



**Minutes for the Meeting of
Thursday, April 11, 2024**

Item 1: Call to Order.

The Commission Chair called the meeting to order at 5:02 p.m.

Item 2: Roll Call.

Present – Commission Chair Caridad Sanchez, Vice Chair Paul Cooper, and Commissioners Hon. Laura W. Halgren, James Hauser, Tom Lincoln, Jimmie Slack, and Deval Zaveri

Staff – Executive Director Sharon Spivak, General Counsel Christina Cameron, Investigative Program Manager Kristina Gagne, and Legislative Program Manager Megan Curran

Item 3: Approval of Commission Minutes of March 14, 2024

Motion:	Approve Minutes
Moved/Seconded:	Slack/Lincoln
Vote:	Carried Unanimously

Item 4: Non-Agenda Public Comment

None

Item 5: Commissioner Comment

None

Item 6: Executive Director Comment

Ballot measures:

The Executive Director said Commission staff will attend the City Council's Rules Committee meeting on April 18, 2024, where two proposed ballot

measures affecting the Ethics Commission will be discussed. She noted that ballot proposals submitted to the City Clerk's Office under Council Policy 000-21 for consideration for the November 2024 ballot must be heard next week.

The proposed ballot measures affecting the department are:

1. City Attorney Proposal: Charter amendment portions of the City Attorney's proposed Ethics Reforms, on the Ethics Commission's agenda for discussion as Item 8.
2. Citizens' Proposal: The "Clean Elections" proposal, a citizens' measure to create a public financing program for candidates for certain City elections. This measure, if approved by voters, would create a new program to be run by the Ethics Commission.

The Executive Director explained that the public financing measure would provide City funding to candidates for the City's elective offices. If the program is placed on the ballot and approved by voters, the Ethics Commission would require additional staff, funding, and time to phase in the program. She noted the Council would first need to approve an Implementing Ordinance to structure how the program would work. Public financing programs involve numerous City departments, including the City Clerk, City Treasurer and others.

The Executive Director said the Council considered this proposal in 2020. At the time, she was the Deputy City Attorney responsible for elections work and ballot measures. She was the attorney who rewrote the proposal into a 33-page ordinance, which was modified to reflect City practices, involve other City departments, and add the requirement for an implementing ordinance. The proponents further changed this version and are presenting their new version to the Council for this year's ballot.

Chair Sanchez noted the Commission had previously heard a public financing presentation. This was a discussion in March 2020 of the "Democracy Dollars" program, a different and competing public financing model, then in effect in Seattle. The Executive Director noted that the "Clean Elections" proponents would like to make a presentation to the Commission in the future.

Budget:

The Executive Director noted that the Mayor would be releasing his proposed Fiscal Year 2025 budget for the City on April 12, 2024. She said she would report back to the board regarding the department's budget.

Item 7: General Counsel Comment

None

Item 8: Ethics Reform Proposal to Amend Laws Governing the Ethics Commission in the Municipal Code and Charter.

The Commission continued its discussion of proposals to amend governing laws regarding the Commission's procedures and investigative program. Discussion included review of staff's memorandum dated April 3, 2024, as well as the City Attorney's proposals.

The Commission directed the Executive Director to tell the Rules Committee the following:

1. The Commission is not taking a position on the City Attorney's reform package as a whole.
2. The Commission is currently reviewing the Municipal Code amendments that it wants to bring before the Council to update its procedures and investigative program operations. This review has been considered at two meetings and will continue through the summer. This also includes staff proposals (see memo of April 3, 2024). The Commission seeks to present a draft ordinance to the City Council for consideration later this year. The Commission will also continue looking at potential Charter amendments.
3. The Commission is interested in, and supportive of, reform amendments that would further enhance the Commission's independence from the regulated community.
4. Regarding Charter amendments, Commissioners discussed that they would like the first phrase of Charter section 41(d) to be stricken, where it says, "For so long as an Ethics Commission remains established by ordinance of the Council..." However, the Commission recognized that it would want to review the entire section and not just propose a change to one phrase.

Item 9: Ethics Commission Chair and Vice Chair for Fiscal Year 2025

The Executive Director explained that Chair Sanchez will complete her second year serving as chair on June 30, 2024. The Municipal Code states that a Chair cannot serve more than two consecutive one-year terms, but could seek the position again after one year has passed. Thus, the current chair cannot serve for the next fiscal year.

The Executive Director noted that Municipal Code section 26.0404(d) states that the Chair and Vice Chair are to be elected before the end of June, for a one-year term that begins July 1. Although the Commission historically has

selected the officers in June, the Commission had issues with this schedule last year and the election was delayed to later last summer. In an abundance of caution, and due to the need to have sufficient time to onboard the next Chair, the Executive Director and Commission Counsel have proposed moving the election to May.

The Chair called for an ad hoc committee to be formed to meet to come up with a slate of candidates to be presented to the full board at the May meeting. Chair Sanchez and Commissioners Slack and Lincoln will serve on that committee.

Vice Chair Cooper was asked if he would agree to serve as Chair if he were nominated and elected to the position. He indicated that he would do so.

There was no formal action taken.

Item 10: Recruitment for Next Executive Director

The Commission discussed whether to direct the Executive Director to begin the process of engaging the City's retained search firm, CPS HR, to assist the board in conducting the search for the next Executive Director.

The Executive Director referred to her memorandum of March 27, 2024, which details the process. She noted that a search firm contract could potentially cost \$25,000 from the Commission's department budget, depending on the scope of work. Depending on timing, she said it is possible that up to \$10,000 could be funded in the current year's budget. If not, it can come out of the FY2025 budget.

She noted that it is significant that the City now has an ongoing contract with a search firm to conduct executive-level personnel searches. She noted that this would save the board months of work. If they needed to conduct an RFQ, this could take six months. CPS HR also recently assisted San Francisco in finding its new Executive Director for its Ethics Commission.

The Chair noted that a firm on contract with the City would also know the City's HR policies and other legal requirements related to the search process for the ED, which will assist the department and board in ensuring compliance.

Commissioner Lincoln expressed concern regarding using a search firm that is used by other City departments, indicating he thought that would be a conflict as it screened applicants. Other Commissioners did not see a conflict in using an outside search firm to conduct the nationwide search and review resumes. They noted that the Commissioners would be conducting interviews and selecting the successful candidate.

Commissioner Lincoln asked that Commissioner Halgren's motion to seek the firm's services be amended to state that they would be retained but only if they use search firm staff who did not work on other City recruitments. The motion was not amended.

Commissioner Zaveri expressed concerns about how the search firm would review applications to determine who to advance.

Attorney Cameron noted that the Commissioners could always ask to see other resumes that are not advanced by the search firm, if desired.

Several commissioners, including Commissioners Hauser and Slack, said they would like the current Executive Director to be involved in the process. She explained that in the last process, the current ED sat in on interviews but did not ask questions. She also noted that only she and Victoria Velasquez, the Program Manager for Administration and Training, will work on this recruitment. The rest of the staff and the files will be walled off and confidential.

Motion: Direct staff to begin work to retain the City's contracted search firm, CPS HR, to assist the board with its search for the next Executive Director
Moved/Seconded: Halgren/Cooper
Vote: 5-2 (Lincoln, Zaveri voted nay)

Ad Hoc Committee:

The board also took volunteers to serve on an Ad Hoc Committee to work with the Executive Director and Program Manager on recruitment work that will be conducted in the first phases of the search process. The Ad Hoc Committee will consist of Chair Sanchez, Commissioner Slack and Commissioner Halgren.

Item 11: Announcement of Closed Session Items / Adjourn to Closed Session.

Commission Chair Sanchez adjourned the meeting to closed session at 6:37 p.m. She stated the Commission would reconvene into open session following the conclusion of closed session to report any action taken during the closed session portion of the meeting.

Reconvene to Open Session

Commission Chair Sanchez called the meeting back into open session at approximately 7:05 p.m.

Reporting Results of Closed Session Meeting of April 11, 2024

Ms. Cameron reported the results of the closed session meeting of April 11, 2024:

Item-1: Conference with Legal Counsel

Case No. 2023-16 – Behested Payments Disclosure

Motion: Approve Stipulation
Moved/Seconded: Hauser/Slack
Vote: 5-1 (Lincoln voted nay)
Abstained: Cooper

Item 2: Conference with Legal Counsel

Case No. 2023-26 – Disclosure of Economic Interests

Motion: Dismiss
Moved/Seconded: Cooper/Lincoln
Vote: Carried Unanimously

Adjournment

The meeting concluded at 7:07 p.m.

[REDACTED]

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Caridad Sanchez, Chair
Ethics Commission

Sharon Spivak, Executive Director
Ethics Commission

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

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