

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

December 5, 2012

CALL TO ORDER

The Regular Meeting of the Los Angeles Memorial Coliseum Commission was convened in the Commission Board Room on Wednesday, December 5, 2012, and called to order at 2:35 p.m. by President Don KNABE.

PRESENT: Commissioner Don Knabe, President (departed at 3:45pm)
Commissioner William Chadwick, Secretary
Commissioner Mark Ridley-Thomas (arrived at 2:50pm)
Commissioner Barry Sanders
Commissioner Glenn Sonnenberg
Commissioner Zev Yaroslavsky

ALSO PRESENT: Senator Roderick Wright, ex-officio member (arrived at 2:45pm)
Mr. John R. Sandbrook, interim General Manager
Attorney Thomas Faughnan
Attorney Donovan Main
Attorney Noreen Vincent
Mr. Greg Hellmold, interim Director of Finance
Mr. Joe Furin, Senior Director-Operations

ABSENT: Commissioner Johnathan Williams, Vice President
Commissioner Bernard Parks

PRESENTATION OF MINUTES

Following a motion by Commissioner CHADWICK, seconded by Commissioner SONNENBERG, the minutes of both the October 3, 2012 and the November 7, 2012 meetings of the Commission were adopted by acclamation.

PUBLIC COMMENT

President Don KNABE opened the meeting to public comment at approximately 2:40 p.m.

Ms. Linda PAUL, Executive Vice President, U.S. Capital, LLC, requested a meeting with representatives of the Commission to discuss the proposal from her company for the management of the Coliseum.

PRESIDENT'S COMMENTS

President KNABE indicated that he would be leaving the meeting at approximately 3:45pm today and, in the absence of Vice President WILLIAMS, he indicated that the Commission was required to elect a President Pro Tem to continue the meeting upon his departure.

ELECTION OF PRESIDENT PRO TEM

Secretary CHADWICK was elected to serve as President Pro Tem at the meeting of December 5 upon the anticipated departure of President KNABE and the absence of Vice President WILLIAMS.

REGULAR BUSINESS SESSION -- GENERAL MANAGER'S REPORT1. Agenda Item OPEN-1: Report by General Manager -- General Announcements

Interim General Manager SANDBROOK commented on the following items which required no action:

- a) Updated Staff Roster and Organization Chart
- b) Staff Holiday Event for December 21, 2012
- c) Administrative Holidays on December 25, 2012 and January 1, 2013
- d) Update on the Staff Compensation Posting on the Coliseum Website to comply with Section 570.5, Title 2, California Code of Regulations (CalPERS requirement)
- e) Update on the Posting on the Coliseum website of the FPPC Form 802 Reports regarding the distribution of complimentary tickets for the Fall 2012 USC Football season

- f) Update on the installation of the new Coliseum Peristyle South Tower Temperature Gauge
- g) Update on the FM Global Report on Loss Prevention Measures
- h) Update on the Trademark Applications filed with the U.S. Trademark Office
- i) Office of the General Manager Schedule for December 17-18-19
- j) Announcement of Tentative Commission Dates through June 2013

Mr. SANDBROOK reviewed the tables he had prepared regarding the statistics regarding the staff roster for: (a) years of service; and (b) demographics/age. Mr. SANDBROOK expressed his admiration for the Coliseum/Sports Arena staff.

2. Agenda Item OPEN-2: Presentation By External Auditor – McGLADREY LLP

Mr. SANDBROOK introduced Mr. Jeff Altshuler (Partner) and Mr. Chris Rivera of McGladrey LLP and interim Director of Finance Gregory HELLMOLD.

Interim Director of Finance, Gregory HELLMOLD, presented the Audited Financial Report for the fiscal year ending June 30, 2012. In response to a question from Commissioner SANDERS, Mr. Altshuler stated that McGladrey LLP was submitting the Audited Financial Report with an unqualified opinion. Mr. Altshuler also complimented Mr. Hellmold and his staff for their professionalism and assistance in the preparation of the data in the financial report.

Mr. ALTSHULER presented the Auditor's Report to the Governing Body for the fiscal year ending June 30, 2012. Mr. ALTSHULER discussed the findings of Material Weaknesses identified by McGladrey LLP, specifically the finding as to segregation of duties. Mr. ALTSHULER stated that this finding is a common one among public agencies with small staff sizes. President KNABE also noted that, in view of the fact that the Commission was winding down operations in anticipation of the transfer of management responsibilities to the University of Southern California upon the yet uncertain effective date of the Amended and Restated USC Lease, the Commission's position about the number of staff that should be employed to ensure segregation of duties was different than would be the case if the Commission were to be a going concern.

Senator WRIGHT asked Mr. ALTSHULER and Mr. HELLMOLD about the utility of a Point-of-Sale system for inventory control compared to more traditional methods of calculating pre-event and post-event inventory, based on his own personal experience in previous years of working in the Coliseum concession stands.

President KNABE noted that the Ad Hoc Task Force on Audit and Policy Compliance had met to review these submittals in detail with Mr. ALTSHULER and Mr. RIVERA on November 19. President KNABE expressed his appreciation to the Task Force members for their efforts: Commissioner SANDERS (chair), Commissioner CHADWICK, and Commissioner RIDLEY-THOMAS.

Commissioner SANDERS thanked Mr. ALTSHULER and Mr. RIVERA for their work on behalf of the Commission.

Mr. SANDBROOK noted that, with the submittal of the documents to the Commission, the office of the General Manager would be transmitting the documents to designated officials of the State of California, the County of Los Angeles, and the City of Los Angeles, as required in Paragraph 20 of the Joint Powers Authority agreement for the Commission. Mr. SANDBROOK also noted that McGladrey LLP would also be preparing for the Coliseum Association, Inc. the IRS Form 990 statement for the fiscal year ending June 30, 2012.

3. Agenda Item OPEN-3: Update – Special Meeting of May 14, 2012

Interim General Manager SANDBROOK first provided a recap of the 2012 USC football regular season schedule of home games at the Coliseum that had been completed with the Notre Dame-USC game on November 24, 2012. Mr. SANDBROOK noted that USC had not completed the Pac-12 season with the best conference record, meaning that the 2012 Pacific-12 Conference Football Championship Game on Friday, November 30 was not held at the Coliseum.

Mr. SANDBROOK announced that, based on the attendance announced by USC and included in the official statistics reports submitted by USC to the Pacific-12 Conference office for its six home games at the Coliseum, the statistics for 2012 total attendance (528,120) and per-game average attendance (88,020) were the highest in the last five years, since the commencement of the 2008 USC Lease.. Mr. SANDBROOK also reported that the per-game average attendance for the six-game 2012 home game schedule was an increase of 18% over the per-game average attendance for the seven-game 2011 schedule.

Mr. SANDBROOK referred the Commission to the other items in the written summary provided in the agenda item regarding the 2012 USC season including:

- Food and beverage sales statistics
- State Dept. of Alcoholic Beverage Control compliance for various functions organized by either USC or the Commission and held outside the Coliseum perimeter on USC football game dates.
- Facility improvements
- Game Management Unified Command System

Mr. SANDBROOK also stated that, for 2013:

- The 2013 home game schedule would not be announced by the Pacific-12 Conference office until Q1 of 2013.
- The two USC home non-conference games for 2012 were tentatively scheduled to be:
 - Saturday, September 14, 2013 vs. Boston College
 - Saturday, September 21, 2013 vs. Utah State
- USC would most likely be required by the Pacific-12 Conference office to host a Thursday night regular season conference game in 2013, on a date to be announced by the Conference office.

- The date of the possible 2013 Pacific-12 Conference Championship game at the Coliseum, if USC were to complete the 2013 season with the best conference record, would be either Friday, December 6, 2013 or Saturday, December 7, 2013.

Mr. SANDBROOK stated that, on August 10 and again on November 10, he had provided written communication about 2013 scheduling issues to all Exposition Park entities.

Mr. SANDBROOK also referred to three handouts regarding the discussions by the Board of Directors of the California Science Center/Exposition Park about the actions of the Commission of May 14, 2012 regarding the Amended and Restated USC Lease:

First, Mr. SANDBROOK summarized the letter of December 4, 2012 from Secretary Anna Caballero, State and Consumer Services Agency, indicating that the negotiations between the State and USC had been completed regarding: (a) the non-disturbance agreement regarding the Amended and Restated USC-Coliseum lease through 2054; (b) the separate USC-State lease for the Coliseum /Sports Arena through 2111; and (c) the separate USC-State lease regarding specific Exposition Park parking areas. Mr. SANDBROOK indicated that Secretary Caballero's letter stated that the draft agreements would be made available for public review as of Monday, December 17, 2012 and that two community town hall meetings would be scheduled. Mr. SANDBROOK also indicated that Secretary Caballero's letter stated that she was asking the Board of Directors to place these matters on the agenda of the meeting of the Board of Directors on January 9, 2013 for discussion and then consider these matters for action at the Board of Directors meeting scheduled for February 6, 2013.

Second, Mr. SANDBROOK summarized the two separate memos dated December 5, 2012 from: (a) Commission President KNABE; and (b) Mr. SANDBROOK that had been delivered to the staff of Science Center President RUDOLPH for distribution to the members of the Board of Directors.

USC Vice President RASPE also commented on the three handouts.

4. Agenda Item OPEN-4: Financial Report

Interim Director of Finance Greg HELLMOLD presented the monthly financial report for the months of October 31, 2012, as provided in the Agenda Book.

Mr. HELLMOLD presented to the Commission the proposed resolution to authorize certain funding transfers within accounts held at the City of Los Angeles Treasury. Mr. SANDBROOK explained that the City required a formal authorization from the governing body of the Commission to execute such transfers. Upon a motion from Commissioner SONNENBERG and seconded by Commissioner CHADWICK, the resolution was adopted without dissent.

Mr. SANDBROOK reported that the annual Valuation Report from CalPERS, normally received each October, had not yet been issued by CalPERS to provide the Commission's "Side Fund" account valuation as of June 30, 2011. Mr. HELLMOLD indicated that, based on the June 30, 2010 valuation, the Commission's liabilities in CalPERS continued to be significantly over-funded due to the balance in the "Side Fund."

Mr. SANDBROOK and Mr. HELLMOLD explained that, pursuant to the Commission's contract with CalPERS that was first executed in 1952, the Commission is part of a group of 164 public agencies in California that have adopted the benefits program entitled "Miscellaneous 2.5 at Age 55." This program provides for: (a) eligibility to retire beginning at age 50; and (b) the application of an age factor of 2.0 at age 50 and increasing annually thereafter by 0.1 per year to a maximum of 2.5 at Age 55 or older. Mr. SANDBROOK stated that the employee and employer contributions paid to CalPERS by the Commission – currently at 8.0% for employees and an additional 8.3% for the employer – were added each month to the assets of the 164-agency member "Miscellaneous 2.5 at Age 55" pool and that disbursements to the Commission's annuitants were paid by CalPERS from the assets of that pool.

Mr. SANDBROOK reviewed the table in Agenda Item Open-4 showing that, as of June 30, 2010, the liabilities associated with the 164-agency member "Miscellaneous 2.5 at Age 55" pool was funded at a 81% level on an actuarial basis, using the standard 15-year smoothing algorithm of CalPERS applied to the pool's assets, and had declined only from 86% as of June 30, 2006. Mr. SANDBROOK also noted that, based on the market value of the pool's assets as of June 30, 2010, the liabilities of the "Miscellaneous 2.5 at Age 55" pool were funded at a level 64%. In response to a question from Commissioner SONNENBERG, Mr. SANDBROOK indicated that this meant that, if all 164 agencies in the "Miscellaneous 2.5 at Age 55" pool had terminated their activities as of June 30, 2010 – with no future employee or employer contributions, the assets of the pool, based on the June 30, 2010 market value, would be sufficient to provide for only 64% of the projected total amount of liabilities associated with the then-current annuitant pool.

Mr. SANDBROOK and Mr. HELLMOLD also explained that it has been assumed that, after the effective date of the Amended and Restated USC Lease, the Commission would continue as an active agency in CalPERS – pursuant to its contract first executed with CalPERS in 1952 – even if the Commission had a single employee at a minimum of a 0.50 appointment. Mr. SANDBROOK and Mr. HELLMOLD explained that, should the Commission no longer continue as an active agency member of CalPERS, CalPERS would transfer the Commission from the aforementioned "Miscellaneous 2.5 at Age 55" group to the "Terminated Agency Pool (TAP)" group. As part of that transfer, CalPERS would calculate the remaining actuarial liability related to the Commissions' current and future potential annuitants, apply at discount rate of 3.8% to the schedule of benefits payments, and invoice the Commission for a one-time payment to CalPERS (since there would not be any continuing employer or employee contributions to CalPERS once the reclassification to the TAP group had been made).

5. Agenda Item OPEN-5: Events Report

Mr. SANDBROOK presented the event calendars through June 2013 and reviewed the information in the Agenda Book regarding: (a) completed events, (b) pending events, and (c) the status of events previously approved by the Commission. Mr. SANDBROOK commented on the two boxing events, one held in the Sports Arena on November 17 and the second scheduled for December 15, and noted that these are the first boxing events in the Sports Arena in 16 years, since 1996.

CLOSED SESSION

Attorney Thomas 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 was one reportable action taken by the Commission during Closed Session:

- With respect to Agenda Item 2-X-(e), the Commission had authorized the retention of outside legal counsel to represent the Commission in its defense in the complaint filed by Mr. Al Franken (BC 492060)

6. Agenda Item OPEN-6: Delegation of Authority regarding Short-Term Service Agreements

Mr. SANDBROOK presented Item Open-6, containing the recommendation for a delegation of authority to the interim General Manager to execute either extensions of existing service agreements or new service agreements, up to a maximum of \$25,000 per agreement, to continue operations through March 31, 2013. Upon a motion by Commissioner SONNENBERG and seconded by Commissioner YAROSLAVSKY, the recommendation was approved without dissent.

7. Agenda Item OPEN-7: December 24-31 Staff Work Schedule

Mr. SANDBROOK presented Item Open-7, containing the recommendation for a holiday week work schedule in which the Coliseum/Sports Arena staff would be permitted to receive full regular pay, regardless of attendance, on the five designated workdays between December 24 and December 31, as defined by the City of Los Angeles payroll system: Monday, December 24; Wednesday, December 26; Thursday, December 27; Friday, December 28; and Monday, December 31. Upon a motion by Commissioner SONNENBERG and seconded by Commissioner SANDERS, the recommendation was approved without dissent.

8. Agenda Item OPEN-8: Employment Contract Extension – John R. Sandbrook

President Pro Tem CHADWICK presented Item Open-8, containing the recommendation that employment contract extension no. 5 be approved for John R. Sandbrook to continue as interim General Manager/Chief Administrative Office for a maximum of additional ten weeks after December 29, 2012, or through March 9, 2013, at the same voluntary pay rate of 0.60 of full salary that has applied since October 1, 2012. Upon a motion by Commissioner SANDERS and seconded by Commissioner SONNENBERG, the recommendation was approved without dissent.

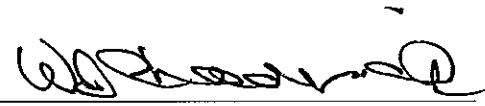
ADJOURNMENT

Mr. Sandbrook announced that the Coliseum/Sports Arena staff holiday party was scheduled for Friday, December 21, 2012, at no expense to the Coliseum Commission or the Coliseum Association, Inc.

The meeting was adjourned at 4:55pm.



President



Secretary