



**Minutes for Meeting of
Thursday, July 9, 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, Commission Vice-Chair Clyde Fuller, Commissioners Alex Kreit and Greg Zinser

Absent – Commissioners Deborah Cochran and Faye Detsky-Weil

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

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 June 11, 2015

Motion:	Approve
Moved/Seconded:	O'Neill/Zinser
Vote:	Carried Unanimously
Absent:	Cochran/Detsky-Weil

Item 4: Non-Agenda Public Comment

None

Item 5: Commissioner Comment

None

Item 6: Executive Director Comment

None

Item 7: General Counsel Comment

None

Item 8: Proposed Amendments to the Election Campaign Control Ordinance

Executive Director Fulhorst stated that backup information for this item is contained in the memorandum staff prepared for the Commission's June meeting. She reiterated that Councilmember Gloria and the City Council Charter Review Committee have asked the Commission to consider changes to the City's campaign laws that would require the disclosure of funding sources during the signature gathering phase of the petition process. In particular, the Commission has been asked to consider legislative amendments involving: (1) the filing of additional campaign statements during the signature gathering period; and (2) the disclosure of funding sources on the petition, including the top two donors of \$10,000 or more.

Ms. Fulhorst explained that, in response to direction given at the Commission's June meeting, staff has prepared draft amendments to ECCO that would require committees to file a Form 497 within 10 days of the beginning of a petition drive, disclosing contributions received since its last campaign statement, and also file 24-hour reports disclosing contributions and independent expenditures of \$1,000 or more during the petition drive. The draft amendments would also require that committees paying to print or distribute petitions identify themselves on the petition along with the names of their top two donors of \$10,000 or more. She noted that the draft refers to the City Clerk's Administrative Guidelines, which are currently in the process of development, for direction regarding the size and placement of the disclosures on petitions.

Ms. Fulhorst pointed out that the draft amendments contain a provision clarifying that Ethics Commission decisions made in the course of administrative enforcement may not be used by a court to invalidate a petition. She explained that there are First Amendment rights implicated with initiative and referendum petitions that should not be hindered by complaints concerning font size and similar allegations. She also noted that this provision should prevent a situation in which the Commission is blanketed with complaints during and after a petition drive in an effort to invalidate petition signatures.

Ms. Fulhorst advised the Commission that April Boling has asked if there is a legal requirement that all petitions in circulation be identical, and if so, whether a requirement to identify a committee's top two donors at the time of printing will impermissibly result in different petitions. She reported that the City Attorney's Office is looking into this issue.

During public comment, Harry Jensen raised concerns that the proposed amendments would hurt “the little guy,” stating that not everyone can afford to comply with the additional disclosure requirements. In response, Ms. Fulhorst explained that only entities that qualify as “political committees” by raising or spending \$1,000 or more would be subject to these rules, and that grassroots efforts that don’t result in the creation of a political committee would not be subject to these additional disclosures.

Also during public comment, Simon Mayeski spoke in favor of the proposed amendments and disagreed with Mr. Jensen’s view that they would adversely impact the “little guy.” He observed that various entities have recently expended large sums of money to change the decisions made by Councilmembers, who are elected to make those decisions, and he pointed out that the proposed amendments will require both sides to disclose the money they are spending for or against a petition drive.

Commissioner Fuller suggested that major donors might intentionally stay under the proposed \$10,000 disclosure threshold by contributing \$9,999. Ms. Fulhorst acknowledged that this is a possibility, and pointed out that the dollar threshold for major donor disclosure is a policy decision. She noted that staff proposed the \$10,000 threshold because it mirrors a similar threshold in ECCO applicable to major donor disclosures on campaign advertisements. She reminded the Commission that the funding disclosure on petitions would be supplemented by the disclosure of all contributions of \$1,000 or more on campaign statements filed during the signature gathering process.

In response to a question from Commission Chair O’Neill, Ms. Fulhorst clarified that the proposal would require committees to identify their top two major donors as of the date the petition is printed, and that a committee may distribute a petition with outdated major donor information as long as the petition was correct at the time it was printed. She pointed out that this approach is based on corresponding state law for printed campaign advertisements.

Commissioner Kreit observed that the proposed amendments would enable a committee to game the system by accepting larger contributions after a petition is printed in order to avoid disclosure. He suggested that no dollar threshold for disclosure of a committee’s top two donors would eliminate that possibility. In response, Commission Chair O’Neill expressed his view that no dollar threshold could result in more gaming of the system by enabling committees to select the small donors they want to identify on a petition, while planning to accept contributions from major donors after the petition is printed.

The item concluded without the Commission taking action. The City Attorney’s Office will continue its review of legal issues related to the proposed amendments, with the matter to return for additional consideration by the Commission at its August meeting.

Item 9: 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 6:15 p.m.

Reporting Results of Closed Session Meeting of July 9, 2015:

Ms. Cameron reported the results of the closed session meeting of July 9, 2015:

Item-1: Conference with Legal Counsel (4 potential matters)

Three items withdrawn (Case Nos. 2015-03, 2015-05, and 2015-06)

Case No. 2015-02 - In Re: Reporting Specific Decision: Lobbying Firm

Motion:	Dismiss Complaint
Moved/Seconded:	Zinser/O’Neill
Vote:	Carried Unanimously
Absent:	Cochran/ Detsky-Weil

Item-2: Conference with Legal Negotiator

No Reportable Action

Item-3: Public Employee Performance Evaluation

No Reportable Action

Adjournment

The meeting adjourned at approximately 6:20 p.m.

[Redacted]

John O’Neill, Commission Chair
Ethics Commission

[Redacted]

Stacey Fulhorst, Executive Director
Ethics Commission

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