



**Minutes for Meeting of
Thursday, November 8, 2007**

Item-1: Call to Order

Chairman Cabrera called the meeting to order at 5:00 p.m.

Item-2: Roll Call

Present – Chairman Guillermo Cabrera, Vice-Chair Lee Biddle, Commissioners Krishna Haney, Dorothy Leonard, Richard Valdez (arrived at 5:10 p.m.) and Larry Westfall

Staff – Executive Director Stacey Fulhorst, General Counsel Alison Adema, Program Manager Steve Ross, Senior Investigator Lauri Davis and Executive Secretary Kathy Hunt

Excused – Commissioner Clyde Fuller

Item-3: Approval of Commission Minutes

Approval of Ethics Commission Minutes of October 11, 2007

Motion: Approve
Moved/Seconded: Haney/Westfall
Vote: Carried Unanimously
Excused: Fuller/Valdez
Abstained: Leonard

Item-4: Non-Agenda Public Comment

None

Item-5: Commissioner Comment

None

Item-6: Executive Director Comment

Director Fulhorst reported on the following matters:

New Lobbying Laws Outreach

Staff has conducted several live training sessions on the new lobbying laws that become effective January 1, 2008. Future training sessions will include a session for the City's labor organizations in December. A poster noticing the new lobbying laws will be displayed in the City Administration Building's elevators in January. In addition, City TV staff will post a flier concerning the new laws on the City's television station.

Assembly Bill 1441

Assembly Bill 1441 was recently approved by the Governor and allows local candidates and officeholders to create and maintain separate accounts for legal defense fund purposes. She advised that the Fair Political Practices Commission (FPPC) will need to draft a regulation for local governments with respect to the new legislation and will be holding an interested persons' meeting in January. She indicated that the Commission's Election Campaign Control Ordinance will need to be amended in the future to reflect the new State laws after the FPPC finalizes the regulation for local governments.

Ethics Commission Website

The Ethics Commission's website will be updated by the end of the year.

Item-7: General Counsel Comment

None

Item-8: Proposed Amendments to Election Campaign Control Ordinance

Chairman Cabrera explained that this portion of the meeting would consist of an informal workshop concerning proposed amendments to the City's campaign laws. In addition to Commissioners and Commission staff, the following individuals participated in the workshop:

Jean Freelove

Nancy Haley

John Kern
Simon Mayeski
John Nienstadt
Rebecca Olson
Larry Remer
Mel Shapiro
Tom Shepard
Jim Sutton

The issues raised during the workshop included the following related to the City's contribution limits:

- The City should consider eliminating contribution limits and requiring twenty-four hour disclosure by candidate committees, including possibly placing campaign checkbook activity on-line.
- The City should consider indexing limits for inflation since the limits were set at \$250 in 1973. This indexing would result in limits of approximately \$1,200.
- Contribution limits for citywide candidates should be seven or eight times higher than limits for district candidates.
- Current contribution limits have not had the intended effect of increasing public confidence.
- Current contribution limits require non-incumbent candidates to spend forty hours per week fundraising.
- Contribution limits should be increased because of the back office time involved in complying with the City's campaign laws.
- Contribution limits should be increased to enable candidates to pay for the costs of compliance (treasurers and attorneys).
- Current contribution limits are too low and encourage people to try to circumvent the rules.
- Current contribution limits are rendered meaningless by political party member communications.
- Current contribution limits have given rise to independent expenditures by special interest groups.

- Candidates are not accountable for member communications and independent expenditures.
- The public cannot currently track contributions made to political parties and committees for member communications and independent expenditures.
- If contribution limits were lifted, contributors would be more likely to make contributions directly to candidates, rather than political parties or committees that make independent expenditures.
- If contribution limits were increased to a figure between \$1,000 and \$2,000, and if the ban on contributions from organizations were lifted, independent expenditures and member communications would diminish because contributors would prefer to give directly to candidates.
- Lifting of contribution limits would create the appearance of corruption because a large contribution would be tantamount to purchasing influence.
- Supporters are currently engaging in fundraising in order to support candidates, so if large contributions suggest contributors are purchasing influence with elected officials, then they are already purchasing influence through fundraising.
- If contribution limits were lifted, wealthy contributors would not make large contributions to candidates because it could be used by an opponent in a negative campaign advertisement.
- Many contributors do not currently contribute the maximum amount, and raising the limits would diminish the importance of their contributions.
- The city should consider lifting limits for the first \$100,000 raised by candidates to enable non-incumbents to have enough money to reach voters.
- In order to reduce the appearance of corruption associated with campaign contributions, the City should consider public financing of candidate elections.
- If contribution limits are raised, elections would likely be more expensive which in turn would increase the cost of public financing.
- If contribution limits are raised, overall spending will increase in citywide races but it is unlikely that overall spending will increase in district elections.

Item-9: Adjournment to Closed Session

Chairman Cabrera adjourned the meeting to Closed Session at approximately 6:35 p.m. He stated the Commission would reconvene into Open Session following the conclusion of Closed Session in order to report any action taken during the closed session portion of the meeting.

Reconvene to Open Session

Chairman Cabrera called the meeting back into open session at approximately 7:20 p.m.

Reporting Results of Closed Session Meeting of November 8, 2007

Chairman Cabrera reported the results of the Closed Session Meeting of November 8, 2007.

Item 1: Conference with Legal Counsel (3 potential matters)

Case No. 2007-12 – In Re: Failure to Properly Disclose Economic Interests and to Disqualify from a Municipal Decision Affecting Financial Interests

Motion: Reopen Investigation
Vote: Carried Unanimously
Excused: Fuller
Recused: Valdez

Case No. 2007-92 – In Re: Alleged Failure to Register as a Lobbyist

Motion: Initiate Investigation
Vote: Carried Unanimously
Excused: Fuller

Case No. 2007-93 – In Re: Alleged Unlawful Solicitation of Campaign Contribution from a City Employee

Motion: Recuse Commissioner Valdez
Moved/Seconded: Leonard/Biddle
Vote: Carried Unanimously
Excused: Fuller
Abstained: Valdez

Motion: Initiate Investigation
Vote: Carried Unanimously
Excused: Fuller
Recused: Valdez

Item 2: Conference with Legal Counsel (3 potential matters)

Case No. 2006-16 – In Re: Benjamin Hueso - Alleged Contribution in Excess of Limit

Motion: Approve Stipulation
Vote: Carried Unanimously
Excused: Fuller

Case No. 2006-59 – In Re: Luis Acle - Alleged Failure to Timely Pay Vendor Debts

Motion: Order a Probable Cause Hearing and Authorize the Issuance of a Probable Cause Report and Draft Administrative Complaint. Hearing scheduled for January 31, 2008, at 9:00 a.m.
Vote: Unanimous
Excused: Fuller

Case No. 2007-39 – In Re: Arturo Castanares - Alleged Failure to Timely File Lobbying Disclosure Reports

Motion: Approve Stipulation
Vote: Carried Unanimously
Excused: Fuller

Item 3: Conference with Legal Counsel (3 Potential Matter)

San Diego Ethics Commission Final Audit Report: Friends of Ben Hueso

Motion: Accept Report
Vote: Carried Unanimously
Excused: Fuller

San Diego Ethics Commission Final Audit Report: Committee to Re-elect Ben Hueso

Motion: Accept Report
Vote: Carried Unanimously
Excused: Fuller

San Diego Ethics Commission Final Audit Report: Aclé for City Council

Motion: Accept Report

Vote: Carried Unanimously

Excused: Fuller

Adjournment

The meeting adjourned at approximately 7:25 p.m.

Guillermo Cabrera, Commission Chair
Ethics Commission

Kathy Hunt, Executive Secretary
Ethics Commission

THIS INFORMATION WILL BE MADE AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST.