



**Minutes for Meeting of
Thursday, November 8, 2012**

Item 1: Call to Order

Commission Vice Chair William Howatt called the meeting to order at approximately 5:00 p.m.

Item 2: Roll Call

Present –Vice Chair William Howatt, Commissioners Lee Biddle, Deborah Cochran, Faye Detsky-Weil, John O’Neill, and Bud Wetzler

Excused: Commission Chair Fuller

Staff – Executive Director Stacey Fulhorst, General Counsel Christina Cameron, Program Manager Steve Ross, Investigator Lauri Davis, and Administrative Aide Jennifer Duarte

Item 3: Approval of Commission Minutes

Approval of Ethics Commission Minutes of October 11, 2012

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| Motion: | Approved |
| Moved/Seconded: | Detsky-Weil/Wetzler |
| Vote: | Carried Unanimously |
| Excused: | Fuller |

Item 4: Non-Agenda Public Comment

None

Item 5: Commissioner Comment

None

Item 6: Executive Director Comment

Director Fulhorst gave an update on the Commission's proposed amendments to the City's campaign laws. She reported that the presentation to City Council on October 22, 2012, was continued to November 13, 2012, as a result of a recommendation made by Councilmember DeMaio to require committees to itemize campaign contributions below \$100, in order to give the City Attorney time to research the issue. According to Ms. Fulhorst, the City Attorney will be submitting a report indicating that additional research is required before Council considers implementation of the proposal. Ms. Fulhorst expects the remaining amendments will be approved by the City Council on November 13, 2012, that the second reading will take place on November 27, 2012, and the new laws will take effect on January 1, 2013.

Ms. Fulhorst also reported that, prior to the Council meeting on October 22, 2012, the City Attorney's office raised concerns about the Commission's recommendation that committees identify the special interests of their major donors in their committee names. General Counsel Christina Cameron and Program Manager Steve Ross have been working with the City Attorney's office to alleviate their concerns, which appear to be related to the fact that no other jurisdictions have ever imposed this naming requirement on committees formed to support candidates; however, it does not appear that the City Attorney will ultimately support the proposal. Ms. Fulhorst reminded the Commission that the remaining amendments will require the disclosure of the top two major donors in candidate advertisements. Ms. Fulhorst also reminded the Commission that the issue of political party contribution limits will be considered by the City Council in the Spring of 2013; as a result, the staff might be able to resolve the City Attorney's concerns with respect to the naming issue before that time.

Ms. Fulhorst reminded the Commission that Ann Ravel, Chair of the Fair Political Practices Commission (FPPC), will be at the December meeting. She asked the Commissioners to email her with any specific issues that they would like Ms. Ravel to address during her visit. In addition to addressing the Commission at its evening meeting, Ms. Ravel will be hosting the FPPC's December meeting at the San Diego County administration building beginning at 10:00 a.m.

Item 7: General Counsel Comment

None

Item 8: Review of Lobbyist Disclosure Requirements Concerning Campaign Activities

Ms. Fulhorst explained that it has been brought to the staff's attention that some lobbying entities may not fully understand the requirements that are associated with the disclosure of fundraising activities. In particular, the law that requires lobbying firms and organization lobbyists to disclose fundraising if their owners, officers or lobbyists serve as co-hosts at fundraising events. It does not appear that these types of fundraising activities are currently being disclosed. This issue was docketed for the Commissioners to review the current law and to determine if they are interested in recommending any amendments to the City Council.

Ms. Fulhorst summarized the provisions of the current law and the legislative history, as outlined in her staff report.

Commissioner Biddle noted that he participated in the Commission's deliberations concerning fundraising disclosures in 2006. He stated that he is more concerned with disclosure of situations in which a lobbyist bundles \$10,000 of contributions from friends and clients and personally delivers the funds to the candidate, than situations in which a lobbyist serves as one of forty members of a host committee for an event that raises \$100,000.

Ms. Fulhorst asked Commissioner Biddle if his views would change if a lobbyist was one of only two members of a host committee, or if the lobbyist provided a home or office for the fundraiser. Commissioner Biddle replied that if he hosted an event at his home and invited five people, and the candidate invited others, that he should only be responsible for disclosing the contributions raised by the five people he invited. Commissioner Biddle expressed his view that lobbyists should disclose the contributions they are directly responsible for raising or those the candidate believes the lobbyist is responsible for raising. Ms. Fulhorst noted that, from an enforcement perspective, it can be very difficult to determine the amount of credit a candidate has given to a particular lobbyist because candidates and committees are not required to document this.

Ms. Fulhorst submitted that if the Commission would like to set a new policy the first thing to consider is whether a revised policy is possible within the parameters of the current law, or whether the Commission needs to recommend some legislative amendments.

Commissioner Detsky-Weil asked if the disclosure requirements are same if a lobbyist is a member of a host committee or if the lobbyist personally delivers contributions to a candidate's representative. Ms. Fulhorst responded that the disclosure is the same if the member of the host committee provides a list of invitees for the event, if the lobbyist provides a home or office for the event, or if the lobbyist provides some type of goods or services for the event. She noted that staff routinely suggests that lobbyists explain on their disclosure forms that

there were only one member of a host committee in order to distinguish this situation from traditional bundling.

Commissioner Detsky-Weil suggested that lobbyists be required to disclose the amount they were personally responsible for raising. Ms. Fulhorst explained that drafting such a law would be very difficult. For example, she cited a situation in which a lobbyist invites ten people to attend an event, and these ten people invite ten additional people. Would the lobbyist be required to disclose contributions made by the first ten or all twenty?

Commissioner Biddle described some additional challenges that could arise. For example, if someone he invites to an event says he cannot attend but sends in a contribution, would he be required to track that contribution in order to disclose it? Alternatively, he described a scenario in which he invites someone who says he will attend but that person does not show up, and then that same person ultimately makes a contribution after receiving a telephone call from the fundraiser. He stated that contributions come into a campaign before and after an event as a result of an invitation to the event.

Commissioner Biddle suggested that lobbyists be required to disclose that they co-hosted an event on a specific date. Anyone who wants to know how much was raised at that event could review the candidate's campaign disclosures and identify contributions that came in on that date. Ms. Fulhorst indicated that this proposal would be fairly easy to draft. Mr. Ross added that while it would not be difficult, it would require an amendment to the Municipal Code.

Commissioner Howatt expressed his view that the current law is straightforward, and he asked if someone has raised concerns. Ms. Fulhorst responded that she does not believe anyone has raised concerns, but that the staff plans to send out letters to all the lobbying firms and organization lobbyists to alert them to the requirements associated with co-hosting an event and she expects some will respond by raising the same issues that were raised by Commissioner Biddle.

Ms. Fulhorst stated that the staff will draft one or more proposed amendments for the Commission's consideration. The staff will also reach out to the lobbying community via the "interested persons" email list to let them know that the Commission will be considering this issue.

Item 9: Adjourn to Closed Session.

Commission Vice Chair Howatt adjourned the meeting to closed session at approximately 5:30 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

Commission Vice Chair Howatt called the meeting back into open session at approximately 6:30 p.m.

Reporting Results of Closed Session Meeting of November 8, 2012

Ms. Cameron reported the results of the closed session meeting of November 8, 2012:

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

Case No. 2012-55 - In Re: Alleged Contribution in Excess of Limit and Contribution from Organization

Motion: Initiate Investigation
Moved/Seconded: O'Neill/Detsky-Weil
Vote: Carried Unanimously
Excused: Fuller

Case No. 2012-57 - In Re: Alleged Contribution in Excess of Limit and Contribution from Organization

Motion: Initiate Investigation
Moved/Seconded: Cochran/O'Neill
Vote: Carried Unanimously
Excused: Fuller

Case No. 2012-59 - In Re: Alleged Failure to File Campaign Statements

Motion: Initiate Investigation
Moved/Seconded: Detsky-Weil/Cochran
Vote: Carried Unanimously
Excused: Fuller

Item-2: Conference with Legal Counsel (13 potential matters)

Case No. 2011-09 - In Re: Alleged Misuse of City Position and Alleged Violation of Post Employment Lobbying Laws

No Reportable Action

Case No. 2012-02, 2012-31, 2012-33, 2012-35 through 2012-39, 2012-42 through 2012-44 - In Re: Alleged Failure of Registered Lobbying Firms and Organization Lobbyists to Disclose Campaign Activities

Motion: Approve Stipulations
Moved/Seconded: Biddle/Detsky-Weil
Vote: Carried Unanimously
Excused: Fuller

Case No. 2012-40 - In Re: Alleged Failure of Registered Organization Lobbyist to Disclose Campaign Activities

Motion: Dismiss
Moved/Seconded: Biddle/Detsky-Weil
Vote: Carried Unanimously
Excused: Fuller

Case No. 2012-22 - In Re: Alleged Failure to File Campaign Statements

NOTE: Outside Counsel Lisa Foster replaced Christina Cameron as the Commission's legal counsel

No Reportable Action

Adjournment

The meeting adjourned at approximately 6:45 p.m.

[REDACTED]

William Howatt, Commission Vice Chair
Ethics Commission

[REDACTED]

Jennifer Duarte, Administrative Aide
Ethics Commission

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