book.

Commissioner CHADWICK seconded the motion. President KNABE asked if there were any objections. Hearing none, Mr. KNABE announced that the revised operating budget for FY 2013-2014, as presented in the handout rather than the version shown in the Agenda Book, was approved.

Mr. HELLMOLD also stated his appreciation to USC Executive Director GARCIA and the USC staff who were previously staff of the Coliseum Commission for their assistance in the preparation of the financial information for the July 2013 report.

7. Agenda Item OPEN-7 – CalPERS Valuation Report

Mr. SANDBROOK and Mr. HELLMOLD reviewed the information presented in the Agenda Book regarding the Commission's contract, first enacted in 1952, with the California Public Employees Retirement System (CalPERS) for a retirement benefits program for Commission employees. Mr. HELLMOLD reported that CalPERS had not yet delivered to the Commission the annual Valuation Report for the Commission's account and obligations to CalPERS for the period ending June 30, 2012 but that it was expected to be received in December 2013.

Mr. SANDBROOK described the basic participation and financial statistics that had been stated by CalPERS in the prior year's report (received in December 2012) for the year ending June 30, 2011 and that had been reviewed with the Commission at its meetings of December 5, 2012 and January 9, 2013.

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. HELLMOLD reviewed with the Commission the options that would be available in 2014 for the Commission to initiate a request to CalPERS for a possible change in status from "active" to either "inactive" or "terminated," as described in the Agenda Book. Mr. HELLMOLD stated that the Commission would not be able to evaluate these options until the Valuation Report was received and until the calculations regarding the use of the Commission's current surplus in its account with CalPERS, as well as the determination of the possible amount of any residual obligation by the Commission to CalPERS, were performed.

Mr. HELLMOLD also stated that, in considering these options, the Commission would need to consider the fact that, for the various annuitants/former employees of the Commission, a decision by the Commission to proceed with a change to "terminated" status would also result in the termination by CalPERS of its administration of the enrollment by Commission-related annuitants in any of the CalPERS-arranged retiree health insurance programs.

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

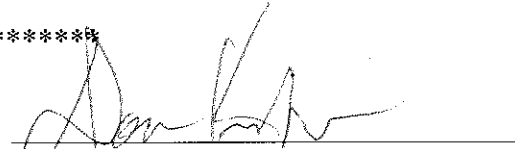
Following the conclusion of Closed Session, the Commission returned to Open Session at 4:50pm.


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 4:55pm.



President

Secretary