

**Minutes for Meeting of
Thursday, December 14, 2017**

Item 1: Call to Order

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

Item 2: Roll Call

Present – Commission Chair Deborah Cochran, Commission Vice Chair Sid Voorakkara, and Commissioners Bill Baber, Fred Kosmo, Joe Leventhal, and Dave Potter

Absent – Commissioner Alex Kreit

Staff – Executive Director Stacey Fulhorst, General Counsel Christina Cameron, Education Program Manager Stephen Ross, Investigative Program Manager Kristina Gagné, and Program Coordinator Victoria Velasquez

Item 3: Approval of Commission Minutes of November 9, 2017

Motion: Approve Minutes (with amendment suggested by Commissioner Leventhal)

Moved/Seconded: Potter/Kosmo

Vote: Carried Unanimously

Absent: Kreit

Item 4: Non-Agenda Public Comment

None

Item 5: Commissioner Comment

None

Item 6: Executive Director Comment

Executive Director Fulhorst reminded the Commissioners to turn their microphones on when speaking to ensure a complete recording and facilitate preparation of the meeting minutes. She thanked Commissioners Kosmo, Leventhal, and Potter for testing the new online lobbyist training and providing their feedback. Ms. Fulhorst also provided the Commissioners with an update regarding the CalAccess Replacement System.

Item 7: General Counsel Comment

None

Item 8: Proposed Amendments to Election Campaign Control Ordinance

Ms. Fulhorst provided an overview of the staff report regarding the proposed amendments to the City's campaign advertising disclosure laws to reflect recent changes in state law. In particular, she explained the staff recommendation to incorporate the new state laws into ECCO, with exceptions and additions as noted in the staff report.

Commissioner Leventhal expressed concern that the City could have liability issues if it incorporated aspects of the new state laws that might be unconstitutional. Ms. Fulhorst explained that the staff proposal excludes the state law provisions that have constitutional problems, such as general purpose recipient committees identifying their donors on campaign ads, and would defer to the state with regard to regulating such provisions.

Commissioner Kosmo reported that he spoke with several members of the regulated community who would like the City to mirror state law without incorporating any additional requirements. He asked about the rationale for staff's recommendation that local candidates include "paid for by" disclosures on advertisements that are not subject to any state disclosure requirements. Ms. Fulhorst explained that state law excludes candidates from some disclosure obligations on the faulty premise that voters are able to tell when a campaign ad is coming from a candidate even when the ad contains no disclosure. She explained that excluding candidates from ad disclosures would prompt complaints and necessitate investigations to determine which committee sent the ad. She said that staff's proposal would impose on candidates the least restrictive disclosure obligations contained in other state laws. She added that local candidates have been required to include disclosures on their ads since 2005. Commissioner Baber added that achieving consistency with the state needs to be balanced with avoiding wasting staff time investigating who sent a campaign ad. Commissioner Kosmo said he appreciated the clarification; he acknowledged that when he gets a campaign mailer he looks to see who paid for it, and said that these disclosures are helpful.

Both Commissioners Kosmo and Baber expressed support for incorporating the new state law that involves a seven day waiting period for identifying the top three donors, as opposed to maintaining the City's current requirement that donors be identified at the time the advertising order is placed. Commissioner Voorakkara commented that it would be unlikely for committees to game the system by accepting large contributions just after the seven day cut-off because they've already identified and tapped into the finite number of donors that are making large donations.

Commissioner Voorakkara expressed support for maintaining the City's current \$10,000 major donor threshold, and added that he is concerned there will be a lack of transparency if the City adopts the state's \$50,000 threshold. Commissioner Leventhal stated that he is still concerned with the amount of jockeying that committees must do to identify which of their donors are disclosable. He said that he supports transparency, but instead of requiring committees to identify their top three donors of \$10,000 or more on their campaign advertisements, he would favor a requirement that all campaign advertisements include a website where the public can access all donors over \$10,000. He explained that identifying only the top three \$10,000 donors in an advertisement disclosure results in overlooking other donors that have contributed large amounts to the committee.

Ms. Fulhorst responded that there is a provision in state law that requires state committees to disclose their donors on a website. She said that these committees must include an address on their ads for a website that lists the committees' top ten donors, which must be updated as the rankings change. Commissioner Leventhal stated that the City should require the website to include a list of all donors of \$10,000 or more, not just the committee's top ten donors. Commissioner Baber commented that he supports the website option, which would make the City more transparent than other jurisdictions. Commissioner Voorakkara added that these website disclosures would ensure the disclosure of meaningful donations, especially in district races where having only a \$50,000 disclosure threshold would often result in no donor disclosures at all.

During the Commission's discussion of the twelve-month lookback provision in state law for identifying major donors, Ms. Cameron suggested that rather than adopting a fixed time period, the Commission could consider maintaining the current local law, which requires a committee to consider all of its donors going back to the committee's inception. Both Commissioners Baber and Voorakkara expressed support for this approach, which they believe is more appropriate than setting a twelve or twenty-four month time period.

Item 9: Adjourn to Closed Session

Commission Chair Cochran adjourned the meeting to closed session at approximately 6:20 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

Commission Chair Cochran called the meeting back into open session at approximately 7:00 p.m.

Reporting Results of Closed Session Meeting of December 14, 2017

Ms. Cameron reported the results of the closed session meeting of December 14, 2017:

Item-1: Conference with Legal Counsel (3 potential matters)

Case No. 2017-23 – Disclosure of Economic Interests

Motion: Approve Stipulation
Moved/Seconded: Potter/Kosmo
Vote: Carried Unanimously
Absent: Kreit

Case No. 2017-31 – Misuse of City Position or Resources

Motion: Approve Stipulation
Moved/Seconded: Potter/Kosmo
Vote: Carried Unanimously
Absent: Kreit
Recused: Leventhal

Case No. 2017-34 – Reporting Campaign Contributions: Lobbying Firm

Motion: Approve Stipulation
Moved/Seconded: Potter/Voorakkara
Vote: Carried Unanimously
Absent: Kreit
Recused: Leventhal

Adjournment

The meeting adjourned at approximately 7:05 p.m.

[REDACTED]

Sid Voorakkara, Vice Chair
Ethics Commission

[REDACTED]

Victoria Velasquez, Program Coordinator
Ethics Commission

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

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