



Members of the Commission

John Frierson, Chairperson
Christopher Giza, Vice-Chairperson
VanBurenLemons, MD
Mary Lehman
Martha Shen-Urquidez
John Carvelli
Leslie Loshe

Agenda items may be taken out of order the
agenda except public comment.
Action may be taken on any item listed on

CALIFORNIA STATE ATHLETIC COMMISSION
MEETING MINUTES

Monday, August 5, 2013
10:00 a.m. to Close of Business

LOCATION:

Ronald Reagan State Building
300 South Spring Street
Los Angeles, CA 90013

Commissioners Present

Chairman John Frierson
Vice-Chairman Christopher Giza
Commissioner Van Lemons
Commissioner Martha Shen-Urquidez
Commissioner Mary Lehman
Commissioner John Carvelli

Staff Present

Andy Foster, Executive Officer
Karen Chappelle, Supervising Deputy Attorney General
Michael Santiago, Senior Staff Counsel, DCA

Agenda Item 1 – Call the meeting to Order / Roll Call / Pledge of Allegiance

The meeting was called to order at 10:00 a.m. and a quorum was present.

Agenda Item 2 –Chairman’s Opening Remarks

Chairman Frierson welcomed the other commissioners and the audience to the commission meeting.

Agenda Item 3 – Approval of June 10, 2013 Commission Meeting Minutes

Commissioner Carvelli made a motion to approve the minutes. Commissioner Lehman stated that Agenda Item 12 was missing language that the motion regarding the decision of Lamonakis/Salazar was voted on a pass. Commissioner Lemons added that the reflection of a statement he made during Agenda Item 4 was not a clear representation of his concern. He suggested that the minutes be revised to include language that identifies his previous and ongoing questions regarding the accounting of DCA pro-rata. In addition, he would like the record to include that he was not provided with an adequate response.

Commissioner Shen-Urquidez seconded the motion to approve the minutes, with said revisions – passing 6-0.

Agenda Item 4 – Executive Officer Report

BUDGET UPDATE

Mr. Foster covered the current budget for the Athletic Commission, acknowledging that since the last meeting, the Commission has entered into the new 2013-14 Fiscal Year. He reported that in Fiscal Year 2012-13 the Commission spent \$1,242,000; explaining that this amount may increase slightly due to various expenditures, such as Athletic Inspector pay and travel, which were due to be turned in and processed after the deadline for this report. In addition, he stated that the Commission had revenues of \$1,588,879 with a fund balance of \$369,708. He detailed that in July 2013 the Commission deposited \$66,000 and added that the outlook for August 2013 revenues are significantly higher.

Mr. Foster explained that the Commission did exceed several line items on the proposed budget. In particular, the Commission is allotted \$48,000 for the Attorney General's Office (AG) billing; the Commission actually spent \$82,241. He explained that the proposed budget for travel represented allocations according to the Commission's solvency plan, which were significantly less than the Commission's allotment in the FY12-13 Governor's proposed budget of \$287,098. The Commission spent \$77,497 in travel, and although this represents much less than the Governor's budget, it did exceed the proposed budget of \$72,600 in the solvency plan.

He reported the Commission is well under budget with the Civil Service line item that has a budget of \$407,000. The Commission's actual expenditures were \$198,000.

Mr. Foster explained that there is a sharp reduction in the expenses for Athletic Inspectors, the Governor's budget allocated \$299,000, and the Commission's solvency plan allows for only \$146,680. He explained that the expenditures amount is going to increase due to late inspector pay and travel being processed. Based on the time of this report, however, the Commission is over budget on the inspector line item. He further explained that the numbers indicated in this report represent the actual budget for FY 2013-14, not including a \$200,000 supplemental increase for inspectors obtained by a spring finance letter.

Lastly, Mr. Foster reported that the Commission needed to purchase a copier for Sacramento office, and directed the Commissioners to the line item where that the purchase will be reported.

Commissioner Lehman acknowledged that the AG's billing was less than the Governor's budget, however requested further detail as to why the expenditures were double the proposed amount.

Mr. Foster explained that Commissioner Shen-Urquidez was able to contact the Department of Consumer Affairs head of the legal department, Doreatha Johnson, and after discussing many details with her regarding certain billings from the Attorney General's office, the Commission received a \$40,000 refund. He then directed back to Commissioner Lehman's question and explained that there are currently two cases of litigation that the AG is involved with, and indicated that Mrs. Karen Chappelle's billing is merely a fraction of the amount reported.

STATUS OF PENDING REGULATIONS

Mr. Foster reported that the current status of regulations for the Commission is consistent with their status at the last meeting. He mentioned that there will be a training offered by the Department of Consumer Affairs, which covers the process for writing and submitting

Commission Meeting

Monday, August 5, 2013

Page 3

regulations. He explained that he is currently signed up for that training, as well as every member of the staff. Additionally, he extended an offer to any Commissioner interested in attending the training course, to submit their request to him. Commissioners Carvelli and Shen—Urquidez both expressed interest in taking this course.

PENSION FUND UPDATE

Mr. Foster reported that the Boxer's pension fund currently has \$5.3 million. He explained that although there have been distributions made to Boxers; the fund continues to grow because of the investment portion of the fund. He added that starting in January 2014, the Commission would have more spending authority for the Pension fund. He explained that there is several cost-efficient outreach opportunities and suggested that the Commission consider utilizing some of the funding as outreach to those eligible boxers that are currently unreachable based on the records that the Commission has.

NEUROLOGICAL FUND UPDATE

Mr. Foster reported that the current status of the Neurological fund is consistent with the status at the last meeting. He explained that Commissioners Lemons and Giza are currently working together to create a plan for utilizing this funding in its intended manner.

STAFFING UPDATE

Mr. Foster reported that the most significant update for staffing is Mr. Che Guevara's resignation from the position of Chief Athletic Inspector (CAI). He reviewed the current and proposed organization charts with the Commissioners, and explained that the CAI position will be reclassified to a Staff Services Manager I (SSMI) position with a working title of Assistant Executive Officer. He added that the Executive Officer (EO) position is going to assume the responsibilities of the CAI.

In addition, he explained that the organizational chart shows positions that are vacant, however with the negative budget change proposal, there is currently no spending authority for those positions. Mr. Foster explained that the Staff Services Analyst position currently held by Mr. Christopher Raymond has moved off of the pension fund to satisfy an audit finding. He explained that he is currently working with the Department of Consumer Affairs (DCA) to save that position and stressed to the Commission that staffing for this position is paramount, as it provides mission critical bookkeeping and accounting for the Commission.

UPDATE ON AUDIT RECCOMENDATIONS

Mr. Foster explained that there are a number of audit recommendations that are required to be completed within one year. He further explained that two of the four outstanding recommendations of establishing both a Long Term Financial Plan as well as a Communication Policy between the EO and the Commission as it relates to the budget, were completed at the last June 10, 2013 Commission meeting.

He reported that the Commission has completed 17 of the 37 audit recommendations and that many of the unresolved recommendations are directly reliant upon the Sunset bill passing. He explained that he is currently working with DCA to create a policy to allow the Commission the ability to transfer, on a regular basis, from the pension fund checking account to the investment account and vice versa depending on the number of pensions awarded.

Commission Meeting

Monday, August 5, 2013

Page 4

An audit recommendation regarding the Neurological fund assessment was discussed. Mr. Foster suggested that the Commission consider allowing a period of time for Commissioners Lemons and Giza to explore the actual cost, before making a determination on an assessment. He further suggested that, in the case of an increase of the neurological assessment, the Commission consider allowing a discount somewhere else in the fee structure for promoters to balance out the cost of having events in California.

Commissioner Lemons estimated that within the span of two Commission meetings, he and Commissioner Giza should have a recommendation regarding the neurological fund assessment.

CURRENT LEGISLATION

There was discussion regarding the status of Senate Bill 309 (Sunset Bill or Bill) and further discussion as to specifics that were not included in the Bill. It was explained that the Sunset Bill is confined to topics discussed at the Sunset hearing. However, Mr. Foster suggested that any aspects not covered in this Bill that the Commission would like to address, could be submitted as legislative priorities at later date.

OFFICIALS EVALUATION PROCEDURE

Commissioner Shen-Urquidez introduced the Commission to a proposed Officials Evaluation that she had constructed. She explained that previous evaluations as well as Rule 371 were utilized as framework. Commission Lemans applauded the evaluation; however, she suggested that it seemed to be geared more toward Boxing than Mixed Martial Arts and recommended a more generalized arrangement. Commissioner Shen-Urquidez further explained that the form is all-inclusive and proposed that it be utilized in multiple ways to apply generally.

Agenda Item 5 - Report from the Pankration Subcommittee

Commissioner Carvelli presented that he and Commissioner Lehman had drafted a report regarding youth Pankration. However, at this time, they are not asking for action on the report as they are still currently in discussions, researching, and learning. The report included information collected by reaching out to stakeholders, legislative staff as well as legal. He noted that the blanket cease and desist order will stay in effect until the subcommittee requests action from the Commission. It was discussed that on July 22, 2013 the subcommittee held a stakeholder's meeting, and the minutes from that meeting are included in the report.

Commissioner Carvelli concluded the report by stating that, based their ongoing research, it is the subcommittee's determination that youth Pankration is a full-contact sport and falls within the jurisdiction of the Commission to regulate. It was suggested that, currently, the only organization to regulate a sport similar to Pankration, is CAMO. It was further suggested that one of the reasons for Pankration organizations to choose to go outside of regulation, is the high fee structure of CAMO. Lastly, he announced that any organization interested in submitting information to the subcommittee is more than welcome.

PUBLIC COMMENT

Ana [INAUDIBLE] commented that if a determination is made to regulate youth Pankration, that the Commission consider not limiting the delegation to only one organization.

Agenda Item 6 - Report from the CAMO Subcommittee

Commissioner Carvelli gave an overview of meetings and conversations between the CAMO subcommittee and CAMO. He reported that many items discussed in those meetings are starting to be implemented. Such as, effective October 1, 2013 CAMO rash guards will no longer be utilized and instead, shin guards will be required for all CAMO athletes. Discussion also included a new requirement for CAMO to issue National Identification cards to all competitors – a processing fee of \$20.00 will be assessed. Other discussion included glove weight/size change recommendations, insurance information supplied to the Commission, salary caps, as well as informational letters to CSAC inspectors to clarify CAMO's role at Pro/Am events.

Commissioners Carvelli and Shen-Urquidez proposed an annual reporting requirement for CAMO, and included a list of items that they believe should be submitted to satisfy the requirement. It was also mentioned that the goal of the subcommittee is to organize ways to make amateur affordable, their initial plan is to do that with limitations to the fee structure on the promoters.

Agenda Item 7 - Discussion and Possible Action-New Delegation Letter to CAMO

Mr. Foster introduced this item, explaining that it is a direct response to the Department of Consumer Affairs internal audit. The recommendation was to construct a more thorough delegation letter to CAMO that provides detailed guidelines. Commissioner Shen-Urquidez explained that a letter has been drafted to track many points from the Business and Professions Code, and outline specific reporting requirements as suggested by the CAMO subcommittee. There was some discussion with regard to including the extent of which CAMO's delegation allows.

PUBLIC COMMENT

Mr. John Frank, USFL – Requested the Commission to consider a previous legal opinion regarding delegation of Pankration, and to create a baseline for what is to be regulated. He further requested that the Commission judge the sport based on its rules, rather than name of sport.

Mr. Frank Gonzalez, CSAC Inspector – Reiterated that it is CSAC's primary responsibility to consider the health and safety of the athletes.

Agenda Item 8 – Preliminary Plans for the Neurological Fund

Commissioner Lemons reported to the Commission that preliminary testing has begun with regard to computerized neuropsychiatric testing on athletes. He explained that the concept is to train a few CSAC inspectors to administer the testing, as this particular testing will primarily be taking place in the field at weigh-ins. He explained that the goal is to compile effective and continuous test results for these athletes. To do so, he is suggesting the Commission consider allowing incentives to athletes willing to participate.

Mr. Foster explained that they are exploring the idea with DCA Legal to potentially discount a license fee for participants. He further explained that the Neurological Fund not being utilized to fund this project as the Commission currently has no spending authority for that fund.

Commission Meeting

Monday, August 5, 2013

Page 6

Agenda Item 9 – Transgender Athlete Licensing Policy Update

Commission Lehman gave an overview of the concept of the policy and explained that they are restructuring it into a regulation. It was emphasized that this is a stand-alone policy or regulation, and that there cannot be any overlap between this regulation and the Therapeutic Use Exemption policy. Further overview included specific testing requirements for transgender athletes, considerations regarding surgical requirements, clothing requirements specific to each case, and confidentiality provisions to protect transgender athletes.

PUBLIC COMMENT

Mrs. Amy Wahlen offered her appreciation to the Commission for its efforts with regard to the Transgender community. She expressed concerns with defining male vs. female, and urged the Commission to seriously consider not including the surgical requirement. Lastly, she spoke in opposition of requiring special qualifications for doctors to certify transgender therapy.

Commissioner Lemons expressed his concern with the Transgender regulation passing before a TUE policy is in effect, as in which case CSAC will potentially be allowing hormone/testosterone therapy for transgender athletes – however, not for any other athlete.

Agenda Item 10 – Review of Benefit Resources Pension Administration Contract

After brief discussion, this item was postponed to next Commission meeting.

Agenda Item 11 – Public Comment on Items not on the Agenda

N/A

CLOSED SESSION

ADJOURNMENT