



**Minutes for Meeting of
Thursday, May 14, 2015**

Item 1: Call to Order

Commission Chair John O'Neill called the meeting to order at approximately 5:15 p.m.

Item 2: Roll Call

Present – Commission Chair John O'Neill, Commissioners Deborah Cochran, Faye Detsky-Weil, Alex Kreit, and Andrew Poat

(Commissioner Detsky-Weil arrived at 5:35 p.m.)

Absent – Commission Vice-Chair Clyde Fuller and Commissioner Greg Zinser

Staff – Executive Director Stacey Fulhorst, General Counsel Christina Cameron, Program Manager Steve Ross, Investigator Lauri Davis, Auditor Rosalba Gomez, and Administrative Aide Jennifer Blasier

Item 3: Approval of Commission Minutes

Approval of Ethics Commission Minutes of April 9, 2015

Trilled to next Commission meeting due to lack of quorum (in light of the abstentions of Commissioners Cochran and Poat who were absent at the April meeting).

Item 4: Non-Agenda Public Comment

None

Item 5: Commissioner Comment

Commissioner Kreit informed the Commission that he will not be attending the June meeting.

Commission Chair O'Neill explained that the Commission Chair and Vice Chair positions are typically elected at the June meeting, and he has asked Commissioners Detsky-Weil and Zinser to serve on a nominating committee. They will be meeting over the next month and will provide their recommendations to the Commission at the June meeting.

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 summarized the staff report. In light of the recent Commission decision to recommend changes to the provisions in the City's campaign laws that govern professional expense committees, staff thought it was appropriate for the Commission to consider some additional housekeeping amendments which include: non-substantive revisions to the definitions section to ensure consistency with state law, modifications to the rules governing surplus funds to mirror recent changes in state law, additional recordkeeping requirements applicable to campaign advertisements, modification of the notification language that must be printed on candidate contribution solicitations to clarify that the prohibition on reimbursement of contributions applies to individuals as well as business entities, and language clarifying that the law governing monetary contributions from sole proprietorships applies to non-monetary contributions as well.

Commissioner Poat stated that the current four-year recordkeeping requirement seems excessive especially for unsuccessful candidates who might not have the means to maintain records for this length of time, and he asked about the rationale behind this requirement. Ms. Fulhorst explained that state law requires City candidates to maintain records for four years, and the City is not permitted to be less restrictive. In addition, the four-year time period ensures that documents are available during the course of Commission investigations and audits.

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

Commission Chair O'Neill recommended changing the language of SDMC section §27.2952(c) because a sole proprietorship is an individual, not an entity, and is not officially recognized by the IRS for tax purposes. He recommended the

following amended language: "The provisions of this section apply solely to individuals treated as sole proprietorships under federal tax laws..."

Motion: Approve Modified Language
Moved/Seconded: O'Neill/Kreit
Vote: Carried Unanimously
Absent: Fuller, Zinser

Item 9: Proposed Amendments to the Lobbying Ordinance

Ms. Fulhorst explained that, in light of the changes recently recommended by the Commission that will require lobbyists to disclose contributions to professional expense committees, the Commission may want to consider a corresponding change concerning contributions made by committees sponsored by lobbying entities. Currently, lobbying firms and organizations are required to disclose contributions they make to committees formed to support or oppose City candidates; however, many lobbying entities have created sponsored committees that they use as a vehicle for their campaign activities, and contributions made by these sponsored committees are not currently subject to the same disclosure requirements. She noted that a lobbying entity qualifies as a committee sponsor by contributing 80% of a committee's funds, or by setting the committee's policies for soliciting contributions or making expenditures.

Commissioner Kreit asked if the proposed amendment is the result of lobbying entities purposely using sponsored committees as a loophole to avoid disclosure. Ms. Fulhorst denied that staff has observed any efforts to circumvent disclosure, and added that staff realized the disparity during the course of its advisory work.

Motion: Approve Proposed Amendments
Moved/Seconded: O'Neill/Cochran
Vote: Carried Unanimously
Absent: Destky-Weil, Fuller, Zinser

Item 10: Staff Report Concerning Lobbying Activity in 2014

Motion: Accept Staff Report
Moved/Seconded: Cochran/Detsky-Weil
Vote: Carried Unanimously
Absent: Fuller, Zinser

Item 11: Presentation of Final Audit Report Regarding San Diegos 4 Great Schools with major funding provided by CAC Advisory Services LLC and Irwin Jacobs

Motion: Accept Final Audit Report
Moved/Seconded: Kreit/O'Neill
Vote: Carried Unanimously
Absent: Fuller, Zinser

Item 12: 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 6:30 p.m.

Reporting Results of Closed Session Meeting of May 14, 2015:

Ms. Cameron reported the results of the closed session meeting of May 14, 2015:

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

Case No. 2015-08 - In Re: Mass Campaign Literature

Motion: Initiate Investigation
Moved/Seconded: Poat/Cochran
Vote: Carried Unanimously
Absent: Fuller, Zinser

Case No. 2015-09 - In Re: Vendor Credit

Motion: Initiate Investigation
Moved/Seconded: Detsky-Weil/Cochran
Vote: Carried Unanimously
Absent: Fuller, Zinser

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

Motion: Initiate Investigation
Moved/Seconded: Detsky-Weil/Cochran
Vote: Carried Unanimously
Absent: Fuller, Zinser

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

Case No. 2013-15 – In Re: Alleged Making of Contributions in the Name of Another

Staff: General Counsel Christina Cameron Only

No Reportable Action

Case No. 2014-55 - In Re: Post-Employment Lobbying

Motion: Dismiss
Moved/Seconded: Poat/Cochran
Vote: Carried Unanimously
Absent: Fuller, Zinser

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

Presentation of Final Audit Report Regarding the Audit of Taxpayers to Preserve Community Jobs, No on Measure A, sponsored by labor and management organizations

Motion: Accept Final Audit Report
Moved/Seconded: Poat/Kreit
Vote: Carried Unanimously
Absent: Fuller, Zinser

Adjournment

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

[Redacted]

John O'Neill, Commission Chair
Ethics Commission

[Redacted]

Jennifer Blasier, Administrative Aide
Ethics Commission

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