

Date: 4/1/2021

Teams meeting: Rachel Copes (SCSA) and Darren Wong (ManCo)

1. April O&M Invoice
2. FY2019/20 Non-NFL Event Review

**MINUTES FROM
STADIUM AUTHORITY/STADIUM MANAGER
NON-NFL EVENT REVIEW MEETING
April 8, 2021 | 3:30 – 5:00 p.m.
Microsoft Teams Meeting**

ManCo/Stadium Manager Attendees:

Jihad Beauchman, Vice President, Deputy General Counsel
Darren Wong, Director of Accounting
Caitlin Ritchie, Senior Accountant

Stadium Authority Attendees:

Kenn Lee, Treasurer
Christine Jung, Assistant to the Executive Director
Rachel Copes, Senior Management Analyst
Jimmy Nguyen, Management Analyst

Introductions were made and Treasurer Kenn Lee started the meeting by going over some housekeeping rules. He stated that the meeting would focus mostly on follow up items from his December 1, 2020 letter to ManCo's Chief Financial Officer Scott Sabatino. He acknowledged that ManCo's Director of Accounting Darren Wong sent an email about not recording the meeting or taking screenshots but noted that the majority of meeting was focused Non-NFL event items. Mr. Lee stated that the Stadium Authority had previously received Non-NFL event documents via USB thumb and asked why there was now a change in direction from past practice and why is there a need to not take screenshots.

ManCo's Vice President, Deputy General Counsel Jihad Beauchman responded that all the documents that were transmitted in the OneDrive file that was shared with the Stadium Authority staff would be covered. Their request for no recording or screenshots was just in the case there was some sort of payroll or wage information that appeared on the screen. He noted that they wanted to make sure that information stayed confidential. Mr. Beauchman added if there are items that showed up on the screen that Stadium Authority staff needed, they could request it.

Mr Lee asked Mr. Beauchman if something came up on the screen that they didn't want the Stadium Authority to have could he let staff know. Mr. Beauchman responded if there are things that weren't provided, and if Stadium Authority staff wanted something to just ask. He didn't want to go back and forth about whether something was confidential or not. He added that he believed 90% of what the Stadium Authority staff needed had already been provided. Mr. Lee said that he wanted to make sure his team had free range in terms of note taking and could get what they needed to validate the supporting documentation. He said that if Mr. Beauchman can note when something shouldn't be taken down the team could have free range in note taking. Mr. Beauchman said if something specific came up he would let the Stadium Authority know. He added with that said, they didn't want everything recorded. He provided example of his living room.

Mr. Lee confirmed that the meeting was not being recorded by Stadium Authority staff and asked if the Stadium Manager staff were recording the meeting. Mr. Beauchman confirmed they were not recording the meeting. He asked if Microsoft Teams would let people know if the meeting was being recorded. Senior Management Analyst Rachel Copes confirmed that Teams, like Zoom, would also notify people if a meeting was being recorded.

Mr. Lee stated that the goal was for his team to ask questions about the Non-NFL documentation that the Stadium Authority received from the Stadium Manager. He asked if the Stadium Manager had any conversations with Councilmembers about the meeting and the issues being discussed, so he knew what had already been discussed. Mr. Beauchman answered that the Stadium Manager has met with Board members over time. He did not know if the information being discussed had ever been communicated to the Board members.

Mr. Lee asked about the Stadium Manager's four-month delay in providing the requested information from when he had originally sent the letter on December 1. He noted that his goal was to close out FY 2019/20 as soon as possible and asked why it took so long for them to respond. Mr. Beauchman answered that the Stadium Manager's focus had been on the budget and making sure that the Stadium Authority got everything it needed for the budget. Mr. Beauchman said as time became more available, they focused on responding to the Stadium Authority and their priority was now to provide those answers.

Mr. Lee began sharing his screen to show the letter he sent to Mr. Scott Sabatino, which outlined all the items that were pending additional documentation and/or responses from the Stadium Manager. The first event on the list was the Monster Jam event held on April 13, 2019. The Stadium Authority's first set of questions for the event were regarding Mission Trail invoices. Mr. Lee noted that several questions regarding Mission Trail invoices were repeated in the letter for various events because the Stadium Manager had included their calculations in handwritten notes and the Stadium Authority wanted to better understand how the costs are allocated. He asked how the Stadium Manager came up with what amount to charge based on the monthly garbage bill. The second set of questions related to an invoice from Schindler. Mr. Lee asked how elevator repairs were related specifically to Monster Jam instead of other events. The third set of questions were regarding Teen Challenge. Mr. Lee said that staff were looking for contract that described the services and provided details on whether we should be paying beyond the minimum wage. Last question was regarding US Bank parking fees which appeared monthly. Mr. Lee then offered to let Mr. Wong or ManCo's Senior Accountant Catlin Ritchie share their screen.

Mr. Wong started sharing his screen and started providing answers to the questions. He said that the Stadium Manager generally allocated their Mission Trail costs for events by pull dates and their respective load in and load outs. He shared that the charge is the time period from April 9 through April 17, a few days before and after the Monster Jam. He noted that the copy of the invoice that was uploaded in the OneDrive file included added highlighting that identified the costs/lines for the Monster Jam event. Ms. Copes asked for clarification about how the Stadium Manager determined that a load in would be specific to an event if it didn't happen on the event date. She asked if there was a specific date range.

Mr. Wong said that the Stadium Manager's Stadium Ops team could probably better explain the process but that generally there aren't any other ticketed events the weeks leading up to the event or the weeks after the event so it's pretty clear that anything done during the loading period are considered costs of that event because there is nothing else happening in the stadium. Ms. Copes asked whether the Stadium Ops team was reviewing the invoices and whether it was their handwriting on the invoices, which Mr. Wong confirmed. Mr. Wong asked whether there were any other questions concerning the Mission Trail invoice for the Monster Jam event. Ms. Copes said that staff hadn't had a chance to add up the costs yet and asked whether there would be an opportunity to ask additional questions after that review was complete, which Mr. Wong confirmed there would be.

Mr. Lee said that he also had general questions because he didn't have enough time to review all the documents that Mr. Wong uploaded an hour before the meeting. He said that he noticed that there was a lot of handwriting on the invoices. He asked if the calculations were also being done in Excel or if they were always allocated via handwriting. Mr. Lee noted that the process seemed pretty manual when looking at the bill. Mr. Wong answered that they have talked to the Stadium Ops team about doing the calculations in Excel. He noted that their AP team was checking the math and handwriting. Mr. Lee said that he only brought that up from an efficiency standpoint because having the calculations in a different format would have prevented some of the follow up requests if things were documented in Excel. Mr. Wong said he was also a fan of automation and had asked the Stadium Ops and AP teams and vendors to do the same and incorporate that into their process.

Mr. Lee went on to the next question under the Monster Jam Event, which was regarding the invoice from Schindler Elevator. Mr. Wong shared that Schindler provided an elevator service, to make sure that there are no mechanical issues with elevator. He noted that Schindler was there on standby for the event to make sure that the elevators were operating without issues and he included an additional page of documentation that he uploaded. Ms. Copes asked whether the vendor came to all events to make sure nothing happened. Mr. Wong deferred to Ms. Ritchie to answer whether the vendor was present for every event. She said that it was done for every ticketed event but the vendor was not there for every catered events. Mr. Lee noted that he didn't review that specific backup document yet and asked whether Mr. Wong and Ms. Ritchie thought that it clearly tied back to Monster Jam. On his screen, Mr. Wong showed the Schindler original invoice that was submitted and the second page that documented that the preventative maintenance was provided for April 13 and the description for services.

Mr. Lee moved on to the next item for the Monster Jam event, which was for Teen Challenge, and contained questions about the contract and billed rates. Mr. Beauchman answered that there's no specific contract for Teen Challenge. He explained that Teen Challenge was a 501C charity that has 18/19-year-old, at-risk youth go to a location and provide assistance and as result, donations are provided to the organization. Mr. Beauchman said that was a charge to the promoters and that the Stadium Authority was not paying for anything related to the charge nor did it owe any additional costs. He said the operator of the event provided this donation to the Teen Challenge Organization for their help with moving things, laying things for people, and preparing things prior to events. Mr. Beauchman restated that there weren't specific contracts with the organization for services. He added that the charge was a donation for a 501C and it was common in the event business to provide such organizations with donations for their help. Mr. Lee asked whether the youth were volunteering, which Mr. Beauchman confirmed.

Mr. Lee asked about the \$15 rate on the invoice. Mr. Beauchman said that they were providing a donation to the organization that is working to provide structure to the at-risk youth. Mr. Lee asked for clarification regarding Mr. Beauchman's statement about the service/donation being organized by the promoter. Mr. Beauchman clarified that they organized the service but promoter was charged, not the Stadium Authority. Ms. Copes asked where that got charged because she would expect to see it offset (zeroed out) and to see some sort of supporting documentation. Mr. Beauchman answered that the charge was part of the settlement document and was included in the settlement number although it was not portion out to specific line items. Mr. Lee asked for more clarification. Ms. Ritchie answered that the charge wouldn't be called out specifically but it would be charged as labor from promoter. Ms. Copes and Ms. Ritchie discussed the settlement documentation and supporting details. Mr. Lee said the program sounded like a good thing to do for at-risk youth, but staff were just trying to understand the transaction.

Mr. Lee moved on to the last item for the Monster Jam event, which pertained to the monthly US Bank parking fee. He asked Stadium Manager staff how they allocated the cost back to Monster Jam. Mr. Wong responded that they had a merchant account for ticketed Non-NFL events which had a monthly fee associated with that. He said the entire monthly amount was allocated to Monster Jam because it was the only event for April 2019.

Mr. Lee asked whether they used the merchant processor for NFL games. He noted that the team used the same parking lots for games and asked how they distinguish that the charge was only for the Non-NFL side vs. NFL side. Mr. Wong said that they knew when to use it for NFL games vs. Non-NFL events. Ms. Ritchie added that there were two separate accounts. Ms. Copes asked for a better description of the processor and whether they were the mobile credit card machines that were brought out. Mr. Wong said that he thought that was right based on his own experience of going to games and events. He said as there were different terminals being used for parking when they ran people's credit card to park. He added that he knew there was separation because the fee charges went into the Non-NFL bank account.

Mr. Lee asked if there was any additional backup that the Stadium Manager could show staff, such as the IDs for Non-NFL vs. NFL events. Mr. Wong said he couldn't think of what else can be included. He said if Mr. Lee felt like he needed something else he would have to figure out what that could be. Mr. Lee suggested the Stadium Manager providing a snapshot of the bank accounts or some other documentation that validated that the merchant processors were not being used for NFL events.

Ms. Copes said unless the Stadium Manager named the merchant ID differently, e.g., Non-NFL, there wasn't a way to verify the parking fees are coming into that account. She suggested other ways to validate the fees to ensure separation between Non-NFL and NFL parking. Mr. Wong provided an example based on his previous work experience and stated that different terminals are used for Non-NFL and NFL events. He added that it is a common practice but he didn't know how to show it. Mr. Lee provided an example of how the City distinguished what charges from different departments. He said he was trying to think of what they can show that will tie back to different accounts and would be a straightforward document. He said that was an outstanding item.

Mr. Lee noted that there was the same question about Mission Trail invoice for the Wedding Fair event, which Mr. Wong appeared to already have answered in his prior response and that SCSA staff would go through the backup that Mr. Wong uploaded an hour before the meeting. Mr. Wong provided additional background by stating that the Bay Area Wedding Fair was a ticketed event but was not a traditional ticketed event because the attendance was very low. He noted in terms of categorization, it is technically a ticketed event but was really more like a catered event which is how the Stadium Manager treated it. Mr. Wong shared that for catered events they took all the charges for Mission Trails that was not attributed to ticketed events and NFL events then they pro-rated that remaining amount to catered events based on attendance.

Mr. Wong showed the Mission Trail invoice on his screen which highlighted charges for catered events in blue and handwritten detail which includes number of attendees, etc. Attendance for the Bay Area Wedding Fair event divided by attendance for all catered events (5,478). He noted that this was an example to Mr. Lee's point of putting things in Excel. Mr. Lee asked if the Stadium Ops team do the review, which Mr. Wong confirmed. Mr. Wong said Stadium Ops reviewed invoices and provided the handwritten notes then the trash pickup, timeframes and whatever is left is allocated to catered events and included in the total. Mr. Lee said it seemed

like a lot of effort to handwrite everything, but it was helpful to know the methodology so SCSA can go back and review.

Mr. Lee went down the list of questions and the next item was the May 19, 2019 US Women's Soccer. Mr. Lee referenced the questions regarding Mission Trail and Teen Challenge and acknowledged that Mr. Wong already generally explained those items but if there was anything else to share to let staff know. Mr. Lee noted there were also charges for travel and FedEx and asked Mr. Wong to explain how they tied back to the event.

Mr. Wong said it was first time they hosted a women's soccer event, so they sent a staff person to Denver to review how the events ran, which were what the travel costs were for. Mr. Lee asked if it was a ManCo employee who traveled. Mr. Wong said he would have to go back to confirm if it was a ManCo staff but he imagined it was.

Mr. Lee asked about the FedEx charge. Mr. Wong said the \$13.67 FedEx was due to a coding error. He noted that ManCo coded it as an advertising cost but it should have been postage. He explained that they researched into the item and discovered it was a postage charge. Mr. Wong screen for that invoice. He said INTLS01-201, MONST01-20 (as listed on the invoice) was an internal reference and the charge was to mail a check to HERC Equipment Rental. He shared that INTL is their code for soccer events and the charge should have probably been divided between two events (Monster Jam and Mexico soccer game). Mr. Lee asked ship date which was in July 2019. Mr. Wong answered that it was a rental payment so the check was sent in July and they probably FedExed the check because the vendor wanted it paid.

Mr. Lee moved on to the next item in the letter which pertained to the international soccer event. He noted that the question was about Mission Trails garbage and asked Mr. Wong to confirm that his previous explanation about how the garbage costs were allocated applied to this event. Mr. Wong confirmed that the same concept was applied to the event and that new additional highlights should help SCSA staff.

Mr. Lee moved on to the Rolling Stone event. He asked for more details about an ABM invoice that reflected services that occurred about four months prior to the event, an United Site Services invoice that reflected an installation date that occurred several weeks after the date of event, and a Golden State invoice that was dated was after the event. He added that there was also a Mission Trail garbage invoice, another ABM invoice that had no date, and a Nelson contract that had no date.

Mr. Wong noted that his statements were general statements about the vendor. He shared that ABM typically sent an initial draft of invoices, and he guessed that they were trying to provide the invoice as soon as possible so that his team would pay it. He added that's probably why the vendor didn't use invoice numbers. Mr. Wong shared that the vendor also admitted that they use a template and would include an invoice number when they finalized the invoice for payment so what the Stadium Manager had previously provided to SCSA was the draft invoice, not final. He said he uploaded the final invoice that day and showed the original draft invoice with no invoice number vs. final invoice on his screen. Mr. Wong said the final invoice did provide an event date and the job number matched what was included in the original draft invoice. He said that it was unfortunate that his team sent the original invoices and now they know to send the final versions that the vendor submitted.

Mr. Lee said Mr. Wong's response answered both questions regarding ABM and moved on to the questions about United Site Services. Mr. Wong started sharing his screen and asked Mr.

Lee to confirm that his question was about the date. Mr. Lee said yes, and that the event occurred a couple weeks prior to the date in the invoice. Mr. Wong said that was the vendor's error. His team went back and it was actually Chargers game so they will correct it and credit the SCSA. He added that they didn't catch the error originally because the vendor included the wrong label (Rolling Stones instead of Charger's).

Ms. Copes asked where the Stadium Authority would see that credit in the general ledger information. She asked whether it show up under Rolling Stones or Other. Ms. Ritchie said she believed it showed up under "Other" in the past. Mr. Wong said their general approach was if a charge was for another event, they would put it under "Other".

Mr. Wong moved on to the Golden State item on Mr. Lee's list and said they provided the contract so he could review it and let them know if he had any questions. Mr. Wong said Golden State provided radios that the Stadium Manager used during the event. Mr. Wong said the Purchase Order (PO) does refer to Rolling Stones for August 18 but the vendor made a mistake by putting an August 10 date. He said he didn't know what else they could do to address the issue. Mr. Lee asked him to show the invoice that he was referring to, which Mr. Wong does.

Mr. Wong said you can see that they put the Rolling Stones PO and then pulls up the contract and then referred to vendor's reference to the event date as August 18. Mr. Lee asked if the Stadium Manager used Golden State for every event. Mr. Wong answered said he thought so for radio rentals because Golden State was a common vendor. Ms. Copes asked Mr. Wong to scroll down to the pricing, which he does to show the pricing per rental. Ms. Copes said she wanted to see it so that SCSA could cross reference the numbers.

They moved on to the next items on the list, which were the Nelson and Riddell invoices. Mr. Wong said that Nelson was a temp staffing firm that the Stadium Manager used to provide temporary labor, which was a common practice for stadiums. Mr. Lee said the invoice didn't have any details and asked Mr. Wong to provide more information like who they hired, the positions that were hired, etc. He asked Ms. Copes to add if she had any other questions.

Ms. Copes said the first invoice that she reviewed just had a date and showed ManCo hours and a charge of \$2,700. There was no additional backup. Mr. Wong said that was what Nelson provided and the Stadium Manager redacted the employees' names. He added that when temporary employees entered their time they had to pick a code/event to charge their time to and that's where the charge comes from. Ms. Copes asked Mr. Wong to confirm that the Stadium Manager provided the redacted version in the upload, which he did. Mr. Wong added that a lot of this was credited back.

Ms. Copes said that she didn't have that supporting detail unless she missed it. Mr. Wong said he thought it should be there and asked Ms. Ritchie to confirm. Ms. Ritchie said it should be under Staff. Mr. Beauchman asked if this was information that the Stadium Manager just provided or the original information. Mr. Wong answered that it was provided back in July. Ms. Ritchie provided the files where the event day stuff was located. Ms. Copes said she would look after the call and let them know if she couldn't find it.

Mr. Wong went back to the Nelson invoice and referred to the Code of Conduct code that was used and said he confirmed with the Stadium Ops team that is something they used to help eject people from stadium as allowed by the Stadium's Code of Conduct. He said Nelson continues to use Code of Conduct as the type of work that the temporary workers are doing.

Mr. Wong moved on the Riddell invoice and said that the invoice was for helmets. He said it was a request from the Rolling Stones promoters that they wanted to use the helmets as marketing and costs were billed back to the promoter. He said he didn't know which line item it would show up under but the amount was covered under the settlement. Mr. Lee asked him to confirm that SCSA would be able to see that detail in the settlement. Mr. Wong answered he didn't know what details the SCSA had for the settlement but there was a line item for \$4,000, which included the \$2,175.75 amount for the helmets. Ms. Ritchie confirmed that amount was included in the settlement. Mr. Lee asked for more clarification on the settlement document and when SCSA and the Stadium Manager would cover certain charges.

Mr. Beauchman explained that promoters agreed to cover certain charges that they would be responsible for reimbursing. For example, they may ask for these helmets and do what they want with them. The amount shows up in the settlement and the costs get sent back. Mr. Lee thanked him for the clarification and asked if SCSA had all the event contracts. Mr. Beauchman said he thought SCSA should have all the venue use agreements and Mr. Lee said he would have to work with Ms. Jung who said she would check the OneDrive folders that the Stadium Manager uploaded venue use agreements to and get back to them to see if any were missing.

Mr. Lee moved on to the High School Football Series event held on September 6, 2019. He said the issue was an ABM invoice that had no invoice number. He said he assumed that was same issue as Mr. Wong had covered before and asked if the Stadium Manager provided the final invoice, which Mr. Wong confirmed. Mr. Lee asked if the Mission Trail issue for the event was also covered by the same explanation provided earlier. Mr. Wong said yes and noted that the event was a ticketed event but given the low number of attendees the Stadium Manager treated it like a catered event.

Mr. Lee moved on to the Pac 12 Championship Game held on December 6, 2019 which had pending issues with Mission Trail, Golden State (NFL event date), United Site and Herc Rental invoices. Mr. Wong pulled up the Golden State invoices and explained there was a vendor error: PAC 12 2018 was in fact for PAC 12 2019 and the December 6, 2019 date was correct. Mr. Lee asked about the other Golden State invoice that had an issue. Mr. Wong pulled up that invoice and explained that the vendor provided the wrong PO. The invoice included "L&D" which stands for loss or damaged equipment. He explained that the vendor bills the Stadium Manager for lost or damaged radios a couple weeks after the event. Mr. Wong said that was a cost that was included in settlement so the promoter covers the costs. Mr. Lee asked if it was just lost or damaged radios or if all radio costs are charged to promoters. Mr. Wong asked Ms. Ritchie to weigh in and she responded that she would take a look at the settlement and let SCSA staff know.

Mr. Wong continued with the pending items for the Pac 12 event and said the Mission Trail invoice was covered by same answer that they provided earlier. He said the United Site Services invoice had a similar issue to the other United Site Services invoice and pulled up the invoice. Mr. Wong explained that the vendor put "PAC 12", so the Stadium Manager saw that designation and charged the costs to the PAC 12 event but then went back and saw that it was for a NFL game date so they credited back those costs to SCSA in FY 20. Ms. Copes asked if SCSA should expect those costs in the "Others" line item. Mr. Wong answered yes, it would be in "Others" but didn't know if it was one lump sum or not.

Mr. Wong moved on to the Herc Rentals invoice and explained that the Stadium Manager rented light towers for a Packers game and to save on delivery fee for the PAC 12 event, they

left the light towers at the stadium to save money but the invoice's services was for PAC 12. He added that this was included in the original package that the Stadium Manager submitted.

Mr. Wong moved on to the last item which was for Professional Services Allocation. He explained that they hired two employees specifically to coordinate major college football games. One employee charged to Redbox Bowl, CFP, and PAC-12. There was some final clean up but their remaining 97% payroll was split 72% to PAC-12, and 25% to Redbox Bowl. [REDACTED] Mr. Lee asked for clarification about a full year's worth of salaries for two employees who are split between three events. He said these are one day events and asked what those employees did the rest of the year.

Mr. Beauchman said the two employees are in charge of operating the three events, similar to when you have concerts you have promoters operating the concerts. These two individuals are tasked with primary points for these events and most of their FY 19 was focused on the remaining two events (Redbox Bowl and PAC-12). Mr. Lee asked whether they were full time employee or contractors. Mr. Beauchman said these are ManCo employees who are working for these events and this was a payroll expense for these two individuals who were working on behalf of ManCo.

Mr. Lee asked for the employees' classifications, job titles, and timecards noting that if the individuals are ManCo employees then SCSA should have some detail to validate what work they are performing for these events. Mr. Beauchman said their job titles were "Director of [Name of Events]" and that their titles were specific to the work that they were doing for the events. He added that if Mr. Lee was looking to see their payrates and other things like that the Stadium Manager may be able to set up time to go over that information but they don't want that information tied back to staff.

Mr. Lee asked about the other staff in the packet. Mr. Wong said these were in the original packets that SCSA had. Mr. Wong moved on to the RedBox Bowl questions about Professional Services Allocations. He said for the first employee and second employee the costs were based on time of year and their focus. He said their time from April 2019 to June 2019 was spent on wrapping up College Football and after that through January 2020, their time was focused on RedBox Bowl. Mr. Lee asked Mr. Wong if he could provide details about their job duties and referenced the brand ambassador position.

Mr. Beauchman explained that that employee worked more on the operational component of the event and focused on working with venues, hotels, and practice facilities. He said the other two individuals were working on larger items like working with the Pac 10, etc. and managed the Bowl Game together. Mr. Lee asked if that was similar role to what ManCo's Executive Vice President and General Manager, Jim Mercurio, would do for the games. Mr. Beauchman explained that Mr. Mercurio would prepare the stadium for the events but he didn't with departments to make sure that the graphic displays work, etc. and that Mr. Mercurio's focus was more on the stadium itself like security, getting parking lots ready, and other event specific things. For these events, these two people are more focused on working with partners.

Mr. Lee moved on to the Mission Trail invoice and asked if there was anything else to add, which there wasn't. He then went over the Golden State invoice, which was dated three weeks after the Redbox Bowl event, and asked for clarification. Mr. Wong explained that it was another "Lost or Damaged" radio item, which explained the time difference. Mr. Lee went on to the Professional Services Allocation item and said that Mr. Wong already covered it.

Mr. Lee then asked about a Bayprint Solution invoice which was dated for April 2019 which was eight months before the Redbox Bowl event. Mr. Wong said before he explained the Bayprint invoice, he wanted to talk about the Mission Trail invoice. Because the event was on December 30, there are two invoices that covered the costs related to the event. He said there would be a small dollar variance if SCSA went back to recalculate the costs. Regarding the Bayprint Solution invoice, he said the Redbox Bowl game was promoted for several months leading up to the event to encourage ticket sales. BayPrint helped promoted the event through pods at the Faithful Mile. Mr. Wong showed SCSA staff pictures of some of the marketing items (e.g., pod). Ms. Copes asked Mr. Wong to explain what the Faithful Mile was. Mr. Beauchman chimed in and explained that it was an area where they had pods to promote certain things. He said that there was a pod that was dedicated to promote the College Football Playoffs, Redbox Bowl and PAC-12.

Mr. Lee said that he thought that was it in terms of pending questions. He said that SCSA staff would go back and look at additional documents that Mr. Wong uploaded and the outstanding items. As a pending item for the Stadium Manager, they would go back and look for clarification on the merchant processor for parking.

Mr. Lee had additional questions about the two ManCo employees who oversaw the college football events and asked if they had employee contracts and if so, whether those were shared with SCSA. Ms. Jung clarified that SCSA did not receive employee contracts. Mr. Beauchman said he would find if they did. Mr. Lee said it would be helpful to see their contracts to better understand what they did.

Mr. Lee also asked about pending items from the previous week's Shared Expenses meeting and several follow up correspondence that went out. He asked if there was a way to get those pending items quicker. Mr. Beauchman said he anticipated providing a response within the next 24 hours. Mr. Lee said that he appreciated the meeting but noted that it was a year out from FY 19/20 and the Stadium Manager has issued revolving loan. He said that both sides acknowledged there was delay and now there is a revolving loan. Mr. Lee asked if there is a more efficient process to review the items quicker. Mr. Beauchman said he believed there were some ways to avoid the wait from when SCSA provided questions and Stadium Manager provide documentation. He said that he understood if things came up but they wanted to get paid when things are due and SCSA probably want to avoid getting charged the 12% interest. He suggested that they provided items during year end and said that he thought the Financial Management System would address these issues. Mr. Lee said getting 7,000+ records as the SCSA closing out the year made it difficult to review everything and recommended meeting monthly to review items. He added that the Financial Management System and being able to see things live should help make things more efficient.

Mr. Beauchman referenced the various contracts between ManCo and SCSA and said the contracts were set up in a way that ManCo fronts the money. He said there wasn't ever a case where the Stadium Manager didn't true up something if there was an issue and provided the example of the United Site invoice. Mr. Beauchman added that from their perspective the contracts were set up by the parties and the Stadium Manager was not in the position to change what the contracts say. He said they understood SCSA's concerns but it's different than waiting to get back reimbursement. He added that once the Financial Management System is in place then SCSA can live track things but they weren't in a position to depart from what the contract says.

Mr. Lee noted that FY 19/20 was the first time there was a significant loss. He said he didn't think there was any issue fronting the costs in previous years when there was profit; however here we are one year later and still in the review process and didn't have a chance to review the items until the revolving loan was issued. Mr. Lee added that this is the same process since the inception of the stadium and SCSA hasn't veered from prior year's process. Mr. Beauchman said that it was a little different this year because this was a year where there was an expense that wasn't expected or known until later in the year. He said once that expense was known, they were happy to go through the process of validation but noted that the expenses are required to be fronted. If there are concerns with costs they were happy to look at the issue and adjust as needed but 49ers shouldn't have to pay upfront for the expense and once its known, hold off until its reviewed. He acknowledged things were different because of the loss but he didn't think that changed the presumptions under the contract of funding the expense as they come up and having to true up the items later on. He added that FY 19/20 was different and they were looking forward to FY 22 when there would be a shared Financial Management System and they wouldn't have to worry about whether SCSA had documentation and validation.

Mr. Lee said the meeting was helpful in terms of resolving the pending Non-NFL documentation item. He asked if there was a preferred method to resolve other pending items. Mr. Beauchman said they could set up a 30-minute call to walk through what they have and things that he could email Mr. Lee and things that need to be viewed via Microsoft Teams. He added in some cases they could resolve things easier than way. Mr. Lee agreed that it was more efficient to have a direct conversation rather than writing a letter or having other staff call each other.

Mr. Beauchman asked if everybody felt comfortable with what was reviewed. Mr. Wong added that the review for FY 20/21 should be a lot easier because there were no events. He added that there used to be a process to review the P&L periodically throughout the year and that might be a way to do things efficiently. Mr. Lee said it would be efficient to review the things that the Board directed him to review often. He added if the Stadium Manager was open to a more frequent review then he would work with Mr. Wong or Mr. Fong to set up those meetings.

Ms. Jung shared that SCSA may have some questions regarding a separate item that the Stadium Manager requested Board approval (electrical maintenance and repairs agreements). Mr. Beauchman responded that he would review the questions once he received them and would try to respond back. The meeting ended with Mr. Beauchman referencing the letter that Mr. Sabatino sent to Mr. Lee and letting SCSA staff know to ask if they had any follow up questions.

**MINUTES FROM
STADIUM AUTHORITY/STADIUM MANAGER
MONTHLY COORDINATION MEETING
April 15, 2021 | 9:00 – 10:30 a.m.
Zoom Meeting**

ManCo Attendees:

Jim Mercurio, Executive Vice President & General Manager
Jihad Beauchman, Vice President, Deputy General Counsel
Jas Sajjan, Senior Manager, Public Affairs & Strategic Communications
Emily Matthews, Manager, Public Affairs & Strategic Communications

Stadium Authority/City Attendees:

Deanna J. Santana, Executive Director
Brian Doyle, Stadium Authority Counsel
Ruth Mizobe Shikada, Assistant City Manager
Kenn Lee, Treasurer
Christine Jung, Assistant to the Executive Director

A G E N D A

1. COVID 19 – Vaccination Site Update

ManCo's Executive Vice President & General Manager Jim Mercurio thanked the SCSA/City team for sharing information about a pipe break. Mr. Mercurio noted that there haven't been any issues with traffic getting in and out so far. He shared that the team was going to start increasing the number of vaccination patients/appointments to 9,000-10,000 this week and was worried about the repair work but so far things have been going well.

Executive Director Deanna Santana told Mr. Mercurio that Santa Clara County secured the number of vaccines that it needed to start vaccinating people 16 years old and older and asked whether that would increase the Stadium's number of appointments. Mr. Mercurio said that might happen later on and explained that their number of appointments have fluctuated but they tend to ramp up slowly to make sure they can accommodate the increase in terms of staffing. He said that they'll give SCSA and City an update soon. He asked staff to let the Stadium Manager know if there are updates to the City's repair work.

Ms. Santana asked Mr. Mercurio about a separate topic on the vaccination site. She said that Treasurer Kenn Lee sent a letter to ManCo's Chief Financial Officer Scott Sabatino that concerned the vaccination site and SCSA was waiting for their response. ManCo's Vice President, Deputy General Counsel Jihad Beauchman asked Mr. Lee to confirm that he was meeting with ManCo's Vice President of Finance, Jeff Fong, later that day to cover the issue. Mr. Lee said he was meeting with Mr. Fong later that day but to cover a separate issue regarding viewing an employee contract. Mr. Lee said his letter to Mr. Sabatino covered 4-5 items outlined in the April 2021 Operating Expense Invoice, including utilities.

Mr. Beauchman said the utilities amount in the invoice was the budgeted amount, but the Stadium Manager was tracking the utilities for the vaccination site. He added that the actual amount would likely be less and the actuals would be trued up at the end of the year, which was the normal process. Mr. Mercurio agreed that it would be covered. Mr. Lee clarified that the process was different because of the Board's direction that all backup documentation must be reviewed before payments were made and suggested that if they were invoicing based on estimated amounts

excluding the fact that the vaccination site was to be covered as a NFL Event, they are overstating the amount that should be invoiced. Stadium Authority Counsel Brian Doyle said the Stadium Manager assumed that there were Non-NFL events occurring this part of the year as part of the budget, which is not happening and therefore the budget number should be reduced. Ms. Santana brought up how the Stadium Manager's reasoning about the utilities wasn't aligned with their statement that the vaccination site would be covered by StadCo.

Mr. Beauchman disagreed that the budget was sent with the assumption that Non-NFL events were happening. He stated that their assumption was that they would exclude the NFL events out of the cost and done for Non-NFL events during the six months of the year as they had done in the past. He said they didn't know what the numbers looked like yet and their position was that these were the budgeted amounts and approved by the Board. Mr. Beauchman said they were not going to estimate costs in advance for every month and they would stick with the budgeted amounts.

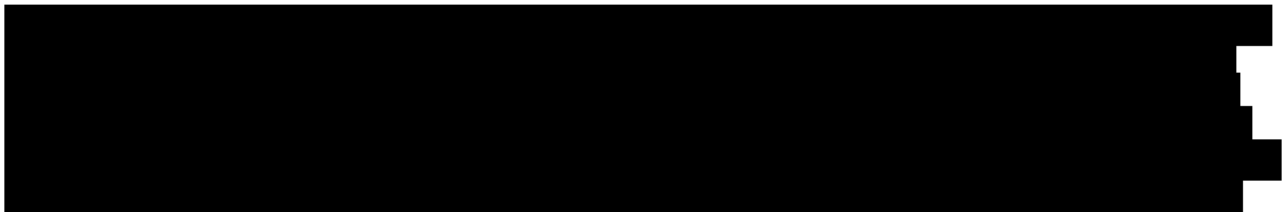
Mr. Lee asked for clarification whether the budget was a generic budget that didn't include the vaccination site. Mr. Beauchman answered that the Stadium Manager developed the budget in December and they didn't know about the vaccination site so didn't include it. He said SCSA would seek credits for that amount. Mr. Lee asked if SCSA's share of utilities were then overbudgeted and that it would be advantageous to get a better estimate. He said the current process made it more difficult to validate everything at the end of the year. Mr. Beauchman disagreed and said that he thought that it would be easier to validate at the end of the year.

Ms. Santana stated that SCSA's concern was the time it would take to complete the true up process if they went with the Stadium Manager's suggestion. She noted that SCSA was still truing up FY 2019/20 and based on Mr. Beauchman's comments there should be some available data right now. Ms. Santana said that however, based on the Stadium Manager's own documents and projections, the true up process was extremely delayed. She asked the Stadium Manager to refine the budget instead of waiting to issue a credit and noted that it made sense as fiduciaries.

Mr. Beauchman said they would bring forth a budget amendment if it made sense but it was hard to estimate the utilities costs. He said that they had worked with Mr. Lee on a couple things and wanted to see whether they could work together to resolve the issues. He explained that the amount for utilities for the month of April was correctly reflected on the invoice. He added that the May invoice was also going out soon so they would take a look at the June invoice to see if required adjustment but they didn't anticipate the vaccination site continuing past that month. Ms. Santana said that staff would look at the documents.

Mr. Mercurio mentioned that it was helpful for everyone to understand that even though there was a vaccination site, they still needed utilities to keep the stadium running. He didn't think that the difference was so great that it required a budget amendment. Ms. Santana stated SCSA wanted to know what the past rate was and to compare it the current rate. Mr. Beauchman responded that they would work on it but the June invoice should be the last. Mr. Mercurio agreed with Mr. Beauchman and confirmed that the Stadium Manager did not anticipate the vaccination site going past June 30.

2. Field Seats for 2021 Season – CONFIDENTIAL



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. Stadium Builder Licenses (SBLs)

a. Digital SBLs: Status on transferring files to SCSA for proper archiving

Mr. Beauchman said the Stadium Manager checked with DocuSign and they are not able to bulk download the executed agreements. He said that there were two periods based on what they could see: one period when the SBLs went to Ms. Santana for signature and then another period when they went to a separate account. Ms. Jung confirmed that SCSA had an email account where all the DocuSign agreements went but didn't see the all the executed SBLs there. Ms. Santana added that the SBLs were not going to directly to her account because staff moved the signature authority to the SCSA account so that other people could review the SBLs. She told Mr. Beauchman that it sounded like the Stadium Manager didn't have access to all the SBL agreements, which Mr. Beauchman answered they did. Ms. Santana shared that SCSA had a 90-day repository and her account hasn't been active since Ms. Jung started working on the

SBLs so she would have to go back and look. Ms. Jung added she looked back at the SCSA Docusign account and SCSA didn't have the same retention policy as the Stadium Manager and that she also shared at the last meeting that she wasn't sure if the emailed SBLs in the SCSA account were the full scope of what was sent. Mr. Beauchman provided some detail about he checked his separate account and how all the SBLs were there. Ms. Santana said SCSA staff would work on the issue and let the Stadium Manager know if they had any questions or need anything else.

b. Confidential SBL Discussion

[REDACTED]

[REDACTED]

c. Status on Confidential SBL Follow Up Items

[REDACTED]

4. Confidential Update from Stadium Manager on Insurance Claim

The City's Risk Manager, Greg Bych, participated in this confidential discussion.

[REDACTED]

[REDACTED]

5. Recent Board Referrals and Other Follow Up Items

Ms. Santana noted that the items below were follow up items from the Board's direction. Mr. Beauchman said he would go through the items one by one.

a. Procurement Plan and Schedule

Mr. Beauchman said that the Stadium Manager was happy to work with SCSA, if it had a designated person in the Procurement or Public Works team who could work with them as a resource. Ms. Santana said that she didn't understand his request given that there were carryforward CapEx projects for which they must have had some sort of implementation strategy when seeking the funding appropriation and the SCSA was asking for the Stadium Manager's plan for the CapEx budget. She added that she didn't understand why they needed a resource for procurement, as they have represented several times that they have the in-house expertise to perform this work.

He went on to say that the Stadium Manager had asked if SCSA wants to be involved with procurements and that they wanted to collaborate. Ms. Santana told him to send his request or proposal to Ms. Jung because SCSA and Stadium Manager's definitions of collaboration were very different. She said she saw the communication from Stadium Manager/49ers staff Larry MacNeil and Rahul Chandhok which demonstrated otherwise. She asked the Stadium Manager to send their procurement plan/schedule and SCSA staff would determine what was needed. She said there was a budget that was created, and funding required, so SCSA wanted to understand how they planned on scheduling the capital projects over the fiscal year (e.g., like a workplan) and figure out our own workload based on their proposed schedule.

Mr. Beauchman said they wanted to work with someone from the City's Procurement or Public Works Department in order to streamline the process and to get SCSA involved as soon as possible. Ms. Santana said she understood what he was saying but she wanted to have the opportunity to receive the Stadium Manager's procurement workplan. She noted that SCSA staff had previously provided support on different issues like prevailing wage but the Stadium Manager wants handholding, which SCSA didn't have enough resources for and that they themselves advocated for less resources for SCSA and for which they now request more resources support of SCSA. Ms. Santana told Mr. Beauchman to stop twisting her words or misrepresenting her comments. She added that they should be able to implement projects like other contractors and directed them to send their projects to Ms. Jung. Mr. Doyle asked Mr. Beauchman to stop misrepresenting Ms. Santana's statements and that the minutes would reflect what was being requested of the Stadium Manager, which was to provide a procurement schedule/workplan. Ms. Santana said it was disappointing that Mr. Beauchman said they wanted collaboration but then there are emails from Mr. MacNeil that do not represent collaboration at all.

Mr. Beauchman requested again to work with a designated person from the City's Procurement or Public Works Department, which Ms. Santana responded that SCSA was not declining the request, but their correspondence should go through Ms. Jung and SCSA would determine who should work on the request. *(It should be noted that City staff proposed capital projects and resources based on their own workplans/project schedules and that if there is a need to support the Stadium Manager with procurements then City staff would need more resources.)*

Mr. Beauchman said the request was just a request and the Stadium Manager wanted to make sure that the meeting minutes would reflect their request. Mr. Doyle confirmed their request would be reflected in the minutes. Ms. Santana stated that she was simply asking for an implementation schedule and/or workplan and it would reveal what level of support was required, if needed.

Ms. Santana said she had been asking for an implementation schedule or workplan for years which is why she asked the Board to direct the Stadium Manager to provide one. She said that is reflected in the minutes. Mr. Beauchman said they were aware of that request and their

position was that the workplan could vary depending on level of involvement with departments. **Ms. Santana said let's start with the schedule or workplan and let the record show that no one denied the Stadium Manager a contact person. She added that the main people involved with SCSA were herself, Mr. Doyle and Mr. Kenn and they would review what the Stadium Manager submits.** Ms. Santana clarified that the SCSA team reviews what is submitted and then determine what resources are needed based on the contracts.

b. Procurement Staffing Levels

In reference to the Stadium Manager's Procurement Team, Ms. Santana asked for the Stadium Manager to confirm that they have one part-time filled position and three vacant position as their current staffing level. Upon Mr. Beauchman's confirmation of those resources levels and vacancies, Ms. Santana asked if they were planning to hire to fill those open positions soon. She also asked if the amount of part-time staff was sufficient to accomplish the procurement of the CapEx projects. Mr. Beauchman said he didn't know where they were at with hiring the vacant positions. Ms. Santana said that filling those vacancies was important and related to maintaining the standard of care.

c. Outstanding Items from March 30, 2021 Shared Expense Review Meeting

Ms. Santana asked Mr. Lee whether there was a scheduled follow up meeting with Stadium Manager staff that day to go over outstanding items. Mr. Lee confirmed that there was a meeting and explained that there were outstanding items from the March 30 meeting and he was meeting with ManCo's Vice President, Director of Finance Jeff Fong later that day to review an employee's agreement. He shared that during that same meeting, SCSA staff also requested the Stadium Manager to provide unique identifiers for Shared Stadium Expenses employees. He said he hoped that the Stadium Manager could provide that information in the spirit of collaboration so SCSA staff can verify employees' salaries without releasing confidential payroll information that was of concern to the Stadium Manager. If this information was not going to be provided, Mr. Lee asked that he meet them at the Stadium tomorrow morning so he could take additional notes and create his own identifiers to get the payment made by the end of the week. He mentioned that the part-time staff documentation that the Stadium Manager sent over was incomplete. Mr. Lee also summarized other outstanding responses from the Stadium Manager regarding their April Operating Expense invoice which were utilities, lender fees, and a line item for Non-NFL Events Expenses. He noted that he understood the Non-NFL Events Expense line item to be a twelfth of the \$600,000 loss that the Stadium Manager was projecting for FY 2021/22.

Mr. Beauchman went over the outstanding items starting with the Guest Services part-time detail. He said that the two other part-time slides that SCSA staff reviewed during the March 30 meeting for the Procurement and Stadium Operations Department showed how much each individual made. He said the only summary information that could be provided was part-time individuals' salaries if they were to go deeper on those item, then it goes into those individuals pay rate. He added that he thought SCSA staff were only requesting the Guest Services part-time training information from the meeting and thought we completed that information. We cannot agree on that item..

Mr. Lee said that SCSA were requesting for the hours for the part-time staff in those other departments. He noted that there was a lot of detail in the spreadsheets and having that information would allow staff to tell the Stadium Authority Board that we have what we need to validate the costs. He said if Mr. Beauchman was saying that's all they could provide then that's all they could provide but if they were able to provide hours for the part-time staff, he could talk to Mr. Fong later that day about getting that information.

Mr. Beauchman asked Mr. Lee if he was able to verify the \$4.2M of Shared Stadium Expenses compensation costs with the information he saw and noted that they thought that the part-time detail was different from validating the \$4.2M. He added that the Stadium Manager had concerns with what SCSA staff will do with the information and the potential release of what they think is private information. Mr. Beauchman said he would go back and see if they can provide summarized part-time salary information to SCSA but it was his understanding that it would only be totals for the groups. Ms. Santana asked if the conversation could be continued later. Mr. Beauchman said he thought that Mr. Fong was just showing an employee's agreement that SCSA had requested to review during that afternoon's meeting.

Ms. Santana addressed SCSA's request for unique employee IDs and said that her concern with ManCo's Chief Financial Officer Scott Sabatino's letter which stated that it was irrelevant. She said it was important that SCSA received that information and added that she thought he had told Councilmember Jain that SCSA would get it. Mr. Beauchman responded he did not say that and he was not involved with conversations with Councilmembers. He said it was his understanding that they were comfortable providing the employees who were charged 50/50 (Shared Expense). He noted that the person whose employee agreement that they were viewing was part of Shared Expenses but they were concerned that individuals' unique identifier could be tied to salaries and other confidential things. Mr. Beauchman said if the issue is about double billing, these Shared Expense employees don't bill to events. He added that he thought SCSA and Stadium Manager staff agreed that the unique identifiers would be part of year-end process but he didn't think that it had anything to do with validating the \$4.2M and they would continue to work with Mr. Lee on the unique identifiers. Mr. Lee stated that the agreement from the March 30 meeting was that SCSA would get names of Shared Stadium Expense employees and their unique identifiers, which he thought was a simple request. He added that if the Stadium Manager wasn't able to provide that detail, then he would request for a 30 minute meeting with ManCo's Finance Director Alex Acton so that SCSA staff could complete their validation by viewing the detail off his screen and making their own identifiers.

Mr. Beauchman said that he didn't think it made sense for SCSA staff to make their own identifiers and that the Stadium Manager could provide unique identifiers. Mr. Lee said he was asking for the unique identifiers categorized by departments. Mr. Beauchman said he would need to run the request by the team because there were some departments with limited number of staff. He added that he thought what Stadium Manager staff showed was sufficient to validate the \$4.2M and their position was that it's a different issue.

Mr. Lee said it was important for the budget and actuals to see what individuals charge and that it was a simple ask. He restated his request to go over to the stadium tomorrow to view the details if the Stadium Manager was unable to provide the unique identifiers. Mr. Beauchman said he thought the Stadium Manager could provide something by the next morning but they still didn't think that was a budgeting item. Mr. Lee responded that SCSA could resolve the issue by end of the week if they had that information.

d. Receipt and Confirmation of All Documents (SOMP, parking, public safety, etc.)

Ms. Jung told Mr. Mercurio that SCSA did not receive the SOMP as part of his emails.

e. Pending Certified Payroll for Recycled Water Line Repairs

In reference to payroll documents that the Stadium Manager previously submitted for the recycled water line emergency repairs, Ms. Santana said that the documents were insufficient based on SCSA's contractor's, Contractor Compliance and Monitoring, review. Mr. Beauchman responded that Contractor Compliance and Monitoring created reports of what was deficient for other projects and requested that she do the same for this project. Ms. Jung asked for

clarification about the report and how it was different than what SCSA sent to the Stadium Manager. Mr. Beauchman explained that not everything that SCSA requested was required for the project. Ms. Santana suggested that the Stadium Manager reach out to Contractor Compliance and Monitoring to see what was missing. Mr. Beauchman said that they didn't want to overstep by reaching out to SCSA's contractor, which Mr. Doyle agreed with. It was decided that Ms. Jung would follow up with Contractor Compliance and Monitoring and request for the report or documentation of what was deficient for that particular project.

f. Pending Invoices and Supporting Documentation for Board Approved Agreements:

a. Silicon Valley Business Journal (Non-NFL Catered Events E-blasts)

b. FedEx and USPS (SBL Notices)

Mr. Beauchman said he would check with his team on the two items but the last item was contingent on return mail from SBL Holders and he believed that they were still waiting on those.

6. Update from Stadium Manager on Existing Projects

a. ADA Parking Layout/Update – Acceptance letter from ADA Consultant

[REDACTED]

b. HVAC Emergency Repair

Mr. Mercurio shared that the HVAC project was wrapping up and the Stadium Manager would submit licenses and permits soon.

7. Update from Stadium Manager on Existing Board Direction (below)

This item was not discussed due to lack of time.

Mr. Beauchman shared that there was one additional item that he wanted to flag that was not on the agenda. He said that the concessionaire agreement with Levy would be extended because there wasn't eight games held at the Stadium during the last season. He said that they wanted to put that agreement on the May 11 meeting agenda. Ms. Santana asked him to share information/documentation with SCSA staff as soon as possible so that the item would make it on the agenda. Mr. Beauchman said the amended agreement should be fairly simple, but the Innovation Funds in the agreement may be modified with the gap year. He said that should be only element with extending the agreement from 12 to 13 years. Assistant City Manager Ruth Shikada asked if that was an operational item in the agreement, which Mr. Beauchman confirmed. He added that the amortization of the funds was not addressed.

Mr. Doyle read the following statement and requested that it be documented in the meeting minutes: "I need to ask you about exactly what you folks meant when you told Councilmember Jain that you wanted me gone. Being from New York, I take the use of that word as a very ominous threat, as in the "sleeps with the fishes" kind of "gone". And if it was only that you were trying to procure my disappearance from defending the litigation against the Stadium Authority so that you could engineer my replacement with a marshmallow as a new city attorney who will hand you a sweetheart settlement, what did you promise them in return? No doubt the voting public would find it odd that elected officials would consult with the people who are suing the city over millions of dollars about who the city attorney should be, rather than consulting their own constituents. Did you offer to orchestrate a smear campaign against me to give them pretextual cover for engaging in such a politically self-defeating act? Please inform Mr. York that there are laws in this country against blackmail and influence-peddling. Just what kind of thugs do you folks work for?"

Ms. Santana asked when the next monthly meeting was scheduled because she wanted to see if there was time to check in on the outstanding items. Ms. Jung answered that the next meeting was on May 13. Ms. Santana said because that meeting would be after the May 11 Stadium Authority Board meeting, the Stadium Manager would need to submit what SCSA staff needed to start the reports as soon as possible. Mr. Beauchman confirmed that they would send staff the revenue projections and Levi information for the concessionaire agreement.

SCSA Board Direction for Stadium Manager Follow Up

- Compliance Plan and Oversight of Corrective Action (including Validation)
- Number of public riders for large stadium events
- Analysis regarding Event Day Parking Costs
- Stadium Manager Report to Board Summarizing Contracts Let on Behalf of Stadium Authority
- May 27, 2020 Letter regarding COVID-19 Plan for the Stadium, revolving loan, the buffet invoice, maintenance of the Stadium, and event parking/public transportation.
- Stadium Manager Presentation to the Board on Transparency Efforts/Enhancements

Upcoming SCSA Board Meeting Dates

- May 11, 2021
- June 8, 2021
- July 13, 2021
- August 24, 2021
- September 21, 2021
- October 19, 2021
- November 16, 2021
- December 14, 2021

**MINUTES FROM
STADIUM AUTHORITY/STADIUM MANAGER
SHARED EXPENSE REVIEW FOLLOW UP MEETING
April 15, 2021 | 1:30 – 2:00 p.m.
Microsoft Teams Meeting**

ManCo/Stadium Manager Attendees:

Jeff Fong, Vice President, Finance

Jas Sajjan, Senior Manager, Public Affairs & Strategic Communications

Stadium Authority Attendees:

Kenn Lee, Treasurer

Linh Lam, Assistant Finance Director

Christine Jung, Assistant to the Executive Director

Treasurer Kenn Lee started the meeting with introductions. He said that Assistant to the Executive Director Christine Jung was there to take notes as directed by Board. He said he understood that ManCo didn't want SCSA to screenshot or record but SCSA staff were required to take minutes for the meetings. Mr. Lee then introduced Assistant Finance Director Linh Lam as someone who participated in the March 30, 2021 Shared Expense Review Meeting and who had requested the unique employee identifier information. Mr. Lee said that he wanted to make sure that everyone was on same page and asked if Stadium Manager staff were recording the meeting. ManCo's Vice President of Finance Jeff Fong answered no but that Jas Sajjan, ManCo's Senior Manager, Public Affairs & Strategic Communications would take notes like Ms. Jung.

Mr. Lee updated Mr. Fong that he followed up with ManCo's Deputy General Counsel Jihad Beauchman that morning about receiving the requested unique employee identifier and part-time detail. He said if that information couldn't be provided then he was happy to go to the stadium the next morning to review the spreadsheet that was shared via a projected screen during the March 30 meeting in person.

Mr. Fong said that he understood there was some sensitivity about hourly rates for the part-time staff and asked Mr. Lee for clarification as to what SCSA staff were looking for. Mr. Lee told him that SCSA staff reviewed the part-time detail at the March 30 meeting for Guest Services in addition to the Procurement and Stadium Ops teams. He clarified that SCSA was not looking for those employees' hourly rates, only their hours.

Mr. Fong asked wouldn't SCSA be able to figure out their hourly rate by having the number of hours and calculating backwards. Mr. Lee outlined his suggested method of how to use details that would adhere to ManCo's requested confidentiality. Mr. Fong provided a hypothetical scenario of how that process would work by taking Guest Services, their time rolled up, and then cross reference against people's timecards. Mr. Lee clarified that the Stadium Manager already provided the part-time detail for Guest Services. He said that he was looking for three schedules and to see how many hours were allocated in those pots for the Procurement and Stadium Ops teams. Mr. Lee noted that he understood the Stadium Manager's concern for the departments with less staff and that having the average salary and number of hours would work for the SCSA to validate the information in a way that's not tied to specific employees. He restated his offer of going back to the stadium the next day to view that spreadsheet and close out the item if the Stadium Manager couldn't provide that information.

Mr. Fong said that his perspective on the issue was based on his one-time meeting with the Stadium Authority Counsel, Brian Doyle, who said that salaries would be public information. Mr. Lee confirmed that would be true if he were taking notes in a way that captured that information because it was public record. Mr. Lee then explained how he was taking notes to ensure that salaries were not tied to employees' names. Mr. Fong said that he now understood what Mr. Lee was looking for related to the part-time data. He said that he would look back to see what that data looked like.

Mr. Lee noted that on the unique identifier outstanding item, Mr. Beauchman had been the one to suggest that they could provide unique identifiers with no salary information during the March 30 meeting. Mr. Fong asked for clarification by providing an example of renaming a Shared Expense employee as A12345 as the unique identifier and how SCSA staff could go back and verify how much time the Shared Expense staff charged at the end of the year. Mr. Lee made some clarifications and Mr. Fong adjusted his example. Mr. Fong said, for example, the Stadium Manager gives the Stadium Authority 1, 2, 3, 4, and 5 and at year end, the Stadium Authority refers to that information for actuals. He asked if the actuals information would be recorded. Mr. Lee asked Ms. Lam if she took down names or salaries during her yearend review. Ms. Lam responded that she reviewed that information with ManCo's Controller Esther Chi through Great Plains and she confirmed that she did not take down names or salaries.

Mr. Fong expressed concern that the salary information would become public. Mr. Lee responded that the unique identifier information was very important and went a long way to help verify information. He explained his note taking process again and offered to let Mr. Fong view his notes. Mr. Lee stated that his notes would not have employee names next to salaries. He offered to go to the stadium the following morning to review in the information if Stadium Manager staff didn't want to provide copies.

Mr. Lee then brought up the April 2021 Operating Expense Invoice that he received from the Stadium Manager and briefly went over the SCSA's documented questions regarding the G&A and Lender Fee. He asked what positions are considered above and beyond the duties required by the Management Agreement, and that the SCSA wanted to know who those employees were and how many hours were being charged to that line item. He provided an example of the Financial Management System and asked whether ManCo staff were working on that effort and charging it to Other G&A, although he noted that he did not believe there were any April meetings on the topic.

Mr. Lee then moved on to the Non-NFL Events Expense line item on the invoice and noted that he understood the amount to be a twelfth of the \$600,000 loss that the Stadium Manager was projecting for FY 2021/22. He asked why SCSA was being invoiced that amount if the loss didn't occur yet. Mr. Fong responded that it was his understanding that there is a \$600,000 loss and that there are still staff who are working so ManCo was incurring costs. He said that the Agreement didn't require the Stadium Manager to front costs and added that the amount was also based on the budget.

Mr. Lee responded that whenever there was a profit or loss in previous years, it was always done at the end and the current process veered away from past practice. He said that the expectation to pay for a loss that has not occurred yet seems premature. Mr. Fong said to think about it like this, the Stadium Manager was incurring costs for staff who were preparing for events to return. Mr. Lee asked for clarification about what staff were working, which Mr. Fong provided an example of the catered events team.

Mr. Fong said the focus was on the \$4.2M but new things kept getting added by SCSA. Mr. Lee said that he understood and just wanted to address the invoice that was sent to him, so he was trying to be responsive to pay it. Mr. Lee asked if there was someone else who he should talk to about the invoice. Mr. Fong confirmed that he was the right person to talk to and that they were trying to solve the \$4.2M problem but then other things keep getting added. Mr. Lee and Mr. Fong agreed to focus on the \$4.2M that day and to leave the other issues for another day.

Mr. Fong said that he appreciated everybody keeping the information that was about to be shown confidential. He noted that the interest for the meeting was to look at a certain Shared Expense employee's 2021 salary, which increased significantly from one year to another. The review was requested by SCSA during the March 30 meeting. Mr. Fong began sharing his screen to show the employee's employment contract, specifically focusing on a section that outlined the employee's 2020 and 2021 salary and bonus amounts. The bonuses changed between the two years while the total salary amount (salary plus bonus) stayed the same. Ms. Lam asked if the current 2021 bonus amount would continue into future years. Mr. Fong answered that was up to discussion between the employee and their manager and the total salary amount was included in the budget. Ms. Lam confirmed that the information looked good.

Mr. Fong asked SCSA staff for clarification regarding a question that ManCo's Director of Accounting Darren Wong brought up to him about the sub-loan amortization. He said that his understanding was that SCSA might be using a different amortization schedule. Mr. Lee said he would have to check but he thought that SCSA was using the original schedule, which he received from SCSA's previous Treasurer Angela Kraetsch. He was told by her that there were discussions about a different amortization schedule, but it was never approved. Mr. Lee said that the follow up that ManCo provided in the budget responses was something that he had never seen. He said that SCSA didn't want to veer away from the original schedule. Mr. Fong asked Mr. Lee to send him a copy of the schedule, which Mr. Lee agreed to do. Mr. Fong said he remembered Ms. Kraetsch signing off something with ManCo's Chief Financial Officer, Scott Sabatino, that would trigger another amortization schedule. He said he didn't want to write another letter to ask so was using the meeting to ask Mr. Lee that question.

Mr. Fong said he would take another look at the unique identifier and part-time detail because their Director of Accounting was going to send another default letter the next day. Mr. Lee said he appreciated that Mr. Fong would take another look. He said that he thought SCSA and ManCo were close to resolving the \$4.2M and outstanding items and would like to address the other items. He offered again to go to the stadium the next day to review the documents if they couldn't be provided as requested.

The meeting closed out with Mr. Lee stating that he was happy that they could meet and could resolve the issues. He said that he was happy to dialogue with Mr. Fong to resolve things, although due to Board direction minutes would need to be taken.

**MINUTES FROM
STADIUM AUTHORITY/STADIUM MANAGER
SHARED EXPENSE REVIEW FOLLOW UP MEETING
April 16, 2021 | 11:30am – 12:00 p.m.
Microsoft Teams Meeting**

Stadium Manager Attendees:

Jeff Fong, Vice President, Finance
Jas Sajjan, Senior Manager, Public Affairs & Strategic Communications

Stadium Authority Attendees:

Kenn Lee, Treasurer
Linh Lam, Assistant Finance Director
Christine Jung, Assistant to the Executive Director

ManCo's Vice President, Finance Jeff Fong said when SCSA and Stadium Manager staff left yesterday's call they were close to resolving the \$4.2M in Shared Expense compensation costs. He said he knew one of the open items was the unique identifiers that SCSA requested so he wanted to share a copy before he sent it. He began sharing his screen which showed a list of unique identifiers in an Excel spreadsheet. Mr. Fong explained that they created unique identifiers for Shared Stadium Expense employees by departments. He added that there were 45 positions and 45 unique identifiers. Treasurer Kenn Lee asked if SCSA would be able to ask for the actuals for the unique identifiers at the end of the year. Mr. Fong confirmed that the unique identifiers would match up to actuals for employees and they would know how to map out the unique identifiers to employees.

Mr. Lee asked whether there would be new identifiers created if the Stadium Manager had turnover or any vacant positions were filled. Mr. Fong confirmed that they would be able to create those for SCSA. Mr. Lee said the goal was to say we budgeted these positions with unique identifiers and at the end of the year these were these costs. He then asked about how part-time staff were charged. Mr. Fong answered that he thought the part-time staff would be system based because they were hourly and may not work 40 hours a week.

Assistant Finance Director Linh Lam asked what the unique identifier numbers represented in the financial management system. Mr. Fong answered that the numbers were created because employee ids are used for confidential things. Ms. Lam asked if SCSA looked at the Non-NFL costs, how would staff know if the numbers here were not tied to regular charged expenses. Mr. Fong asked for an example, which Ms. Lam provided.

Mr. Fong restated that the Shared Expense employees wouldn't show up anywhere else. Ms. Lam said she didn't know if what the Stadium Manager provided would work because she wanted to be able to trace everything to ManCo's payroll system. She said that the unique identifiers provided were just numbers that didn't tie to anything at which point we can go back to an Excel spreadsheet. She added there was always going to be room for error because the numbers were not in the same financial system. Mr. Fong clarified that the 45 Shared Expense staff were just 50/50 or 70/30 split. Ms. Lam said if there was a general ledger dump, then SCSA could trace the general ledger details. She said when staff looks at year end, they wouldn't have anything to reference back unless the unique identifier can be added in ManCo's payroll profile systems. Mr. Fong said he didn't know how the payroll profile system worked and whether that could be done.

Mr. Lee asked Ms. Lam if she had names of employees would she be able to review the information. She answered yes but commented that she thought that we wanted to get away from using names to keep the Stadium Manager's confidentiality.. Mr. Fong said if Ms. Lam were to test anyone who was Non-NFL during the year-end review process, she would see departments and staff. Ms. Lam said that she didn't have anything to validate from an auditing standpoint because the unique identifiers were outside of the payroll system and there's nothing to tie them back. She added that she asked for employee id numbers because she was thinking ahead about what was needed to develop the financial management system. She said she understood the Stadium Manager didn't want to include payroll data in the system and would still use StadCo's system but she was hoping that the unique identifiers could be included there. Mr. Fong answered that their employee ids were used for a lot of things.

Ms. Lam asked if there are any other areas where they could put these unique identifiers into the system. Mr. Fong said he wasn't sure and that would require a longer conversation because he didn't think that was easy to do. Mr. Lee asked if the unique identifiers were tied to employees instead of positions. Ms. Lam said she would feel comfortable if the unique identifiers were linked to the payroll systems but if they were just numbers in an Excel spreadsheet she didn't feel comfortable validating them. She asked if Mr. Fong if he could check internally to see if he can change the numbers to something simpler. Mr. Fong responded that he didn't know what the difference would be because they would still be outside of the system if they were changed to something simpler, e.g., 1, 2, 3, 4, 5.

Ms. Lam asked if SCSA staff would be provided a list of these unique identifiers with employee names during the year end process. She added that her concern was how to ensure that there were no Shared Expense staff charging to Non-NFL events. Mr. Fong said there were two ways to do that, he would ask ManCo's Vice President, Controller Esther Chi to show the departments that the staff worked in and those staff wouldn't show up. He said when Ms. Lam previously met with Ms. Chi and ManCo's Finance Manager Alex Acton they showed her a confidential spreadsheet. Mr. Fong discussed a potential process of having Mr. Acton put the unique identifiers next to Shared Expense employees' names so when SCSA staff test Non-NFL events they could cross reference whether the employees charged their time or not. Ms. Lam asked if SCSA would be able to get the list of Shared Expense staff's names. Mr. Fong said they could show SCSA staff the names on a screen.

Mr. Lee asked about the previous process that was used to review Non-NFL events. Mr. Fong answered that SCSA staff Tyler Cook used to come by the stadium to review things on quarterly basis. Mr. Cook would review catered events, labor and commission costs, operating expenses and invoices for catered and ticketed events. Mr. Lee asked if SCSA staff came over on a regular basis to do a similar review whether they could get names with unique identifiers. Mr. Fong said SCSA staff could always look at that information but reviewing the payroll was always a year-end process because ManCo wanted to finalize everything and Mr. Cook was focused on the events that happened, probably for the quarterly financial report. Mr. Fong added that he wasn't sure if the quarterly financial reports included labor costs but didn't think so because that was usually was part of the year-end process.

Mr. Lee said the purpose of having unique identifiers to set the budget was to ensure the staff that changed Shared Expenses did not also charge another allocation. He noted that Ms. Lam's concern was that SCSA staff would not be able to cross reference payroll data so they would need to see the spreadsheet that Mr. Acton previously showed so they could tie the numbers back to payroll data. Mr. Fong said he didn't see an issue with that process, and they were just trying to make sure everything stayed confidential. Mr. Lee asked what would be available for

SCSA staff to review on a quarterly basis. Mr. Fong asked for clarification. Mr. Lee said if ManCo was open to a more frequent review process that would help the year-end review.

Mr. Fong said the review that Mr. Cook used to do was tied to events but he wasn't sure if Mr. Cook ever tested full-time staff's payroll. He added he thought that review would have occurred during the year-end process. There was discussion about what is needed to satisfactory review to make sure the Shared Expense staff did not show up in Non-NFL events costs and about what types of notes SCSA staff would take. Ms. Lam assured him that she didn't take down employees' names in her notes. Mr. Lee asked if that was something Mr. Fong could send SCSA. He noted when SCSA staff look at Non-NFL events, they would have to look at Mr. Acton's spreadsheet to make sure that the Shared Expense staff don't show up in Non-NFL event costs.

Mr. Fong said he would take that request down that SCSA staff were interested in doing a more regular review process. He discussed another follow item that SCSA staff requested as part of the March 30 meeting, which were details for the part-time staff. He said he talked to Mr. Acton about what shown during the meeting and they didn't have concerns sharing the part-time detail for the Guest Services there were a large number of staff but they were concerned about sharing details for the Procurement and Stadium Ops teams because they had less staff. Mr. Fong then provided calculations to average out the part-time Procurement and Stadium Ops teams. Mr. Lee asked for the number of part-time Guest Services. Mr. Fong answered that he didn't have that number but that there's so many part-time staff for that group that knowing the number was not useful.

Mr. Lee asked where Mr. Fong, Mr. Larry MacNeil and Mr. Jas Sajjan charged their time. Mr. Fong said he and Mr. Sajjan didn't charge their time to SCSA. He added ManCo's Ms. Esther Chi didn't charge her time to SCSA either. Mr. Fong said that Mr. MacNeil would charge his time to "Other G&A" if he is doing that type of work and if he wrote a response to Non-NFL item then he would charge there too because he would note where he's charging his time. But not specifically to an event. Mr. Fong mentioned end of year labor costs; he would charge there.

Mr. Lee asked if SCSA was paying for Mr. MacNeil's full salary. Mr. Fong said no, that Mr. MacNeil just charged his timecard and everybody outside of Shared Expense charged timecard. Mr. Lee asked if Mr. MacNeil charged the SCSA when he writes letters to SCSA and whether that time gets charged Other G&A, and events to Non-NFL. Mr. Fong responded that he didn't know but that Mr. MacNeil was tracking in his timecard. Mr. Lee said in the April Operating Expense invoice there was \$24,000 invoiced for Other G&A and Lender Fees. He asked if there's a way to break down those costs. Mr. Fong said that the amount was based on budget. Mr. Lee said the amount for lender fees could be estimated from a prior year.

Mr. Fong asked Mr. Lee how he felt about validating the \$4.2M in Shared Expenses for compensation costs. Mr. Lee responded if Mr. Fong unique identifiers, he thought he had enough information now that he had the part-time staff data. He explained that he needed to go back to the team and get confirmation to release payment that day or the upcoming Monday. Mr. Fong said he would tell Mr. Darren Wong to hold off on issuing the default notice.

In reference to the April Operating Expense Invoice, Mr. Lee said that SCSA wanted to pay a portion of the utilities line item and was trying to figure out what that credit amount would look like. He noted that he hasn't received any backup on the Non-NFL Events loss line item from ManCo. Mr. Fong responded that he has been focused on resolving the \$4.2M since they met. He said that SCSA and ManCo have a difference in opinion about the Non-NFL Events

Expenses and G&A line items but he hasn't worked on those items. He added that it sounded like SCSA doesn't want to pay those pieces. Mr. Lee clarified that he was asking for additional information on those items and hasn't received it yet. He said that he asked ManCo to provide specific detail on what he's looking for because he had no detail on what the \$24,000 for Other G&A and Lender Fees was for.

Mr. Fong inquired about the Non-NFL Events Expense line item. Mr. Lee said SCSA felt that amount was loss that had not occurred yet. He stated if the Stadium Manager felt as though they had incurred costs then to let him know the positions and their responsibilities but he would need more backup to justify the payment of the Non-NFL Events Expense line item. Mr. Fong said that it was good to understand SCSA's perspective, although his team had different opinion on that issue. He said he hadn't looked into the issue yet but to keep the dialogue going.

Mr. Lee said he was glad that Mr. Fong reached out and he thought he had what he needed to validate the \$4.2M worth of Shared Expenses. He added that SCSA was working on the utilities line item and the Stadium Manager should have received payment for the other three line items (Naming Commission, Stadium Builder Licenses, and Insurance). Mr. Fong said the Stadium Manager would hold off on the Default until Monday and hoped that they would hear back from SCSA that day.

Date: 4/29/2021

Teams meeting: Linh Lam (SCSA) and Darren Wong (ManCo)

1. May O&M Invoice
2. Subloan Principal Schedule
3. Signed Borrowing Adjustment Copy
4. FY20/21 Public Safety's insurance year-end invoices

Date: 5/6/2021

Teams meeting: Linh Lam (SCSA) and Darren Wong (ManCo)

1. Subloan Principal Schedule
2. General Liability and WC Insurance true-up
3. G&A/Lender Budget break down

Date: 5/20/2021

Teams meeting: Linh Lam (SCSA) and Darren Wong (ManCo)

1. General Liability and WC Insurance true-up
2. G&A/Lender Budget break down

Date: 5/27/2021

Teams meeting: Linh Lam (SCSA) and Darren Wong (ManCo)

1. General Liability and WC Insurance true-up
2. Misc. Public Safety Allocation
3. Unemployment Invoice

Date: 6/7/2021

In-Person Meeting: Linh Lam (SCSA), Rachel Copes (SCSA – on Teams), David Presley (SCSA), Esther Chi (ManCo), Chris Steele (ManCo)

Topic: Shared Expenses (FY2019-20)

- 9:00 am – 12:00 pm (3.0 hours) – Review supporting documents for samples chosen

Date: 6/8/2021

Teams meeting: Linh Lam (SCSA) and Darren Wong (ManCo)

1. General Liability Insurance
2. WC Insurance True-up
3. Misc. Public Safety Allocation
4. Unemployment Invoice
5. KPMG Confirmations

Date: 6/9/2021

Phone Call: Christine Jung (SCSA) and Craig Graber (ManCo)

Coordinate IT staff's June 10, 2021 visit to Levi's Stadium to update Stadium Authority's RICOH copiers and other software.

Date: 6/9/2021

In Person: Christine Jung (SCSA) and Dale Moul (ManCo)

Location: Santa Clara City Hall

Dale Moul picked up USB containing the scanned SBLs from Stadium Authority.

Date: 6/15/2021

Teams meeting: Linh Lam (SCSA) and Darren Wong (ManCo)

1. WC Insurance True-up Invoice
2. Shared Expense Labor
3. July O&M Invoice and updated July Trust Budget

Date: 6/29/2021

Teams meeting: Linh Lam (SCSA) and Darren Wong (ManCo)

1. SBL Q1 FY 21-22
2. YE True-up FY 20-21
3. Unemployment Benefits Invoice
4. Non-NFL Events' Projected Loss FY 20-21