



**Minutes for the Meeting of
Thursday, June 13, 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, and Jimmie Slack

Absent – Commissioner Deval Zaveri

Staff – Executive Director Sharon Spivak, General Counsel Christina Cameron, Investigative Program Manager Kristina Gagne, and Education Program Manager Ryan O'Connor

Item 3: Approval of Commission Minutes of May 9, 2024

Motion:	Approve Minutes
Moved/Seconded:	Halgren/Lincoln
Vote:	5-0
Abstained:	Hauser
Absent:	Zaveri

Item 4: Non-Agenda Public Comment

None.

Item 5: Commissioner Comment

None.

Item 6: Executive Director Comment

The Executive Director reported the following:

Commission Budget for FY 2025

The Mayor's original budget proposal for Fiscal Year 2025 included a \$32,000 cut from the Ethics Commission's Personnel and Fringe accounts. This would have required the cut to be taken from salary or personnel. However, the Ethics Commission has no vacant positions. The department could not take the cut without a change of personnel or salary. After the Executive Director requested that this be changed, the City's Department of Finance then moved the proposed cut to instead come from the Commission's Contracts budget. However, this cut also would have had a corresponding impact on the Commission's operations. The Contracts budget is used to fund the Commission's outside counsel and any cases that go to a hearing, as well as other small contracts.

If the Commission had to take a \$32,000 cut to its Contracts budget for FY2025, this also would have meant that the department would have taken incremental cuts over the last few years that lowered its annual Contracts funding to almost \$100,000 less than it had been historically. This would affect the Commission's ability to pay for its outside counsel, hearings, and more.

When the Commission does not have sufficient money for hearings in the middle of a budget year, the Executive Director then must go to Council to seek additional funding for its Contracts budget. If the hearing or matter involves the Council, their staffs or their campaigns, however, this would be even more problematic: The Commission would be seeking funding from the very people it regulates, who could be the subject of the hearing at issue.

In May, the Executive Director explained the situation to the Council and was able to get the funding restored. She appeared before the City Council's Budget Review Committee and successfully argued for its restoration. The Executive Director thanked the Council, and in particular Councilmember Kent Lee (Chair of the Budget Review Committee) and Council President Elo-Rivera. The two Councilmembers made the Ethics Commission's full funding a priority and took the lead in getting the funding restored.

Training and presentation updates

The Executive Director thanked Ryan O'Connor and Megan Curran for their work on a new Behested Payments Training for the Mayor's Office, which had been requested by the Mayor's staff. Ryan presented the training, with assistance from Megan. This is a new course that can now be used for all elected officials.

The Executive Director noted that she was a panelist discussing the Commission's work at a seminar for attorneys in the DLA Piper Alumni Network (her former law firm) on

transitioning to a government law practice. This network provides information that allows attorneys to remain connected and consider other options for legal careers.

On June 6, the Executive Director also presented a legal overview of the ethics and campaign laws governing City employees' and elected officials' work on ballot measures. She and the elections attorney in the City Attorney's Office provided a detailed training to the City's Department Directors and upper City management so they could, in turn, provide direction to their staffs for the ongoing campaign season.

Executive Director Recruitment

The Executive Director noted that she and Victoria Velasquez have been working with the search firm and the ad hoc committee on the recruitment materials and timeline. She noted that the recruitment application process is expected to be "going live" later in June. She said the full board would receive the recruitment materials once they are available to the public.

Commissioner Lincoln expressed concern that he had not seen the materials or had an opportunity to draft them or provide his input. The Executive Director and Commission Counsel explained that only the three-member, non-majority ad hoc committee can legally see draft materials in order to comply with the Brown Act. Any documents provided to a majority of the Commission must be made public at the same time.

The Executive Director noted that the search firm would be contacting Commissioners individually for input early in the search process.

Administrative

The Executive Director announced that the July 11, 2024 Commission meeting will be cancelled. The month will be reserved for other matters, including work on the Charter amendment ballot measure affecting the Ethics Commission.

Final Meeting for Current Officers

The Executive Director recognized Chair Sanchez, as this was her last meeting serving as Chair after two full years in the role. Chair Sanchez served in the position during the pandemic and online meetings and later through the Commission's return to in-person meetings. The Executive Director thanked her for all she had done to support the department and staff in that role, stating that she appreciated her voice, her support and her partnership on projects. She also said she appreciated her kind support of staff throughout and her flexibility.

The Executive Director welcomed Vice Chair Cooper and Commissioner Slack to their new roles as Chair and Vice Chair and said she looks forward to working with them in that capacity.

End of Fiscal Year

The Executive Director thanked Commission staff for all of their dedicated work as the City's fiscal year is ending on June 30. She added a particular note of thanks for significant teamwork and assistance during the past month, during which the Commission faced some significant challenges.

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 Executive Director gave an informational update on the status of a ballot measure proposed by the City Attorney to amend Charter provisions governing the Ethics Commission. No action was taken by the board.

The Executive Director reported that the City Council's Rules Committee voted unanimously on June 5 to advance the Charter amendment ballot measure to the full Council for consideration for the November ballot. She reported that the Ethics Commission's proposed edits, which were considered at the Commission's May 2024 meeting, were fully incorporated into the draft. These are captured as Attachment 2 to the proposal that the City Attorney had submitted to the Rules Committee.

Once the City Attorney has drafted the ordinance to place the matter on the ballot, the item will be heard by the City Council. This will occur in July, on a date to be determined.

At the June 5 Rules Committee meeting, Councilmember Raul Campillo asked questions about two phrases in the draft: (1) the phrase that states the Commission will receive "sufficient" funding in budget years; and (2) the provision to allow the Commission to retain "special counsel" as needed.

The Executive Director reported that the Councilmember and the City Attorney will be further discussing the provisions, and that she had provided the City Attorney with the law and context to support the wording. The Executive Director and General Counsel Cameron also reiterated that they believe the Commission can already retain other outside counsel for a matter without the need for the additional Charter language. The Executive Director made this point to the Council at the Rules Committee meeting.

Commissioner Hauser asked about the proposed amendments to the Municipal Code, which are not part of the ballot measure. The Executive Director said that amendments to increase the Commission's maximum fine

structure will return to the board for discussion in August. She noted that she told the Council that the Commission will be pursuing this change, and that there seems to be support from several Councilmembers to approve it.

Commissioner Lincoln asked that an ad hoc committee be formed to start drafting amendments to Commission operating policies ahead of the election. Other Commissioners did not support the idea. Commissioner Halgren said this would be premature, and as the board members are volunteers, staff would be in the best position to review what law and policies will need to change if the amendments are approved by voters.

The Executive Director indicated that staff is already reviewing all of the laws that might potentially need to be amended, along with procedures, related to the ballot measure. She suggested that the Commission wait until her successor joins the office in January 2025 so that the next Executive Director can be an active participant in updating the policies related to the position.

In response to a question from Commissioner Hauser, the Executive Director and General Counsel also clarified that the Municipal Code allows Commissioners to work on city ballot measure campaigns if they involve the activities and authority of the Ethics Commission itself.

Commissioner Slack inquired about the wording of the special counsel provision in the charter proposal. The Executive Director explained that the Council President and City Attorney will discuss the careful wording of this provision.

Item 9: Announcement of Closed Session Items / Adjourn to Closed Session.

Commission Chair Sanchez adjourned the meeting to closed session at 5:48 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 6:29 p.m.

Reporting Results of Closed Session Meeting of June 13, 2024

Ms. Cameron reported the results of the closed session meeting of June 13, 2024:

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

Case No. 2024-05 – Campaign Advertisement Disclosures

Motion: Authorize Investigation
Moved/Seconded: Hauser/Slack
Vote: 5-1 (Lincoln voted no)
Absent: Zaveri

Item 2: Conference with Legal Counsel (two related potential matters)

Case No. 2024-06 – Lobbying Disclosures, Gifts from Lobbyists
Case No. 2024-07 – Disclosure of Economic Interests

Motion: Authorize Investigations
Moved/Seconded: Halgren/Cooper
Vote: Carried Unanimously
Absent: Zaveri

Item 3: Conference with Legal Counsel (one potential matter)

Case No. 2024-12 – Filing Deadline for Quarterly Disclosure Report

Motion: Authorize Investigation
Moved/Seconded: Lincoln/Hauser
Vote: Carried Unanimously
Absent: Zaveri

Item 4: Conference with Legal Counsel (one potential matter)

Case No. 2024-09 – Disqualification: Economic Interest, Misuse of City Position or Resources

Motion: Authorize Investigation
Moved/Seconded: Cooper/Hauser
Vote: Carried Unanimously
Absent: Zaveri

Adjournment

The meeting concluded at 6:30 p.m.

[REDACTED]

[REDACTED]

Caridad Sanchez, Chair
Ethics Commission

Sharon Spivak, Executive Director
Ethics Commission

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

###