



**Minutes for Meeting of  
Thursday, April 10, 2008**

**Item-1: Call to Order**

Chairman Cabrera called the meeting to order at 5:00 p.m.

**Item-2: Roll Call**

Present – Chairman Guillermo Cabrera, Vice-Chair Lee Biddle, Commissioners Krishna Haney, Dorothy Leonard, Richard Valdez, and Larry Westfall

Staff – Executive Director Stacey Fulhorst, General Counsel Alison Adema, Program Manager Steve Ross, Senior Investigator Lauri Davis, and Executive Secretary Katherine Hunt

Excused – Commissioner Clyde Fuller

**Item-3: Approval of Commission Minutes**

**Approval of Ethics Commission Minutes for March 13, 2008**

Commissioner Leonard noted that the minutes needed to be amended to correct her comments on page 3 to state “that the Commission already supported and the City Council approved a cost of living adjustment for contribution limits.”

Motion: Approve as Amended  
Moved/Seconded: Leonard/Haney  
Vote: Carried Unanimously  
Abstained: Valdez  
Excused: Fuller

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

None

**Item-5: Commissioner Comment**

None

**Item-6: Executive Director Comment**

Director Fulhorst reported that the Ethics Commission's budget is scheduled to be heard by the City Council on May 2.

She commented that the Commission's new investigator Kacy Green had begun employment with the Commission and was in attendance. Senior Investigator Lauri Davis introduced her to the Commission and commented on her previous experience.

**Item-7: General Counsel Comment**

None

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

Chairman Cabrera advised that Director Fulhorst would present the proposed housekeeping amendments to the ordinance before presenting the proposed fundraising disclosure amendment for Commission consideration.

Director Fulhorst reviewed proposed housekeeping amendments prepared by staff for the following sections of the Election Campaign Control Ordinance:

- Section 27.2903 – Definitions
- Section 27.2911 – Duty to Have Campaign Treasurer
- Section 27.2912 – Authority of Treasurer (Added Recipient to term Committee)
- Section 27.2916 – Campaign Contribution Checking Account
- Section 27.2917 – Lawful Use of Campaign Funds by a Committee
- Section 27.2924 – Surplus Campaign Funds
- Section 27.2925 – Accounting
- Section 27.2930 – Base Level of Campaign Statements and Disclosures
- Section 27.2939 – Pre-Primary Contributions for General Election
- Section 27.2945 – Notification Regarding Reimbursement Prohibition
- Section 27.2960 – Extensions of Vendor Credit
- Section 27.2971 – Telephone Communications

Chairman Cabrera noted that staff provided corresponding State regulations for reference purposes with the proposed amendments.

Motion: Approve Proposed Housekeeping Amendments  
Moved/Seconded: Valdez/Leonard  
Vote: Carried Unanimously  
Excused: Fuller

Chairman Cabrera addressed the issue of whether to link private fundraising limits and public campaign financing together for discussion purposes. He suggested moving both the issues of contribution limits and public financing forward as separate items due to time constraints. He noted that addressing the issues of public financing through a Commission subcommittee will expedite the legislative approval process.

Director Fulhorst advised that the legislative approval process usually requires two to three visits to the Rules Committee before proposed changes are forwarded to the full City Council for approval. She reiterated that campaign laws cannot be changed during the middle of an election cycle and would need to be approved by the City Council by the end of 2008 in order to be in place for the 2010 elections. She advised that changes need to be scheduled for review by the Rules Committee no later than June 2008 or the Commission may run the risk of any proposed laws not becoming effective until the 2012 election cycle.

Chairman Cabrera suggested that the Commission consider needed changes to the private system before spending Commission time addressing a proposal to include public campaign financing. He pointed out that with regard to timing, any changes to the Election Campaign Control Ordinance that included public financing would also require a public vote that may delay amendments being approved and in place for the 2012 election.

The Commission discussed whether to consider public campaign financing and changes to contribution limits as separate matters. Comments were shared as follows:

- Commissioner Haney expressed concern that there will be less of a chance of having a public finance system approved when combined with increased contribution limits. She also expressed concern regarding timing constraints taking precedence over substance of the law.
- Commissioner Leonard indicated that she never supported linking the two matters together. She added that it is important to move forward with some changes in order to ensure conformance with State law.
- Commissioner Valdez agreed that the Commission should address the two matters separately.

- Commissioner Biddle commented that he understood the need for de-linking the two items for discussion purposes and for moving the proposed changes forward through the approval process.

Director Fulhorst advised that staff received public submissions supporting keeping the two matters separate in order to have proposed contribution limits in place for the next election cycle.

Chairman Cabrera proposed that the Commission address both matters on a separate basis through the approval process. He advised that Commissioners Biddle and Valdez have agreed to serve on a sub-committee for addressing public financing issues.

Chairman Cabrera addressed previous Commission discussion regarding the difficulty in obtaining a consensus with regard to determining contribution limit amounts. He added that ideally the contribution limit that the Commission decides upon will be an amount that doesn't evoke the appearance of corruption, yet allows candidates to raise contributions with some ease. He asked if there was Commission support for increasing limits based on the rate of inflation to the amount of approximately \$1,200.

Commissioner Leonard pointed out that the costs of running a campaign have increased; Commissioners Biddle and Valdez supported increasing the limits to an amount between \$500 and \$1,000; and Commissioner Haney supported adjusting contribution limits for inflation.

In response to Commission discussion, Director Fulhorst reported on contribution limit amounts for several other cities as well as for the State of California.

Chairman Cabrera indicated that the consensus of the Commission seemed to support an increase to contribution limits between \$750 and \$1,000.

Commissioner Westfall questioned whether there was a logical basis for determining the original contribution limit of \$250. He suggested that it may have been arbitrary and that any proposals to increase the limit may also be seen as arbitrary.

Commissioner Valdez expressed his opinion that the process has not been arbitrary. He explained that the Commission has received a tremendous amount of information from the public and from staff research, and that he believes the Commissioners have used this information to make informed suggestions as to future contribution limits.

Chairman Cabrera suggested that the Commission select a dollar range between \$750 and \$1,000 for discussion purposes in order to move forward with addressing other provisions of ECCO.

Director Fulhorst advised that with respect to scheduling considerations, that staff would be able to provide a draft of proposed changes for the May Commission meeting if decisions were made on the remaining issues. She indicated that would allow time to forward the proposed changes to the Rules Committee in June.

Chairman Cabrera suggested that the Commission make decisions on proposed changes to contribution limits and finalize the exact amount at the May meeting. He indicated that the consensus of the Commissioners was to increase limits to between \$750 and \$1,000.

Chairman Cabrera referred to previous discussion regarding the issue of eliminating the difference in contribution limits between district and City-wide campaigns. He asked if the Commissioners would support eliminating the distinction if contribution limits were raised to \$750 or higher.

Commission discussion indicated there was a consensus to propose the same contribution limit for district and City-wide elections.

Chairman Cabrera commented on the issue of allowing organizations to make contributions to candidates for elected City offices.

Director Fulhorst advised that the County does not allow organizational contributions and jurisdictions that do allow it have complex aggregation rules.

Commission discussion indicated they supported continuing the current ban on organizational contributions.

Chairman Cabrera referred to previous Commission discussion regarding a proposal to require disclosure of fundraising activity by candidate committees and noted that in response, staff drafted proposed amendments. He pointed out that staff's proposed changes mirror aspects of the Lobbying Ordinance with regard to how Committees track contributor information.

Commissioner Leonard asked about the assumption that the City Clerk's online system will be adapted to allow supplemental filings.

Program Manager Steve Ross responded that the City Clerk's Office would be able to post PDF documents with the possibility of more options in the future.

Commissioner Westfall asked if other cities have fundraising disclosure requirements.

Program Manager Steve Ross responded that staff used the federal government's lobbying laws for guidance when drafting the proposed amendments, and were unaware of any jurisdictions that required campaigns to make that kind of disclosure.

Commissioner Haney suggested that the Commission not pursue adding fundraising disclosure requirements because she believes that candidates will stop tracking fundraisers and that the law will be difficult to enforce.

Commissioners Biddle and Valdez agreed with Commissioner Haney's comments and indicated they believe it would create unnecessary complexities for campaigns.

Chairman Cabrera indicated that due to the lack of support for the proposal, the fundraising disclosure provisions would not be included in the draft amendments to ECCO.

Commissioner Leonard suggested that staff include mention of the Commission's consideration of the fundraising disclosure proposal in the report to the Rules Committee along with the reasons the Commission ultimately decided against adding the proposal.

Chairman Cabrera indicated that his recommendation would be for the Commission to vote on the proposed draft amendments that staff will provide at the next meeting. He suggested that the Commissioners use the \$750 contribution limit tentatively agreed upon as a starting place in order to decide upon a final amount to recommend for approval.

**Item-9: Proposed Amendments to Election Campaign Control Ordinance**

Motion: Approve Establishment of a Public Financing Subcommittee and Appointment of Commissioners Cabrera, Biddle, and Valdez

Moved/Seconded: Leonard/Haney

Vote: Carried unanimously

Excused: Fuller

**Item-10: In re: the Matter of Luis Acle (Case No. 2006-59)**

Chairman Cabrera advised that the Commission needed to appoint no more than three Commissioners to serve on a subcommittee to consider pre-hearing matters related to the Administrative Hearing on May 9, 2008.

Motion: Appoint Commissioners Cabrera, Haney, and Valdez

Moved/Seconded: Leonard/Biddle

Vote: Carried Unanimously

Excused: Fuller

**Item-11: Adjournment to Closed Session**

Chairman Cabrera adjourned the meeting to Closed Session at approximately 6:10 p.m. He stated the Commission would reconvene to 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**

Chairman Cabrera called the meeting back into Open Session at approximately 7:05 p.m.

## **Reporting Results of Closed Session Meeting of April 10, 2008**

Chairman Cabrera reported the results of the Closed Session meeting of April 10, 2008

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

#### **Case No. 2008-06 - In Re: Alleged Acceptance of Gift in Excess of Limit**

Motion: Initiate Investigation  
Vote: Carried Unanimously  
Excused: Fuller

#### **Case No. 2008-08 – In Re: Alleged Violation of Contribution Limits and Prohibition on Contributions from Organizations**

Motion: Initiate Investigation  
Vote: Carried Unanimously  
Excused: Fuller

#### **Case No. 2008-09 – In Re: Alleged Failure to Properly Disclose Economic Interests**

Motion: Initiate Investigation  
Vote: Carried Unanimously  
Excused: Fuller

#### **Case No. 2008-10- In Re: Alleged Solicitation of Contributions from City Employees**

Motion: Initiate Investigation  
Vote: Carried Unanimously  
Excused: Fuller

### **Item 2: Conference with Legal Counsel (4 potential matters)**

#### **Case No. 2008-04 - In Re: Alleged Misuse of City Position and Resources**

No Reportable Action

**Case No. 2007-36 – In Re: Alleged Participation in Municipal Decision Involving Economic Interests**

No Reportable Action

**Case No. 2007-70 – In Re: Alleged Failure to Properly Disclose Economic Interests**

Motion: Dismiss

Vote: Carried Unanimously

Recused: Biddle

Excused: Fuller

**Case No. 2007-93 – In Re: Alleged Solicitation of Contributions from City employee**

No Reportable Action

**Item 3: Conference with Legal Counsel** (1 potential matter)

**Case No. 2007-89 – In Re: Jim Waring – Alleged Acceptance of Gift in Excess of Limit**

Motion: Dismiss Case and Take Probable Cause Hearing Off Calendar

Vote: Carried Unanimously

Excused: Fuller

**Adjournment**

The meeting adjourned at approximately 7:10 p.m.

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Guillermo Cabrera, Commission Chair  
Ethics Commission

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Kathy Hunt, Executive Secretary  
Ethics Commission

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