

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

September 11, 2013

CALL TO ORDER

The Regular Meeting of the Los Angeles Memorial Coliseum Commission was convened in the Commission Board Room on Wednesday, September 11, 2013, and called to order at 2:35 p.m. by President Don KNABE.

PRESENT: Commissioner Don Knabe, President
Commissioner Johnathan Williams, Vice President
Commissioner William Chadwick, Secretary
Commissioner Curren Price (arrived at 2:45pm)
Commissioner Mark Ridley-Thomas
Commissioner Barry Sanders
Commissioner Glenn Sonnenberg
Alternate Tom LaBonge
Alternate Zev Yaroslavsky (arrived at 2:40pm)

ALSO PRESENT: Attorney Thomas Faughnan
Attorney Noreen Vincent
Mr. John Sandbrook, interim Chief Administrative Officer
Mr. Greg Hellmold, interim Chief Financial Officer

ABSENT: Commissioner Michael Antonovich
Ex-officio member Senator Rod Wright
Ex-officio member Assemblymember Reginald Jones-Sawyer

PUBLIC COMMENT

President KNABE invited Public Comment, to which one individual responded. Mr. Joe ESSY of Laguna Beach, CA spoke as to his views regarding what he perceived to be significant improvement in the various guest facilities at Coliseum for the September 7 USC-Washington State game as a result of USC having overall management responsibilities for the Coliseum. Commissioner KNABE thanked Mr. ESSY for the comments but noted that many of the same staff who had previously worked for the Coliseum Commission had worked at the September 7 game.

APPROVAL OF MINUTES

Approval of the minutes of the meeting of July 17 was moved by Commissioner SANDERS 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 July 17 5 to be approved.

PRESIDENT'S COMMENTS

President KNABE noted that that since the last meeting of the Commission on July 17, 2013, the Second Amendment to the USC-Coliseum Commission Lease had been executed on July 25, 2013 and that, on September 5, 2013, the State of California had executed its agreements with USC such that the term of the Second Amendment now extends to December 31, 2054. President KNABE commented on the signing ceremonies that had been held at the Coliseum peristyle on September 5, 2012 with: (a) President Max NIKIAS, USC; (b) Ms. Fabian WESSON, chair, Board of Directors of the Sixth District Agricultural Association; and (c) Commissioner RIDLEY-THOMAS, Commissioner PRICE, Alternate LA BONGE, and himself.

President KNABE noted that that the process regarding the Second Amendment to the USC-Coliseum Commission Lease had lasted nearly two years and overlapped many other challenging circumstances facing the Commission.

President KNABE acknowledged the effort made by interim General Manager/Chief Administrative Officer SANDBROOK and interim Chief Financial Officer Gregory HELLMOLD during the past two years.

GENERAL MANAGER'S REPORT1. Agenda Item OPEN-1: General Announcements

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

- a. Former Coliseum Commissioner Roger Kozberg passed away on August 16, 2013. Mr. Kozberg had served as a State representative to the Commission from 1993 to 1999, including as President in 1996. President KNABE stated that the Commission would adjourn today's meeting of the Commission in the memory of Mr. Kozberg.
- b. Mr. SANDBROOK expressed his appreciation to President KNABE and Alternate LA BONGE for their participation in a special staff recognition event on Monday, August 19 for those individuals whose employment by the Coliseum Commission had concluded on Friday, July 27, 2013, as part of the transfer of management responsibilities to the USC on Monday, July 29, 2013.
- c. Mr. SANDBROOK reported that a press conference was held by the Organizing Committee of the 2015 Special Olympics World Games in the Coliseum Peristyle plaza on July 30, 2013 to announce that President Barak Obama and First Lady Michele Obama had agreed to serve as Honorary Co-Chairs for the 2015 event, which will begin with the Opening Ceremonies in the Coliseum on Friday, July 24, 2015.
- d. Mr. SANDBROOK reported that the resolution approved by the Coliseum Commission at its July 17, 2013 meeting in support of the proposal for Los Angeles to be considered as the host city for the 2024 Summer Olympics had been transmitted to the Southern California Committee for the Olympic Games. Mr. SANDBROOK also reported that the International Olympic Committee had announced on September 7, 2013 that Tokyo,

Japan would serve as the host city for the 2020 Summer Olympics, repeating its host city duties from the 1964 Olympics. Commissioner SANDERS updated the Commission on other aspects of the IOC meeting of September 7.

- e. Mr. SANDBROOK reminded the Commissioners that, pursuant to action taken by the Commission at its meeting of June 5, 2013, the meeting schedule for the remainder of Fall 2013 was:

- Wednesday, October 2, 2013
- Wednesday, November 6, 2013
- Wednesday, December 4, 2013

Mr. SANDBROOK reported that the December meeting date of the Board of Directors of the Sixth District Agricultural Association had been changed from December 4 to December 11. President KNABE stated that, notwithstanding this change by the Board of Directors, the December meeting date for the Coliseum Commission would remain on December 4.

2. Agenda Item OPEN-2: Financial Report

Mr. HELLMOLD reported to the Commission that he had returned to his regular duties in the County of Los Angeles Office of the Auditor-Controller on August 2, 2013, but that he was continuing to provide assistance to the Commission under the agreement for 2013-2014 authorized by the Commission at its meeting of June 5, 2013. Mr. HELLMOLD indicated that, through August, 2013, approximately \$35,000 (47%) of the \$75,000 authorization limit for that agreement had been expended.

Mr. HELLMOLD then presented the monthly consolidated financial report for the month of June 2013 and the unaudited 12-month results for FY 2012-2013, as provided in the Agenda Book.

For the monthly report, Mr. HELLMOLD informed the Commission that the net income report showed:

- For the month of June 2013, actual net income/ (loss) was (\$772,503), compared to the budgeted net income/ (loss) of (\$721,693) for the month, a negative variance of (\$50,810).

For the preliminary full year report, Mr. HELLMOLD reported that:

- For the fiscal year ending June 30, 2013, actual net operating income/ (loss) was (\$4,777,563) inclusive of depreciation and other accrued expenses, compared to the budgeted net operating income/ (loss) of (\$5,420,747), a positive variance of \$643,184, or 12%.
- The Commission also had non-operating revenues totaling \$670,680.
- The Commission's cash balance as of June 30 was \$1,004,968.

Mr. HELLMOLD then distributed a handout sheet to the Commission that summarized the 2013-2014 insurance policy coverages for the Commission, in addition to commenting on the information in the agenda book. Commissioner SONNENBERG asked as to why the coverage for General Liability insurance was set at \$5,000,000. Attorney FAUGHNAN explained that this amount was a requirement in the Second Amendment to the USC-Coliseum Commission Lease, but that the premiums for such insurance was to be paid to the Commission by USC as part of the annual operating budget payment.

Mr. HELLMOLD reported that, as a result of the execution of the Second Amendment to the USC-Coliseum Commission Lease and the proposal before the Commission at today's meeting in Agenda Item OPEN-5 from the County of Los Angeles Board of Supervisors Executive Office to provide ongoing administrative support duties to the Commission beginning not later than January

1, 2014, a revised operating budget for FY 2013-2014 would be presented to the Commission again at the October 2 or November 6 meeting.

Mr. HELLMOLD also summarized the major financial transactions that occurred or are scheduled to occur in Fall 2013 as part of the commencement of the Second Amendment to the USC-Coliseum Commission Lease on July 29, 2013, as described in the agenda book. These included USC's assumption of: (a) the semi-annual rent payments to the State of California starting on July 29, 2013; (b) the remaining 36 monthly payments to Kinetic Leasing, Inc. for the 60-month lease of the Coliseum digital videoboard installed in August 2011; and (c) the health insurance premiums for Coliseum Commission retirees. Mr. HELLMOLD also explained that the process with USC is underway for: (i) the sale of the two alcoholic beverage licenses held by the Coliseum Association, Inc. for the Coliseum and Sports Arena properties; and (ii) the sale of the unused food and beverage inventory held by the Coliseum Association, Inc. as of July 28, 2013.

Mr. HELLMOLD also updated the Commission on the status of the field work activity by McGladrey LLP as part of the initial steps for that firm's presentation of the audited financial statements and management report that are scheduled to be presented to the Commission at its meeting of December 4, 2013, pursuant to the authorization approved by the Commission at its meeting of June 5, 2013 for McGladrey LLP to serve as external auditor for the third consecutive year.

Mr. HELLMOLD also reported that the annual reports required to be submitted to the Office of the State Controller by October 18 each year would be completed and filed: (a) the organizational financial summary (unaudited) for the fiscal year ending June 30, 2013; and (b) the compensation report for all full-time and part-time personnel hired by the Commission during the calendar year ending December 31, 2012.

3. Agenda Item OPEN-3: Update Regarding USC-Coliseum Commission Lease

Mr. SANDBROOK reported that, by letter of September 5, 2013 to Commission President KNABE, USC Senior Vice President Todd DICKEY had notified the Commission that the State/USC agreements had been executed that same day. As a result, the contingency condition set forth in Paragraph 18.1 for the removal of the expiration date of December 16, 2013 for the Second Amendment to the USC-Coliseum Commission Lease (which had been executed on July 25, 2013 and commenced on July 29, 2013) had been satisfied such that the expiration date of the Second Amendment was now established as December 31, 2054, concurrent with the end date of the Commission's separate leases with the State of California for the Coliseum and Sports Arena properties.

Mr. SANDBROOK stated that, as noted in the General Announcements agenda item OPEN-1 at today's meeting, the employment by the Commission of 36 fulltime staff had been concluded on Saturday, July 27, 2013. With three exceptions (including two retirements), all of the staff began their guaranteed six-month employment contracts with USC on Monday, July 29, 2013.

Mr. SANDBROOK reminded the Commission that he was continuing as the sole remaining career employee, on a 50% time appointment, until December 14, 2013 as interim Chief Administrative Officer. Mr. SANDBROOK also announced that the City of Los Angeles was no longer providing payroll services to the Commission and no longer holding any Commission funds in its accounts.

Mr. SANDBROOK reported to the Commission that USC Associate Vice President Dan STIMMLER had: (a) hired Mr. Michael GARCIA, former general manager of The Greek Theatre in Griffith Park, as Executive Director for Coliseum and Sports Arena operations; and (b) retained Mr. Joe FURIN, former Senior Director-Operations, as Assistant General Manager. Mr. STIMMLER

provided a brief oral report to the Commission as to the progress of the transfer of operations since July 29, 2013.

Mr. SANDBROOK reported that USC had selected ABM, Inc. as its custodial contractor; and Legends Hospitality Management LLC as its food and beverage contractor.

Mr. SANDBROOK also provided a report on the interim arrangements that had been made with USC for the sale and consumption of alcoholic beverages while the sale process was underway for USC to acquire the two alcoholic beverage licenses held by the Coliseum Association, Inc. as explained in agenda item OPEN-2.

Mr. SANDBROOK stated that, until the personnel and administrative records of the Commission were relocated to County of Los Angeles facilities (pending approval by the Commission of the proposed agreement in agenda item OPEN-5), the records remained on-site at the Coliseum and Sports Arena in offices now under USC management. Mr. SANDBROOK reported that the office of County Counsel was preparing the text for a short-term agreement with USC regarding the interim arrangements for security and maintenance of those records.

Mr. SANDBROOK also reviewed for the Commission the list of USC's obligations, as set forth in the Second Amendment to the USC-Coliseum Commission Lease, for reports to be submitted to the Commission on either a semi-annual or annual basis. Mr. SANDBROOK stated that further details about the contents and schedule of those reports would be presented to the Commission at a subsequent meeting in Fall 2013.

Mr. SANDBROOK reported to the Commission and distributed an additional handout about the status of State Senate Bill 695 (Wright) regarding Exposition Park. Mr. SANDBROOK announced that, on September 4, the State Assembly had approved SB 695, as amended on June 27, and that, on September 6, the State Senate had concurred in those amendments. As a result, SB 695

had now been sent to Governor Brown for his consideration and that the Governor has a deadline of October 13, 2013 to announce his approval or rejection of legislation sent to him by September 13, 2013.

4. Agenda Item OPEN-4: Update regarding State of California-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 in late July 2013.

Mr. SANDBROOK reported that, based on his most recent discussions with the State Department of General Services and with members of the Board of Directors of Exposition Park/California Science Center, the review process was proceeding on a schedule for the State Public Works Board to consider the proposal at its meeting of November 8, 2013, well before the deadline of December 31, 2013.

5. Agenda Item OPEN-5 – Implementation of the Recommendations Adopted by the Commission on June 5, 2013 for Revisions to the Joint Powers Authority (JPA) Agreement, as restated in 1976

Mr. SANDBROOK reviewed with the Commission the recommendations approved by the Commission at its meeting of June 5, 2013 for revisions in the Joint Powers Authority Agreement between the State of California, the County of Los Angeles, and the City of Los Angeles, as most recently restated on November 9, 1976.

Mr. SANDBROOK stated that the Commission had also decided at its meeting of June 5, 2013 to defer transmittal of these recommendations to the State, County and City until the Second Amendment to the USC-Coliseum Commission lease had been executed for the full term ending December 31, 1954.

Mr. SANDBROOK stated, that as explained in the Agenda item OPEN-3, those requirements had now been achieved and that he would be working with President KNABE to send the formal requests to the State, County and City with a request for action by December 2013.

Mr. SANDBROOK reminded the Commission that the City Council of Los Angeles had already taken action at its meeting of June 5, 2013 on Council File 13-0556 in anticipation of this request from the Commission being received for a revision in the JPA Agreement.

Mr. SANDBROOK then asked for the Commission's consideration of the proposal in the agenda book from the County of Los Angeles Board of Supervisors Executive Office to provide ongoing administrative support functions to the Commission beginning not later than January 1, 2014. Mr. SANDBROOK stated that Executive Officer Sachi HAMAI had submitted this proposal following meetings that she and her staff had held with Mr. HELLMOLD and him, based on the list of continuing functions for the Commission previously endorsed by the Commission.

Mr. SANDBROOK also stated that Ms. HAMAI had sent a draft of this proposal to the five members of the County Board of Supervisors on August 22, 2013 to ensure their awareness of the proposal. Mr. SANDBROOK stated that, should the Commission vote to approve this proposal from the County of Los Angeles, Ms. HAMAI would then submit the proposal for formal action and approval by the County of Los Angeles Board of Supervisors. Mr. SANDBROOK stated that, following that step, Mr. SANDBROOK and Ms. HAMAI would then coordinate the preparation of the final proposed budget and a transition schedule, possibly beginning in November 2013.

Commissioner RIDLEY-THOMAS moved that the Commission adopt the County of Los Angeles proposal, as set forth in the agenda book and in the August 22 communication to the members of the Board of Supervisors. Commissioner SANDERS seconded the motion. President KNABE asked if the Commissioners had any objections to the motion. Hearing none, President KNABE announced that the proposal from the County of Los Angeles was approved.

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 3:15p.m.

RETURN TO OPEN SESSION

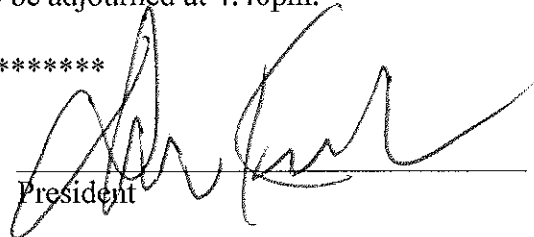
Following the conclusion of Closed Session, the Commission returned to Open Session at 4:35pm.

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 4:40pm.



President



Secretary