



**Minutes for Meeting of
Thursday, February 10, 2005**

Item-1: Call to Order

Chairwoman Dorothy Smith called the meeting to order at 5:00 p.m.

Item-2: Roll Call

Present – Chairwoman Dorothy L .W. Smith, Vice Chairwoman Dorothy Leonard, Commissioners Charles H. Dick, Jr., April Riel, Karen Thomas-Stefano, Greg Vega, and Larry S. Westfall

Staff – Executive Director Stacey Fulhorst, General Counsel Cristie C. McGuire, Senior Investigator Lauri Davis, and Executive Secretary Janet MacFarlane

Item-3: Approval of Commission Minutes

Approval of January 13, 2005, Ethics Commission Minutes

Motion: Approve

Moved/Seconded: Dick/Leonard

Vote: Unanimous

Item-4: Non-Agenda Public Comment

None.

Item-5: Commissioner Comment

Chairwoman Smith acknowledged Dave James, and expressed appreciation for his service as legal advisor to the Ethics Commission. Chairwoman Smith further congratulated Mr. James on his impending retirement. Mr. James was presented a plaque in recognition of his service to the commission.

Mr. James thanked the commission and stated he was proud to have served the Ethics Commission as its legal counsel.

Item-6: Executive Director Comment

Director Fulhorst reported the following:

1. Completion of ethics training for the elected officials and their staff.
2. Finalization with the Data Processing Corporation of the on-line recertification training program. The Commission will be asked to test the new system when completed.
3. A live , ethics training will be conducted for the City Manager and Department heads.
4. Preparation on FY 2006 budget. Budget priorities:
 - A. Increase Financial Investigator position from $\frac{3}{4}$ - to full-time.
 - B. Possible adjustment to part-time legal counsel position or addition of new staff position.
5. Audit Ad Hoc Subcommittee will bring its proposed amendments to the Audit Manual to the Commission's March 10, 2005, meeting.
6. The proposed amendments to the Audit Manual will be presented at the Rules Committee meeting of April 6, 2005. A discussion of Council Policy 300-11 will also be on the agenda.

Item-7 General Counsel Comment

None.

Item-8 Election Campaign Control Ordinance – Legal Defense Funds

Director Fulhorst presented the memorandum dated February 3, 2005, regarding legal defense funds.

April Boling discussed the issue of multiple legal defense funds and the method to be used should donor contribution refunds be required. Ms. Boling also explained they are holding a great number of contributions until a decision is made as to whether the completion of a pending matter disclosure form perfects a contribution to the legal defense fund.

By consensus, the Commission directed the executive director to distribute one or more fact sheets regarding legal defense funds and the disclosure of pending matters, pursuant to the guidelines provided by the Commission.

Item-9: Election Campaign Control Ordinance – Credit Card Vendors

Director Fulhorst asked for Commission direction on the issue of requiring re-reporting of credit card vendors as intermediaries on campaign disclosure statements.

Motion: Commission not to require back reporting of credit card vendors as intermediaries.

Moved/Seconded: Riel/Leonard

Vote: 7 to 0

Item-10: Proposed Amendments to Operating Policies

Director Fulhorst explained the proposed amendments related to the recent approval of independent counsel for the Ethics Commission.

Motion: Approve amendments to Operating Policy.

Moved/Seconded: Vega/Stefano

Vote: Unanimous

Item-11: Ethics Ordinance – Future Employment of City Officials

Director Fulhorst asked for Commission direction regarding the provision in the Ethics Ordinance which prevents City Officials from negotiating future employment while working on municipal decisions that involve a prospective future employer. Although not specifically stated in the Ordinance, Director Fulhorst questioned whether it was the Commission’s intent to exclude public agencies from this provision.

Motion: Negotiation for future employment with other public agencies does not violate post employment restrictions covered under SDMC 27.3551.

Moved/Seconded: Leonard/Westfall

Vote: Unanimous

Item-12: Adjournment to Closed Session

Chairwoman Smith adjourned the meeting to Closed Session at approximately 6:30 p.m. She 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

Chairwoman Smith called the meeting back into open session at approximately 7:45 p.m.

Reporting Results of Closed Session Meeting of February 10, 2005

Chairwoman Smith reported the results of the Closed Session Meeting of February 10, 2005:

Item 1 – Conference with Legal Counsel (3 Potential Matters)

Case No. 2005-03 – In re: Alleged Failure to Disclose Economic Interest

Motion: Recuse Commissioners Dick and Vega

Moved/Seconded

Vote: Unanimous

Abstained: Dick/Vega

Motion: Initiate Investigation

Moved/Seconded

Vote: 5 to 0

Recused: Dick/Vega

Case No. 2005-01 – In re: Alleged Disclosure of Confidential Information

Motion: Initiate Investigation

Moved/Seconded

Vote: 7 to 0

Case No. 2005-02 – In re: Alleged Failure to Register as Lobbyists

Motion: Initiate Investigation

Moved/Seconded

Vote: 7 to 0

Item 2 – Conference with Legal Counsel (5 Potential Matters)

Case No. 2004-62 – In re: Alleged Failure to Properly Identify “Paid for By” on Mass Mailer

No reportable action.

Case No. 2004-64 – In re: Alleged Failure to Obtain Donor Information

No reportable action.

Case No. 2004-69 – In re: Alleged Failure to Maintain Proper Accounting Records

No reportable action.

Case No. 2004-70 – In re: Alleged Failure to File Appropriate Disclosure Statements

No reportable action.

Case No. 2004-57 – In re: Alleged Failure to File Campaign Statement and Failure to Include “Paid for By” on Mass Mailer

No reportable action.

Adjournment

The meeting adjourned at approximately 8:00 p.m.

Dorothy L. W. Smith, Chairwoman
Ethics Commission

Janet MacFarlane, Executive Secretary
Ethics Commission

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