



**LOS ANGELES CONVENTION CENTER
BOARD OF COMMISSIONERS**

Regular Meeting Minutes

**June 4, 2014
9:00 a.m.**

The Los Angeles Convention Center Department Commission (Commission) convened a regular meeting on Wednesday, June 4, 2014 at 9:19 a.m. at the Los Angeles Convention Center (LACC), located at 1201 South Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

ITEM NO. 1 CALL TO ORDER / ROLL CALL

The meeting was called to order by President Jon Vein.

Present:

President Jon F. Vein
Commissioner Nicole Duckett Fricke
Commissioner Otto Padron

Robert R. "Bud" Ovrom, Executive Director
Marla Bleavins, Assistant General Manager – Finance & Administration
Cristine Villorante, Recording Secretary
Glyn Milburn, Business Team Representative – Office of the Mayor
Renee Stadel, Deputy City Attorney IV – Office of the City Attorney
Terry Martin Brown, Assistant City Attorney – Office of the City Attorney
Brad Gessner, Sr. Vice President & General Manager of the LACC – AEG
Patti MacJennett, Sr. Vice President of Business Affairs –
Los Angeles Tourism & Convention Board (LATCB)
Barbara Kirklighter, Vice President of Revenue Strategy – LATCB

Absent:

Vice President Ray Bidenost
Commissioner Gillian Zucker

(Note: Agenda items were taken out of order with non-action items discussed first until such time a quorum was met.)

ITEM NO. 5 EXECUTIVE DIRECTOR'S REPORT

- a. Ms. Bleavins update the Commission on the LATCB contract process. The six month extension was approved by City Council on June 3, 2014. The current contract will expire on June 30, 2014, and will be extended through December 30, 2014.

The Department is in the process of expediting a new contract. The existing contract has been reviewed and staff is currently identifying needed changes. Other city contracts from New York, San Francisco, Chicago, and Anaheim have also been reviewed. The Department has consulted with the Bloomberg Group who has reviewed our contract and has provided some input and guidance.

Some of the recommended changes are as follows:

- Appendix E: Change the metrics from input and process to outcome and performance (e.g. number of room nights, economic impact, number of attendees)
- Optimizing revenue from space rental: Staff will build a process for the Department and partner with AEG to get their feedback on how to improve rental discounts.
- Branding and advertising in media campaigns: Consult with the City prior to the launch of any major branding or media initiatives.
- Change the current length of the LATCB contract from three years to five years due to the length of the approval process.
- Leverage the geographic and culture diversity of the City in promoting tourism: Be more inclusive.
- Tracking visitor engagement: Incorporated into the Chicago contract. Includes collecting, analyzing, and reporting on data regarding tourists' experience, for the purpose of making policy changes or recommendations to the Mayor or City Council.
- Formalize the cost recovery of the Department budget: Make it formal through the contract, in a broad scope.

The next step would be for the Department to draft a contract and come back to the Commission for their review and suggestions.

(Note: Quorum was achieved at this point and agenda items resumed its standard order.)

ITEM NO. 2 PUBLIC COMMENT

There was no public comment.

ITEM NO. 3 APPROVAL OF THE MAY 7, 2014 MINUTES

The minutes were unanimously approved.

ITEM NO. 4 MONTHLY STATUS REPORTS FOR APRIL 2014

A. AEG

Mr. Gessner presented AEG's monthly report and highlighted the following:

1. 23 events were held in April. The report has changed to identify conventions, trade shows, corporate events and a breakdown in attendance (registered verses attendance). Highlighted were:
 - Over 130K total attendees
 - National Cable and Telecommunications
 - Lucrazon Global
 - DUB Magazine Custom Auto Show
2. Film Shoots
 - 4 total
 - Over \$33K net revenue
3. Budget
 - Finances are doing well, \$417K favorable for April, \$1.1M favorable year-to-date (YTD)
 - Rental is \$187K above forecast, and \$312K above YTD forecast
 - Food and Beverage \$1K above forecast, and \$107K below YTD. Note: AEG will be negotiating a new contract with Unite Here, Local 11.
 - Utilities are \$3K above forecast and \$44K below YTD
 - Parking Revenue is \$25K above forecast and almost \$.5M above YTD
 - Expense are \$132K better than forecast and \$335K above YTD
 - Wages \$81K better than forecast and \$213K better YTD

B. LATCB

Ms. Kirklighter presented the LATCB monthly report and highlighted the following:

- Mr. Darren Green and Ms. Ellen Schwartz (AEG) are currently on a sales mission in Washington D.C. and New York with a goal to secure existing business and attract new business. The mission is reported to be going well.
- Upcoming Summer and Fall events
- Lead production is on track to reach the goal of 200.
- Booked room nights increased to 145K due to the booking of Adobe.
- New prospects include IBM, Astra Zeneca, and NBA.
- Appendix E (b), Assist Conventions, Business Meetings and Trade Shows is at 399 YTD
- Appendix E (c & d), Pre-Promote Los Angeles is at 6 YTD
- Upcoming key dates:
 - NYC and D.C. Sales Mission, June 2 - 6
 - GBTA, July 27-30

- LATCB Customer Advisory Board, September 7-9
- IAEE, December 9-11

ITEM NO. 6 ETHICS / CONFLICTS OF INTEREST TRAINING

Ms. Renee Stadel gave the Commission a broad overview of Conflict of Interest laws and the City's ethics laws. Reviewed were the following:

- State Political Reform Act (main state law that governs conflict)
 - Restrictions include laws relative to stock, real property, sources of income, 10% or greater interests in a business.
 - State law prohibits a commissioner from accepting, soliciting, or directing a campaign contribution.
 - As a City Commissioner, you're prohibited from engaging in fundraising for a City candidate, but you can contribute, subject to the contribution limits, and endorse a candidate.
 - If fundraising for a non-City candidate, you must be careful that it will not be someone who would come before your Board.
 - Examples were given of when a commissioner would need to recuse themselves. When this occurs, a commissioner must leave the room and fill out a recusal notice form, per the City's Administrative Code.
 - Penalties for violation vary from administrative to criminal.
- Government Code Section 1090 (conflicts in contracting)
 - A statute that prohibits public officers, employees, and some consultants from being financially interested in contracts that are made by them or by their Board.
 - The idea is to avoid divided loyalty.
 - A contract found in violation is void from its inception.
 - Penalty for violation is a felony, possible jail time, and permanently barred from holding office in California.
 - If a Board is conflicted, the City Attorney's office is asked to write a report and it is referred to the Board of Referred Powers, which consists of five City Council members, and act as the Board.
- Charter Section 222, City's Appearance Standard (stricter standard than Political Reform Act and Sec. 1090, may involve finance and personal interests)
 - One must recuse themselves if there is any personal interest they will appear before their Board.
 - If one is an attorney and a client of your law firm is appearing before your Board, one must recuse themselves as it would be considered a divided interest.
 - If one is on a Board of a non-profit and they appear before their Board, one must recuse themselves.
- Common Law Doctrine, Conflict of Interest (relative to judicial matters)
- General Rule: One should avoid situations where your official actions may appear to affect your private interests.
- Ethics Law was reviewed
 - The City Ethics Commission advises and enforces the City's ethics ordinance
 - The goal of ethics law is to ensure objective decision making.
 - City policy requires a Form 460 to be filed

- City policy has additional restrictions on gifts
- Special rules for Commissioners relative to fundraising ban, lobbying ban, and contract ban.
- Individual Commissioners may not participate in any contract matters (e.g. cannot meet with contractors). Commissioners can ask questions and make recommendations in a public meeting only. This includes licenses that would appear before the Board.
- Individual Commissioners cannot discuss their personal businesses with City Officials.
- State gift limit is \$440. City limits are \$100 for restricted sources, \$0 for lobbyist and lobby firms.
- State constitutional prohibition on accepting free or discounted passes from a transportation company. Acceptance can remove you from your position.
- Restrictions on receiving money to speak.
- Penalties can vary from administrative, fines, and felony charges.

ITEM NO. 7 AGENDA FORECAST / SPECIAL TOPICS

- The next meeting scheduled for June 18, 2014 will include the discussion of Plan B and Hotel Strategy.
- The LATCB contract will be an agenda item until such time it is approved by the City Council.

ITEM NO. 8 ADJOURNMENT

The meeting was adjourned at 10:19 a.m.