



**Minutes for Meeting of
Thursday, March 9, 2006**

Item-1: Call to Order

Chairwoman Leonard called the meeting to order at 5:05 p.m.

Item-2: Roll Call

Present – Chairwoman Dorothy Leonard, Vice-Chair Larry Westfall, Commissioners Lee Biddle and Gil Cabrera

Staff – Executive Director Stacey Fulhorst, General Counsel Cristie C. McGuire, Program Manager Steve Ross, Senior Investigator Lauri Davis, Financial Investigator Dee Dee Alari, and Executive Secretary Katherine Hunt

Excused – Commissioners Charles H. Dick, Jr. and Karen Thomas-Stefano

Item-3: Approval of Commission Minutes

Approval of Ethics Commission Minutes for February 9, 2006

Motion: Approve

Moved/Seconded: Cabrera/Biddle

Vote: Unanimous

Excused: Dick/Stefano

Item-4: Non-Agenda Public Comment

None.

Item-5: Commissioner Comment

Chairwoman Leonard commented that the Commission considered the Executive Director's Annual Evaluation at the February 9, 2006, Closed Session meeting. She

reported that the Commission Chair and Vice-Chair recommended a \$3,000 bonus and a salary increase because of the superior evaluation that Ms. Fulhorst received. However, she reported Ms. Fulhorst declined both the bonus and increase because of the City's current financial situation and because she cannot provide the same to the rest of the Commission staff. She advised that this was the second year that Ms. Fulhorst had declined both a bonus and salary increase from the Commission. Chairwoman Leonard also commented on the Commission's 2005 achievements and thanked the entire Ethics Commission staff for a job well done.

Item-6: Executive Director Comment

Director Fulhorst commented regarding the Ethics Commission staff and thanked them for their hard work.

Item-7 General Counsel Comment

None

Item-8 Proposed Amendments to the Municipal Lobbying Ordinance

Director Fulhorst addressed staff reports and offered the following comments:

DRAFT PURPOSE AND INTENT LANGUAGE

- She advised that staff added the word "paid" to indicate that the ordinance addresses compensated lobbyists. She also referred to the term "private interest" and explained that the word "private" is placed within brackets to provide the Commission with the option of having the ordinance include either public or private interests.

PERSONS WHO SHOULD REGISTER AS LOBBYISTS
DEFINITIONS FOR DISCUSSION

- The direction staff received from the Commission at the last meeting was to have a \$1.00 threshold for contract lobbyists and a separate threshold for in-house lobbyists.
- The report presents two options for the definition of Lobbyist Employer: Option 1 is based on the number of contacts and Option 2 is based on the structure and size of the lobbying firm. She pointed out that these options were drafted to address the registration and reporting by lobbyist employer and lobbyists firms, and that this reporting would reflect the activity of all the employees. She added that having a contacts-based threshold would be an enforceable measure. With regard to Option B, she pointed out that it may create an artificial distinction between companies based on size as opposed to lobbying activities, and that it may create a loophole whereby companies could use affiliates or subsidiaries to avoid registration.

- Staff would like direction from the Commission regarding the threshold amount for expenditure lobbyists.

PERSONS/ACTIVITIES EXEMPT FROM LOBBYING

- She advised that staff prepared a chart which includes a summary of exemptions currently in place in other jurisdictions. She added that she has communicated with the presidents and executive officers of the City's public agencies and notified them that the Commission is considering the current exemption for public officials.

Chairwoman Leonard requested the Commission provide staff with direction with regard to the draft language for the Purpose and Intent and definitions associated with registration thresholds. She also advised that Ex Parte Communications will be added to the Lobbying Ordinance review schedule for discussion at the May 11, 2006, meeting along with prohibitions on gifts, campaign contributions and fundraising.

Simon Mayeski commented with regard to the letter he submitted to the Commission.

Mitch Berner commented on the recommended changes he submitted to the Commission concerning the Draft Purpose and Intent language. He also commented that using a threshold number of contacts for lobbyist employers would simplify reporting requirements and complaint generation. In addition, he recommended a lower registration threshold amount for ease of compliance.

Mel Shapiro commented regarding the County's regulations.

Jim Sutton commented that a dollar threshold would be appropriate for lobbying firms. However, he added it would be difficult to apply this same threshold to firms whose primary business was not lobbying such as law firms and planning firms. He also recommended activities to be exempted from lobbying as set forth in a letter submitted to the Commission.

Rebecca Michael recommended that the Commission adopt Option A of staff recommendations for Lobbyists Employers.

Commissioner Cabrera suggested having the ordinance language specify the titles and classifications of City Officials that the ordinance includes with regard to lobbying contacts.

Director Fulhorst responded that staff will compile a list of City job classifications.

Commissioner Cabrera commented regarding the Purpose and Intent language, and questioned the purpose of the word "private" remaining in the language "private interests."

Director Fulhorst explained the word “private” was listed in brackets in order to provide the Commission the option of having public agencies register.

Commissioner Biddle commented that including the words “private” and “public” in the Purpose and Intent language could cause confusion. He pointed out that the terms could connote that someone was acting on behalf of the public interests and not necessarily that of a public agency.

Chairwoman Leonard recommended that staff delete the term “private” as listed twice in the draft language in order to avoid any confusion. She clarified that at this time, this was the Commission’s only recommended change to the draft Purpose and Intent language.

Chairwoman Leonard recommended that a \$500.00 threshold be established to eliminate the potential for over-inclusion of certain incidental lobbying contacts.

Commissioner Cabrera suggested requiring a \$1.00 threshold in addition to a contacts threshold to qualify.

James Sutton commented that the attachment to his letter lists occupations that are exempt from lobbying regulations in other cities. In addition, he suggested the Commission may consider having categorical exemptions.

Commissioner Cabrera suggested having a low registration threshold with categorical exemptions in order to avoid issues with the application of contact definitions.

Mitch Berner commented that there will be those lobbyists who will claim to be in a particular occupation in order to be exempted from registration.

Chairwoman Leonard commented that in order to exempt certain occupations such as engineers or planners, staff may need to add language that specifies that in order to qualify for an exemption, they need to be employed by a firm that has a contract with the City for a particular project.

Commissioner Cabrera questioned the threshold amount for expenditure lobbyists.

Commissioners Biddle and Cabrera suggested a registration threshold of \$500 in a three month period.

Commissioner Westfall asked about the public’s access to information regarding the individuals who have lobbied City Officials on specific projects.

Director Fulhorst responded that online filing may provide easier access when it is eventually implemented.

Chairwoman Leonard advised that the focus of the March 20, 2006, meeting will be lobbying exemptions.

Item-9: Adjournment to Closed Session

Chairwoman Leonard 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 Leonard called the meeting back into open session at approximately 7:40 p.m.

Reporting Results of Closed Session Meeting of March 9, 2006.

Vice-Chairperson Leonard reported the results of the Closed Session Meeting of March 9, 2006.

Item 1: Conference with Legal Counsel (2 potential matters)

Case No. 2006-13 – In re: Alleged Failure to Disqualify from Municipal Decision Affecting Economic Interests

Motion: Initiate Investigation
Moved/Seconded
Vote: Unanimous
Excused: Stefano/Dick

Case No. 2006-14 – In re: Alleged Failure to Properly Disclose Economic Interests

Motion: Initiate Investigation
Moved/Seconded
Vote: Unanimous
Excused: Stefano/Dick

Item 2: Conference with Legal Counsel (8 potential matters)

Two items withdrawn from agenda.

Case No. 2005-02 – In re: Alleged Failure to Register as Lobbyist and/or Disclose Lobbying Activities

No Reportable Action Taken

Case No. 2005-13 – In re: Alleged Failure to Obtain Required Contributor Information

Motion: To Reopen Investigation

Moved/Seconded

Vote: Unanimous

Excused: Stefano/Dick

Case No. 2005-27 – In re: Alleged Failure to Disclose Economic Interest

Motion: Dismiss

Moved/Seconded

Vote: Unanimous

Excused: Stefano/Dick

Case No. 2005-28 – In re: Alleged Contribution in Excess of Limit, and Failure to Disclose Intermediary

No Reportable Action Taken.

Case No. 2005-34 – In re: Alleged Failure to Disqualify from Municipal Decision Affecting Economic Interests

No Reportable Action Taken.

Case No. 2005-66 – In re: Alleged Violation of Contribution Limits

Motion: Dismiss

Moved/Seconded

Vote: Unanimous

Excused: Stefano/Dick

Item 3: Conference with Legal Counsel (2 Potential Matters)

San Diego Ethics Commission Audit Report: Friends of Toni Atkins

Motion: Accept Report

Moved/Seconded

Vote: Unanimous

Excused: Stefano/Dick

San Diego Ethics Commission Audit Report: 2004 Lobbyist Quarterly Disclosure Reports

Motion: Accept Report
Moved/Seconded
Vote: Unanimous
Excused: Stefano/Dick

Adjournment

The meeting adjourned at approximately 7:45 p.m.

Dorothy Leonard, Chairwoman
Ethics Commission

Kathy Hunt, Executive Secretary
Ethics Commission

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