

**WEST HOLLYWOOD
ETHICS REFORM TASK FORCE
SPECIAL MEETING
MINUTES**

**WEDNESDAY, MAY 23, 2018
6:30 P.M.**

**Plummer Park
Rooms 1 & 2
7377 Santa Monica Boulevard
West Hollywood, CA 90046**

1. **CALL TO ORDER** – Chair Joseph Guardarrama called the meeting to order at 6:30 p.m.
2. **ROLL CALL & INTRODUCTIONS -**

PRESENT: Task Force Member Guardarrama, Task Force Member Kanin, and Task Force Member Ralston.

ABSENT: None.

ALSO PRESENT: Assistant City Attorney Langer, City Clerk Quarker and Assistant City Clerk Crowder.

Joe Guardarrama introduced himself. He is an attorney with Kaufman Legal Group specializing in campaign finance, governmental ethics, lobbying, and conflicts of interest. Elizabeth Ralston introduced herself. She indicated that she is the past president of the League of Women Voters of Los Angeles and is involved with State of California League of Women Voters on campaign ethics issues. Max Kanin introduced himself. He is an attorney specializing in campaign finance law, election law, and government ethics law.

3. **SELECTION OF A CHAIR FOR THE PURPOSE OF CONDUCTING MEETINGS**
Task Force Member Joseph Guardarrama was selected as the Chair for this meeting. The Task Force Members will rotate as Chair for future meetings.
4. **COMMENTS FROM THE PUBLIC-** None.
5. **TOPICS FOR DISCUSSION** – Chair Guardarrama reviewed the topics for discussion. He suggested that the Task Force conduct a review of how the City's campaign finance ordinances are working given the City's experience with the last election.

Staff commented that the proposed discussion topics are not exclusive. The Task Force may suggest additional topics for Task Force to consider during this process.

The City Council intended for the Task Force to meet three times. As part of the first two meetings, they will scope and discuss the topics and during the final meeting they will finalize the recommendations and staff report to City Council.

6. REFERENCE DOCUMENTS

Chair Guardarrama mentioned the documents that were provided to the Task Force in their packet. The documents were:

- Final Staff Report to City Council June 5, 2017 (Attachment A)
- Code Of Conduct For Elected Officials Revised August, 2016 (Attachment B)
- Administrative Regulation 414 – Political Activity (Attachment C)
- Municipal Code Section 2.72 – Lobbying (Attachment D)

Campaign Finance

The Task Force members discussed AB 249, the California Disclose Act, which changed disclaimer requirements. They commented that the Disclose Act is broader than the City's ordinance. The City's ordinance currently only affects committees that are Primarily Formed to support a candidate or ballot measure. They discussed expanding Ordinance 16-981 to include General Purpose Committees to comply with the Disclose Act, but some members expressed concern that portions of State law may be unconstitutional. They directed staff to return with an item for further discussion of AB 249, specifically as it applies to §2.67.065 of the City's municipal code.

The Task Force inquired with staff how the City's electronic campaign filing system is working. Staff responded that the system is working well. The Task Force recommended that the City explore working with NetFile to create useable data pulled from the campaign finance statements, such as charts and graphics to provide the public a fuller picture of contributions and spending on campaigns. This item will be placed on the next agenda for potential recommendations to City Council.

The Task Force discussed the efficacy of the City's campaign contribution limit by the annual cost of living increase. They mentioned setting a specific dollar amount and then creating a mechanism for it to increase with the cost of living increase. They indicated that the lower contribution limit encourages Independent Expenditure Committees and requires a lot of fundraising by the candidates. Staff indicated that they would report back to the Task Force on Council's decision not to increase the

campaign contribution limit after the last Ethics Reform Task Force convened. By consensus, the Task Force agreed with increasing the campaign contribution limits.

Chair Guardarrama commented that since the last Ethics Reform Task Force the Political Reform Act amended to permit municipalities to adopt their own Public Financing systems. The Task Force commented that the City should consider some sort of Public Financing system to allow for matching funds of campaign donations.

Task Force Member Kanin inquired if §2.76.030(b) of the City's municipal code is compliant with current State law. Staff will return with a discussion of this issue at the next meeting.

Chair Guardarrama requested that the Task Force discuss the City's disclaimer requirements on political advertising. The Task Force Members and staff discussed adding campaign communications to candidate pages via NetFile (a potential repository for all campaign mailings similar to a City of LA program). Staff will inquire with NetFile if this is possible and report back to the Task Force.

A brief discussion about the constitutionality of applying the Disclaimer rule to General Purpose Committees as well as Independent Expenditure Committees ensued. Chair Guardarrama indicated that §2.76.020(c) should be removed and use the language in the Political Reform Act. Task Force Kanin provided his thoughts on the Disclose Act. This item is a discussion item for the next meeting.

Governmental Ethics

Chair Guardarrama commented that the City of Los Angeles passed a Charter Amendment that banned campaign contributions by contractors and the City of Los Angeles City Council passed an enabling ordinance to enact this legislation. A discussion ensued about creating legislation that would ban both contractors and developers from donating to campaigns. The Task Force indicated that they would need evidence that there is corruption in order for them to recommend banning campaign contributions from contractors and/or developers and that there was no evidence presented although the perception may exist.

Chair Guardarrama inquired about what Council meant by the item "financial conflicts of interest". Further, he indicated that under the Political Reform Act financial conflicts of interest are prohibited, therefore, he is not sure how the Task Force would augment these requirements. In addition, he stated that Government Code §1090 that states that Council members can't be financially interested in a contract. Staff will inquire with City Council about the intent with regard to "financial conflicts of interests".

A brief discussion took place regarding recusals. Chair Guardarrama commented that it would be extremely difficult to develop an ordinance that would require a Councilmember recuse themselves due to campaign contributions. Task Force Member Kanin inquired about requiring contractors to disclose their campaign

contributions for the preceding twelve months when applying for a development permit. The Task Force discussed this and whether it would solve the perception of the public.

7. FUTURE MEETING DATES


The Task Force discussed availability for future meetings and decided on June 14th and July 12th, noting that Task Force Members Guardarrama and Kanin may be unavailable for the June 12th meeting depending on the results of the June 5th Primary election. If they are unavailable the June 14th meeting will be cancelled and the next meeting of the Task Force will be on July 12th.

8. COMMENTS FROM STAFF

This time is set aside for staff to provide any announcements or updates relevant to the Task Force's business and to confirm the next meeting agenda.

9. ADJOURNMENT – The Ethics Reform Task Force adjourned at 7:34 p.m.

APPROVED BY A MOTION OF THE ETHICS REFORM TASK FORCE ON THIS 12TH DAY OF JULY, 2018.



JOSEPH GUARDARRAMA, CHAIR



MELISSA CROWDER, SECRETARY