



**Minutes for Meeting of  
Thursday, June 11, 2015**

**Item 1: Call to Order**

Commission Chair John O'Neill called the meeting to order at 5:00 p.m.

**Item 2: Roll Call**

**Present** – Commission Chair John O'Neill, Commissioners Deborah Cochran, Faye Detsky-Weil, Andrew Poat, and Greg Zinser

**Absent** – Commission Vice-Chair Clyde Fuller and Commissioner Alex Kreit

**Staff** – Executive Director Stacey Fulhorst, General Counsel Christina Cameron, Program Manager Steve Ross, and Investigator Lauri Davis

**Item 3: Approval of Commission Minutes**

Commission Chair O'Neill advised the Commissioners they may participate in the vote to approve meeting minutes even if they did not attend the meeting.

**Approval of Ethics Commission Minutes of April 9, 2015**

Motion: Approve  
Moved/Seconded: O'Neill/Zinser  
Vote: Carried Unanimously  
Abstained: Poat  
Absent: Fuller/Kreit

**Approval of Ethics Commission Minutes of May 14, 2015**

Motion: Approve  
Moved/Seconded: Detsky-Weil/Cochran  
Vote: Carried Unanimously  
Abstained: Zinser  
Absent: Fuller/Kreit

**Item 4: Non-Agenda Public Comment**

None

**Item 5: Commissioner Comment**

None

**Item 6: Executive Director Comment**

Ms. Fulhorst noted that candidates in the 2016 election cycle were permitted to begin fundraising this week. She asked the Commissioners to notify her if they are interested in attending one of the candidate training sessions that will be offered in the upcoming months.

**Item 7: General Counsel Comment**

None

**Item 8: Proposed Amendments to the Election Campaign Control Ordinance**

Executive Director Fulhorst summarized the staff report. She explained that, in response to a request from Councilmember Gloria, the City Council Charter Review Committee has asked the Commission to consider proposed amendments to the City's campaign laws that would provide more disclosure of funding sources during the signature gathering phase of referendums, although she noted that the same public policy considerations are also relevant to initiative petitions. The additional disclosures the Commission has been asked to consider involve: (1) the inclusion of a "paid for by" disclosure, including the top two donors of \$10,000 or more, on the printed petitions; and (2) the filing of additional campaign statements during the signature gathering process.

With respect to the "paid for by" disclosure, Ms. Fulhorst noted that the proposal would only apply to entities that qualify as City "committees" by raising or spending \$1,000 to support or oppose the measure, and not to grassroots organizations. She also noted that there are other laws governing the language and formatting of petitions; therefore, if the Commission supports the inclusion of a "paid for by" disclosure, staff will work with the City Clerk and City Attorney's Office to ensure that the proposed amendments do not interfere with other requirements.

With respect to the filing of additional campaign statements, Ms. Fulhorst explained that the City does not currently impose any additional filing requirements for ballot measure committees other than those required by the state. Under state law, committees formed to support or oppose a referendum or initiative must file campaign statements 30 days after the end of each calendar quarter. Because the referendum process requires that signatures be gathered within a 30-day window, the public usually has little or no information concerning the relevant funding sources until after the signature drive is

complete. Although one or more quarterly reports might be filed during the 180-day circulation period for initiative petitions, it is still very likely that significant contributions and expenditures could be made after the end of a calendar quarter that would not be reported before the end of the signature drive.

According to Ms. Fulhorst, the Charter Review Committee has asked the Commission to consider the following additional campaign filings: (1) a campaign statement [Form 460] filed within 10 calendar days after the petition begins circulation, covering the period from January 1 or the most-recently filed campaign statement through the date that circulation commences; (2) the filing of Independent Expenditure Reports [Forms 496] within 24-hours during the signature gathering period; and (3) the filing of Contribution Reports [Forms 497] within 24-hours during the signature gathering period. She pointed out that the Commission might want to consider a Form 497 in lieu of the Form 460 for the initial filing as this would be less onerous for committees and their treasurers but would still provide the public with meaningful information regarding funding sources.

In addition to policy considerations, Ms. Fulhorst pointed out that there are practical and workload considerations for the City Clerk's Office, including technical enhancements to the electronic filing system in order to accommodate additional disclosures. She noted that there are also legal considerations that will have to be considered by Ms. Cameron and the City Attorney's Office.

Finally, Ms. Fulhorst reminded the Commission that any additional disclosure requirements would apply only to City committees. In order to ensure that county and state committees are subject to the same disclosure requirements when they support or oppose a City measure, Commission staff and Councilmember Gloria's office will pursue corresponding amendments to state law. She reported that Jessica Lawrence, the policy analyst in Councilmember Gloria's office working on this issue, has already conferred with the staff for Assembly Speaker Toni Atkins, who is willing to introduce an Assembly Bill regarding this matter in December.

General Counsel Chris Cameron advised the Commission that a legal analysis of any additional disclosure requirements will be necessary to ensure that the proposed laws are constitutional and defensible if challenged. She noted that there have been previous state bills that applied additional disclosure requirements to committees involved in petition drives. Although they were ultimately vetoed by the Governor, the fact that they were presumably approved by legislative counsel is an indication that the proposed laws were deemed legally sound.

Commissioner Zinser asked what prompted the consideration of these additional disclosure requirements. Ms. Lawrence from Councilmember Gloria's office explained that there have been four referendums in the past two years challenging actions taken by the City Council, and Councilmember Gloria believes it's important for the public to have access to information regarding funding

sources in order to make an informed decision about signing a referendum petition.

The Commissioners generally indicated support for the additional disclosure requirements, and asked staff to return at the next Commission meeting with draft amendments to the Municipal Code as well as recommendations regarding the placement of a "paid for by" disclosure on petitions.

**Item 9: Election of Chair and Vice-Chair**

Motion: Elect Commissioner O'Neill as Chair and Commissioner Fuller as Vice Chair effective July 1, 2015  
Moved/Seconded: Poat/Cochran  
Vote: Carried Unanimously  
Absent: Fuller/Kreit

**Item 10: Adjourn to Closed Session**

Commission Chair John O'Neill adjourned the meeting to closed session at approximately 5:45 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 John O'Neill called the meeting back into open session at approximately 6:25 p.m.

**Reporting Results of Closed Session Meeting of June 11, 2015:**

Ms. Cameron reported the results of the closed session meeting of June 11, 2015:

**Item-1: Conference with Legal Counsel (1 potential matter)**

**Case No. 2015-11 - In Re: Maintaining Campaign Records; Mass Campaign Literature**

Motion: Initiate Investigation  
Moved/Seconded: Detsky-Weil/Cochran  
Vote: 4-1 (Poat voting nay)  
Absent: Fuller, Kreit

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

**Case No. 2015-10 - In Re: Vendor Credit**

No Reportable Action

**Case No. 2013-15 – In Re: Advantage Towing Company and Ayman Arekat - Alleged Making of Contributions in the Name of Another**

Staff: General Counsel Christina Cameron Only

Motion: Ordered a Probable Cause Hearing and Authorized the Issuance of a Probable Cause Report and Draft Administrative Complaint; Probable Cause Hearing Scheduled for August 19, 2015, at 10:00 a.m.; Appointed Commissioners Kreit, Cochran, and Detsky-Weil to serve as Presiding Authority and Stacey Fulhorst to serve as Petitioner

Moved/Seconded: O’Neill/Zinser  
Vote: Unanimous  
Excused: Fuller, Kreit

The closed session meeting reconvened into open session at approximately 6:30 p.m.

**Adjournment**

The meeting adjourned at approximately 6:35 p.m.

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John O’Neill, Commission Chair  
Ethics Commission

[Redacted]

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Stacey Fulhorst, Executive Director  
Ethics Commission

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