THE CITY OF SAN DIEGO
ETHICS COMMISSION

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│    Minutes for Meeting of    │
│  Thursday, September 10, 2015 │
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Item 1:   **Call to Order**

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

Item 2:   **Roll Call**

Present – Commission Chair John O'Neill, Commission Vice Chair Fuller, Commissioners Deborah Cochran, Alex Kreit and Greg Zinser

Absent – Commissioner Faye Detsky-Weil

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

Item 3:   **Random Drawing for Audit of 2013-2014 Election Cycles**

Executive Director Fulhorst introduced Denise Jenkins and Mailei Ross-Cerezo with the City Clerk's office, who were present to conduct the random drawing. She thanked them for compiling the list of qualified committees and noted that this effort was exceptionally difficult because there were several special elections within the 2013-2014 election cycle.

She explained that pursuant to the Audit Manual, the Commissioners may determine prior to the random drawing that a committee should be pulled from the audit pools because it has already been or is the subject of an enforcement action such that auditing the committee would constitute a duplication of efforts. She made the recommendation that the Crenshaw for City Council 2013 committee be excluded from the random drawing. This committee was subject to a stipulation ($5,000 fine) that the Commissioners approved in April after a comprehensive investigation.

Motion:	To remove Candidate Committee Crenshaw for City Council 2013 from the random drawing
Moved/Seconded:	O'Neill/Cochran
Vote:	Carried Unanimously
Absent:	Detsky-Weil

Denise Jenkins began the audit drawing and noted that the audit pools for the 2013-2014 election cycle include candidate and ballot measure committees that participated in six elections and three referendums.

Candidate Committees Selected for Audit:

Ms. Jenkins explained that there were 13 candidate committees that raised between $10,000 - $49,999. Of those 13 committees, 50% are eligible for audit according to the Audit Manual; therefore the first 7 committee names drawn will be audited; the remaining 6 names drawn will not be audited.

The following candidate committees with financial activity between $10,000 and $49,999 were selected for audit:

- Mike Aguirre for Mayor 2013

- Environmental Health and Justice Campaign Fund Working to Elect David Alvarez for Mayor 2014

- Reelect David Alvarez 2014 for City Council District 8

- San Diegans in Support of David Alvarez for Mayor - 2013

- Nuestro Pueblo Unido Para el Progresso in support of Blanca Lopez-Brown for City Council 2013

- Brian "Barry" Pollard for City Council 2013

- San Diegans for Strong Neighborhoods in Support of Bruce Williams for City Council 2013

Ms. Jenkins observed there were two candidate committees that raised between $50,000 - $99,999. The Audit Manual states 50% of the committees for this category will be audited; therefore, the first committee name drawn will be audited; the second committee drawn will not be audited.

The following Candidate Committee with financial activity of between $50,000 and $99,999 was selected for audit:

- Mitz Lee for City Council

Ms. Jenkins noted there are 18 candidate committees that raised $100,000 or more. The Audit Manual states 75% of the committees for this category will be audited; therefore, the first 14 committee names drawn will be audited; the 4 remaining committees drawn will not be audited.

The following candidate committees with financial activity of $100,000 or more were selected for audit:

- David Alvarez for Mayor 2013

- Working Families for a Better San Diego to Support David Alvarez for Mayor 2013, Sponsored by the San Diego & Imperial Counties Labor Council, AFL-CIO

- Working Together for Neighborhood Fairness, in opposition to David Alvarez for Mayor 2014, Sponsored by the Lincoln Club of San Diego County

- Cate for Council 2014

- Citizens for Fairness & Jobs Supporting Chris Cate for Council 2014

- Neighborhood Coalition Supporting Chris Cate for Council 2014 sponsored by the Lincoln Club of San Diego County

- Faulconer for Mayor 2013/2014

- San Diegans to Protect Jobs & the Economy, Supporting Kevin Faulconer for Mayor 2013

- Fletcher for Mayor 2013

- Neighborhoods For Nathan Fletcher - A committee to Support Nathan Fletcher for Mayor

- Restoring Trust in San Diego - A Committee to Support Nathan Fletcher for Mayor 2013

- Lorie Zapf for City Council 2014

- Neighbors United for a Better City Government Supporting Lorie Zapf for Council 2014 sponsored by the Lincoln Club of San Diego County

- San Diegans for Honesty and Integrity, a Committee to Defeat Pay-to-Play Candidate Lorie Zapf for Council 2014, Sponsored by Employee Organizations

Ballot Measure Committees Selected for Audit:

Ms. Jenkins explained there were no ballot measure committees that raised between $10,000 and $49,999 so there will be no drawing for that category.

For the ballot measure committees that raised between $50,000 - $99,999 there was only one committee. The Audit Manual states that 50% of the committees shall be drawn.

The following ballot measure committee with financial activity of between $50,000 and $99,999 was selected for audit:

- Yes on B and C, Barrio Logan Community Plan, Sponsored By Social Justice Organizations

Ms. Jenkins noted there are 5 ballot measure committees that raised $100,000 or more. The Audit Manual states 75% of the committees for this category will be audited.   The first 4 committee names drawn will be audited; the one remaining committee drawn will not be audited.

The following ballot measure committees with financial activity of $100,000 or more were selected for audit:

- Hard Working San Diegans for Earned Sick Days and Minimum Wage, A Coalition of Community Non-Profits, Employee Organizations, Local Businesses and Faith Based Organizations

- Protect Our Jobs, No on B and C, Port of SD Ship Repair Assn., Major Funding By NASSCO and BAE Systems

- San Diego Small Business Coalition sponsored by the San Diego Regional Chamber of Commerce

- Stop the Jobs Killing Tax, a Coalition of Jobs Creators, Economic Development, Business and Real Estate Organizations Concerned about the San Diego Economy

Item 4:   **Approval of Commission Minutes dated August 13, 2015**

Motion:	Approve Minutes
Moved/Seconded:	Zinser/Cochran
Vote:	Carried Unanimously
Absent:	Detsky-Weil

Item 5:   **Non-Agenda Public Comment**

There were no public speakers for non-agenda public comment.

Item 6:   **Commissioner Comment**

Commission Chair O'Neill noted this was his last meeting as a Commissioner. He expressed his appreciation to his fellow Commissioners and to the Commission staff. He observed that during his time on the Commission some individuals might have been displeased with the Commission which he believes indicates the Commission was doing its job well. He also expressed his appreciation and admiration to the Commission staff, who he described as exceptionally capable and dedicated.

Item 7:   **Executive Director Comment**

Executive Director Fulhorst indicated that while Commissioner Detsky-Weil was not present she wanted to thank her and Commissioner O'Neill for their

dedication and valuable contributions to the Commission for the past five years. She expressed particular thanks to Commissioner O'Neill for his leadership during his tenure as Chair. Over the past few months he worked particularly close with her to ensure the interests of the Commission and the public were protected. His efforts allowed the Commission to maintain a high level of professionalism and integrity, and ensured the continued non-partisan nature of its operations. Without his efforts, the Commission's reputation could have been compromised. She presented him with a plaque for his service.

Ms. Fulhorst reported that the Council confirmation of new commissioners has been moved back to October 6, 2015, which is two days before the next Commission meeting. Since it is highly unlikely the new Commissioners will be able to attend an orientation within that short time frame, and also because she does not foresee any significant matters for open or closed session, the October 8 meeting will most likely be cancelled.

Item 8:   General Counsel Comment

General Council Chris Cameron had no comment.

Item 9:   Adjourn to Closed Session

Commission Chair John O'Neill adjourned the meeting to closed session at approximately 5:25 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 6:05 p.m.

Reporting Results of Closed Session Meeting of September 10, 2015:

Ms. Cameron reported the results of the closed session meeting of September 10, 2015:

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

Case No. 2015-13 - Filing of Campaign Statements

Staff: Executive Director Fulhorst recused

Motion:	Authorize Investigation
Moved/Seconded:	Fuller/Kreit
Vote:	Carried Unanimously
Absent:	Detsky-Weil

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

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

Motion:	Accept Final Audit Report and Dismiss
Moved/Seconded:	Zinser/Kreit
Vote:	Carried Unanimously
Absent:	Detsky-Weil

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

Staff: General Counsel Christina Cameron Only

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

After stating for the record that they each personally heard or read the testimony and reviewed the evidence from the probable cause hearing, the Commissioners determined that there is probable cause to believe that the respondents may have violated a governmental ethics law and that the matter shall be heard at a public administrative hearing.

A summary of the allegations is as follows:

The Commission found that probable cause exists as to 32 counts of violating the City's campaign laws specifically relating to:

- The failure to report the true source of campaign contributions in violation of SDMC § 27.2943
- The making of campaign contributions from an organization to a City candidate in violation of SDMC § 27.2950
- The making of contributions in excess of the then $500 contribution limit in effect in violation of SDMC § 27.2935

The Commission noted that the Respondents are presumed to be innocent unless and until such time that the allegations are proven to be a violation at an administrative hearing.

Motion:	Finding of Probable Cause, Setting Matter for Administrative Hearing, and Directing Executive Director to Prepare a Final Administrative Complaint
Moved/Seconded:	Fuller/O'Neill
Vote:	Carried Unanimously
Absent:	Detsky-Weil

Motion:	Finding of Good Cause to Extend the 120-Day Time Frame (SDMC section 26.0435) and Directing Executive Director to Schedule Administrative Hearing Within 160 Days
Moved/Seconded:	Fuller/Zinser
Vote:	Carried Unanimously
Absent:	Detsky-Weil

Motion:	Appointing an Administrative Law Judge to Serve as Presiding Authority
Moved/Seconded:	Fuller/Zinser
Vote:	Carried Unanimously
Absent:	Detsky-Weil

Motion:	Appointing Stacey Fulhorst to Serve as Petitioner
Moved/Seconded:	Fuller/Zinser
Vote:	Carried Unanimously
Absent:	Detsky-Weil

Adjournment

The meeting adjourned at approximately 6:10 p.m.

[Redacted]   [Redacted]
_____   _____
Deborah Cochran, Acting Commission Chair   Tracy Morales, Program Coordinator
Ethics Commission   Ethics Commission

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