



**Minutes for Meeting of
Thursday, December 13, 2012**

Item 1: Call to Order

Commission Chair Fuller called the meeting to order at approximately 5:00 p.m.

Item 2: Roll Call

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

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

Item 3: Presentation by Ann Ravel, Chair of California Fair Political Practices Commission

Fair Political Practices Commission Chair Ann Ravel explained that, shortly after she was appointed to the FPPC, she researched the original documents that established the FPPC and found that the stated purpose of the agency was to ensure trust in government and encourage good people to participate in the political process. In the spirit of this stated purpose, she initiated changes to the agency’s procedures to enhance the due process rights of respondents and diminish publicity of investigations, and she undertook efforts to modify regulations that were perceived to be inconsistent. She noted that the agency is still in the process of implementing these changes. In addition, she advised the Commission that the FPPC is currently working with the legislature to amend the Political Reform Act to provide for more disclosure of campaign activities.

Ms. Fulhorst asked Ms. Ravel if the agency plans to review and possibly revise its regulations that govern coordination with candidates. Ms. Ravel replied that

they will be looking into this issue. She noted that the agency has never tried to enforce an alleged violation of the coordination rules because such cases are extremely difficult to prove.

Ms. Fulhorst asked Ms. Ravel if there is anything that local jurisdictions could do to improve their working relationships and communication with FPPC staff. In response, Ms. Ravel asked if the Ethics Commission has a mechanism to distribute the FPPC's notices and proposed regulations to the local community, which would help encourage public input and minimize unintended consequences. Ms. Fulhorst replied that the Ethics Commission has an email interested persons list that the staff will use to disseminate FPPC materials.

Ms. Fulhorst thanked Ms. Ravel for her leadership and for making changes at the agency to make FPPC staff more accessible on advisory and enforcement matters.

Commission Chair Fuller asked Ms. Ravel if there was any effort to create a statewide database. Ms. Ravel replied that the FPPC is currently working on creating a system that will host Statements of Economic Interests from filers in all the jurisdictions throughout the state.

Item 4: Approval of Commission Minutes

Approval of Ethics Commission Minutes of November 8, 2012

Motion:	Approved
Moved/Seconded:	Howatt/Cochran
Vote:	Carried Unanimously
Abstained:	Fuller

Item 5: Non-Agenda Public Comment

None

Item 6: Commissioner Comment

None

Item 7: Executive Director Comment

Director Fulhorst reported that all registered lobbying firms and organization lobbyists filed their quarterly disclosure reports for the third quarter of 2012 on time or shortly after the deadline. She noted that the Commission typically does not impose late filing penalties unless a lobbyist files more than 30 days late. She also thanked Jennifer Duarte for her assistance tracking these quarterly reports.

Item 8: General Counsel Comment

None

Item 9: Presentation of Final Audit Report Regarding the Steve Hadley for City Council 2010 Committee

Motion: Accept Final Audit Report
Moved/Seconded: O'Neill/Biddle
Vote: Carried Unanimously

Item 10: Presentation of Final Audit Report Regarding the Kim Tran for City Council 2010 Committee

Motion: Accept Final Audit Report
Moved/Seconded: Wetzler/Detsky-Weil
Vote: Carried Unanimously

Item 11: Review of Lobbyist Disclosure Requirements Concerning Campaign Activities

Ms. Fulhorst explained that, at the request of the Commission, staff prepared several options with respect to the disclosure of fundraising activities by lobbyists when they serve as a member of a "host committee." The first option would not require any changes to the current law; instead, it would add a box on the disclosure report for a lobbyist to check indicating that the lobbyist was not personally responsible for the total amount raised at the event. The second option would require a change to the Municipal Code: it would add a new definition for "assisting a host committee" and would require lobbyists to check a box indicating that they assisted a host committee, but would not require them to disclose the amount raised at the event. The third option would also require an amendment to the Municipal Code: it would give lobbyists a choice between disclosing the total amount raised at an event, and disclosing the amount they were personally responsible for raising.

Ms. Fulhorst advised the Commission that she received an email from former Commissioner Gil Cabrera shortly before the meeting indicating that he was unable to attend the meeting but wanted the Commission to understand why he supports the current law. She added that copies of Commissioner Cabrera's email were provided to the Commissioners and were made available the public.

Simon Mayeski with Common Cause spoke in favor of the third option and expressed his view that this would provide the most disclosure. He also asked the Commission to consider requiring candidates to disclose the amount raised by each individual involved in fundraising activities to enable the public to determine if an officeholder is rewarding fundraisers.

Evan McLaughlin with the Labor Council spoke in favor of the first option. He reported that, as an organization lobbyist, it is the Labor Council's practice to call the campaign fundraiser and obtain information regarding the total amount raised at an event in order to disclose this information on quarterly reports. He expressed his view that the other options would involve substantially more work for lobbyists as well as various uncertainties and ambiguities. He also suggested that the Commission consider requiring lobbying firms to disclose the fundraising activities of their clients.

Commissioner Biddle reiterated that he believes bundling and delivery of contributions by a lobbyist is a more meaningful disclosure than the total amount raised at an event for which a lobbyist served as one member of a large host committee. That said, he acknowledged that it is difficult to develop appropriate criteria for disclosure of events involving a host committee.

Commissioner O'Neil expressed support for maintaining the current law, and suggested staff undertake educational efforts to ensure that lobbyists understand their disclosure obligations with respect to host committees.

Motion: Support Option 1
Moved/Seconded: O'Neill/Cochran
Vote: Carried Unanimously

Item 12: Modification of Commission Calendar for 2013

Ms. Fulhorst explained that the meeting room is not available to the Commission for on May 9, 2013; as a result, she recommends moving the meeting to May 16, 2013.

Motion: Approve Change to 2013 Commission Calendar
Moved/Seconded: Wetzler/Detsky-Weil
Vote: Carried Unanimously

Item 13: Adjourn to Closed Session.

Commission Chair Fuller adjourned the meeting to closed session at approximately 6:00 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 Chair Fuller called the meeting back into open session at approximately 6:30 p.m.

Reporting Results of Closed Session Meeting of December 13, 2012

Ms. Cameron reported the results of the closed session meeting of December 13 2012:

Item-1: Conference with Legal Counsel (6 potential matters)

Case No. 2012-58 - In Re: Alleged Failure to Properly File Campaign Statements

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

Case No. 2012-60 - In Re: Alleged Failure to File Campaign Statements

Motion: Initiate Investigation
Moved/Seconded: Cochran/Howatt
Vote: Carried Unanimously

Case No. 2012-61 - In Re: Alleged Failure to Include Proper Identification Disclosure on Mass Campaign Literature

Motion: Dismiss
Moved/Seconded: Biddle/O'Neill
Vote: Carried Unanimously

Case No. 2012-62 - In Re: Alleged Misuse of City Position or Resources

Motion: Initiate Investigation
Moved/Seconded: Detsky-Weil/Howatt
Vote: Carried Unanimously

Case No. 2012-63 - In Re: Alleged Failure to Timely File Campaign Statements

Motion: Initiate Investigation
Moved/Seconded: Wetzler/Cochran
Vote: Carried Unanimously

Case No. 2012-64 - In Re: Alleged Failure to Include Proper Identification Disclosure on Mass Campaign Literature and Mass Media Advertisement

Motion: Dismiss
Moved/Seconded: Detsky-Weil/Howatt
Vote: Carried Unanimously

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

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

Motion: Dismiss
Moved/Seconded: O'Neill/Biddle
Vote: Carried Unanimously

Adjournment

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

[REDACTED]

[REDACTED]

Clyde Fuller, Commission Chair
Ethics Commission

Jennifer Duarte, Administrative Aide
Ethics Commission

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