

**WEST HOLLYWOOD  
ETHICS REFORM TASK FORCE  
SPECIAL MEETING AGENDA  
MONDAY, SEPTEMBER 17, 2018  
6:30 P.M.**

**CITY HALL COMMUNITY MEETING ROOM  
8300 SANTA MONICA BOULEVARD  
WEST HOLLYWOOD, CA 90069**

1. **CALL TO ORDER**
  - A. Pledge of Allegiance
  - B. Reminder to Speak Clearly into Microphone and to Turn Off All Mobile Devices
  - C. Roll Call
  - D. Approval of the Minutes (July 12, 2018)
  
2. **PUBLIC COMMENT: This time is set aside for members of the public to address the Task Force on matters related to ethics reform and the City's regulations. The City Council created the Task Force to develop recommendations relating generally to regulation of campaign finance, government ethics, and lobbyists. The Task Force is looking to hear from community members and all other interested persons on these topics. PLEASE NOTE THAT YOU MAY ALSO EMAIL YOUR COMMENTS TO THE TASK FORCE AT [EthicsTaskForce@weho.org](mailto:EthicsTaskForce@weho.org). Emails sent to the Task Force are public records.**
  
3. **TASK FORCE comments, questions, deliberations**

**DISCUSSION TOPICS**

  - New Direction from City Council related to a code of ethics for City consultants and contractors and researching policies related to elected officials serving on the boards of directors for nonprofit organizations.
  - AB 2880- FPPC enforcement services
  - Update on Public Financing Systems
  - Follow-up discussion on AB 249-- California Disclose Act
  - Recap of Task Force discussion topics and proposed recommendations to date
  
4. **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 date.
  
5. **ADJOURNMENT** – The Ethics Reform Task Force will adjourn to its next meeting.

**ETHICS REFORM TASK FORCE MEMBERS:** Joseph Guardarrama, Max Kanin, and Elizabeth Ralston.

**STAFF:** Melissa Crowder, Assistant City Clerk; Yvonne Quarker, City Clerk; Lauren Langer, Assistant City Attorney

If you require special assistance to participate in this meeting (e.g., a signer for the hearing impaired), you must call, or submit your request in writing to the Office of the City Clerk at (323) 848-6356 at least 48 hours prior to the meeting. The City TDD line for the hearing impaired is (323) 848-6496.

Special meeting-related accommodations (e.g., transportation) may be provided upon written request to the Office of the City Clerk at least 48 hours prior to the meeting. For information on public transportation, call 1-323-GO-METRO (323/466-3876) or go to [www.mta.net](http://www.mta.net).

This agenda was posted at City Hall, the West Hollywood Library on San Vicente Boulevard, and the West Hollywood Sheriff's Station.

If you would like additional information on any item appearing on this agenda, please contact Melissa Crowder at (323) 848-6356 or via email at [mcrowder@weho.org](mailto:mcrowder@weho.org).

**WEST HOLLYWOOD  
ETHICS REFORM TASK FORCE  
MINUTES  
THURSDAY, JULY 12, 2018  
6:30 P.M.**

**CITY HALL COMMUNITY MEETING ROOM  
8300 SANTA MONICA BOULEVARD  
WEST HOLLYWOOD, CA 90069**

1. **CALL TO ORDER** – Chair Ralston called the meeting to order at 6:43 p.m. and reminded everyone to turn off their mobile devices.
  - A. Pledge of Allegiance - Chair Ralston led the Pledge of Allegiance.
  - B. Roll Call - Task Force Members Present: Joseph Guardarrama, Elizabeth Ralston, and Max Kanin. Staff Members Present: Assistant City Attorney Lauren Langer, City Clerk Yvonne Quarker, and Assistant City Clerk Melissa Crowder.
  - C. Approval of the Minutes (May 23, 2018) – Chair Ralston commented that under “Governmental Ethics” first paragraph that “evidence of corruption” should be changed to better reflect the discussion. Member Guardarrama suggested that it read “that no evidence presented at the meeting”. Chair Ralston suggested that language be added that states “that the perception of corruption may exist”. Ms. Ralston also commented that in addition to raising the campaign limits that it should also be indexed for inflation. Assistant City Clerk Crowder also noted a change under future meeting dates Section 7 that it should read June 14<sup>th</sup> and July 12<sup>th</sup> (they were backwards).

**Motion by Task Force Member Guardarrama, seconded by Task Force Member Kanin, and approved.**

2. **PUBLIC COMMENT:**

DAN MORIN, WEST HOLLYWOOD, spoke regarding the definition of ethics. He commented on the actions of the previous Ethics Reform Task Force. He mentioned “deputygate” and his thoughts on it. Finally, he briefly discussed the City’s Code of Conduct for Elected and Appointed Officials and unethical requests of City staff.

Task Force Members Kanin and Guardarrama responded to some of Mr. Morin’s comments. A brief discussion ensued regarding enforcement of the City’s policy.

3. **A. Lobbyist Regulations**

The Task Force discussed “registration equivalent” for lobbyist. Ms. Ralston inquired about the current Lobbyist log. The Task Force recommended that the Lobbyist list be made public and place it on the City’s website.

The Task Force discussed a de minimis threshold for lobbyist reporting. They also discussed the definition of a “lobbyist” and if there is a need to change it.

The Task Force recommended a change to Municipal Code § 2.72.010 “Lobbyist – Defined” to state, “lobbyists being retained for \$1,000 or more in a calendar month, cumulative from any number of clients.” **Task Force approved by consensus.**

## **B. Enforcement**

Task Force Member Guardarrama mentioned a current bill in the legislature, AB-2880 Political Reform Act of 1974: local enforcement that would allow cities to contract with the Fair Political Practices Commission (FPPC).

Task Force Member Kanin commented that this is an excellent idea. It reduces stress on the City Attorney's and District Attorney's Offices. Also, the public knows that it is independent of City staff and the enforcement process is never politicized.

Assistant City Attorney Langer indicated that the process is currently independent not politicized; but to avoid the appearance of any politicizing enforcement activities, outside enforcement can be considered and recommended to the Council under new bill if adopted. , ..

Task Force Member Guardarrama will continue to monitor the bill.

DAN MORIN, WEST HOLLYWOOD, spoke regarding the cost of the City contracting with the FPPC for enforcement.

If approved, the Task Force can consider a recommendation to the City Council to contract with FPPC for enforcement services.

## **Additional Topics for Discussion**

### **Follow-up discussions for Possible Recommendations to City Council**

- **Netfile** – The Task Force will recommend to City Council adoption of a regulation requiring all campaign advertisements to be sent to the City and maintained on Netfile.
- **AB 249 – California Disclose Act** – After discussion, the Task Force recommended that this item be TABLED. Task for member Kanin may provide additional documentation on the his legal opinion on the constitutionality of the Disclose Act
- **Campaign Contribution Limits** – The Task Force recommended that the contribution limit be raised to \$1,000 and it be raised each election cycle by the cumulative CPI.
- **Public Financing System** – The Task Force recommended that the City adopt a Public Financing System if the law is adopted by the State and that the City create another Task Force to implement. There is a legal challenge pending to the state rules and that challenge is currently up on appeal.
- **Campaign Contributions from City Contractors** – After discussion, the Task Force recommended that this item be TABLED.

## **4. COMMENTS FROM STAFF**

Assistant City Clerk Crowder informed the Task Force of the item on the City Council's July 16<sup>th</sup> meeting agenda directing the Ethics Reform Task Force to evaluate the creation of a Code of Ethics for consultants and contractors and to research policies of other agencies regarding service on nonprofit boards of directors.

## **5. ADJOURNMENT** – The Ethics Reform Task Force adjourned at 8:15 p.m. to its next meeting.

CITY COUNCIL  
CONSENT CALENDAR

APPROVED  
YD 7/16/18  
with additional direction. *Noting the no votes of Duran and Heistma*  
JULY 16, 2018

SUBJECT: **CODE OF ETHICS FOR CONSULTANTS/CONTRACTORS AND SERVICE ON NONPROFIT BOARDS OF DIRECTORS**

INITIATED BY: **COUNCILMEMBER LAUREN MEISTER**

PREPARED BY: **COMMUNITY & LEGISLATIVE AFFAIRS DIVISION**  
(John Leonard, Manager) *JPL*  
(Andi Lovano, Senior Management Analyst) *[Signature]*

**STATEMENT ON THE SUBJECT:**

The City Council will consider directing the Ethics Reform Task Force to evaluate the creation of a code of ethics for City consultants and contractors, and research policies on service on nonprofit boards of directors.

**RECOMMENDATIONS:**

1. Direct the Ethics Reform Task Force to evaluate the creation of a code of ethics for City consultants and contractors.
2. Direct the Ethics Reform Task Force to research policies in other jurisdictions regarding elected officials serving on the boards of directors for nonprofit organizations.
3. Report back to the City Council outlining findings and recommendations.

**BACKGROUND / ANALYSIS:**

In April 2015, the City Council convened an Ethics Reform Task Force, comprised of independent and professional subject matter experts, to review the City's ethics laws and regulations, seek input from the community, and recommend any revisions or reforms the Task Force deemed warranted or desirable. The Task Force reviews any necessary ethics reform as it applies to elected officials, appointed officials, City Hall staff, and those who do business with the City, including lobbyists and consultants.

The four key issue areas identified by the City Council for the Ethics Reform Task Force to evaluate were: Government Ethics, Campaign Finance, Lobbyists Regulation and Revolving Door Ordinance, and Enforcement. Since the formation of the original Ethics Reform Task Force, the City has adopted various ethics reform initiatives meant to increase transparency, promote integrity, and further the City's commitment to open and fair government.

**Code of Ethics**

This item seeks to expand the work program of the Ethics Reform Task Force by directing the Task Force to evaluate the creation of a code of ethics for consultants and

contractors that are doing business with the City of West Hollywood. Currently, the City of West Hollywood does not have conduct or ethics requirements for consultants or contractors. Through the contracting process, consultants and contractors are required to agree to comply with all applicable federal, state, and local laws, codes, ordinances, and regulations. They must agree not to discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, political affiliation or opinion, medical condition, or pregnancy or pregnancy-related condition. Additionally, the consultant or contractor must affirm that they do not honor the Arab League Boycott of Israel.

In California, state and federal laws have established a complex set of ethics laws and requirements for public officials. The City of West Hollywood has established a code of conduct for elected and appointed officials, which consists of policies and rules intended to advance the City's goals of providing efficient and high quality services to its residents and providing a safe and productive work environment for its employees. This code is applicable to all City Council, Commission and Advisory Board members; however, the code does not apply to consultants or contractors that work with the City.

Often companies or consultants have created their own code of ethics or adhere to the code of ethics of various professional organizations. For example, the Institute for Management Consultants USA (IMC) created a code of ethics that all of its members must pledge to abide by as a condition of membership and certification (Attachment 1). The purpose of the code is to help members maintain their professionalism and adhere to high ethical standards as they provide services to clients and in their dealings with their colleagues and the public. The commitments in the code stress the importance of integrity, competence, objectivity, confidentiality, and fiscal responsibility. IMC's code also includes provisions that the consultant will avoid conflicts of interest or the appearance of such, and will not accept commissions, remuneration, or other benefits from a third party in connection with the recommendations to a client without that client's prior knowledge and consent.

The Federal Acquisition Regulation ("FAR") requires organizations contracting with the federal government to have a code of business ethics and compliance policies and procedures. The rules apply to contractors and subcontractors with contracts over \$5 million and a performance period of 120 days or longer. Though this policy has limitations and does not impose requirements for small business contracts, it does serve as a standard for all federal government contractors. The FAR regulates that applicable contractors must have a written code of business ethics and promote an organization with ethical values and conduct that complies with the law.

The City will further its goals of institutional integrity and transparency by requiring consultants and contractors who do business with the City of West Hollywood to abide by a standard or formal code of ethics. Without a formal code of ethics requirement in place, the City may have inconsistent review procedures for potential consultants and contractors. By reviewing the existing process and making recommendations to the City Council, the Ethics Reform Task Force will determine if the existing process is sufficient or if additional steps are necessary to ensure the City is working with consultants and contractors that share the City's business ethics and values.

### Nonprofit Boards of Directors

There are no federal laws that directly prohibit elected officials from serving on nonprofit boards of directors. However, there are federal and state laws that include conflict of interest provisions which apply to directors of nonprofit organizations. In 1994, the City of West Hollywood adopted a resolution establishing that a nonprofit organization shall not be eligible to receive City grants or funds if any member of its board of directors is also a City Council member, a Council Deputy, the City Manager, Assistant City Manager, Director, or their spouse/registered domestic partner. In 2008, the City Council voted to rescind this resolution based on the justification that an elected or appointed official serving on a nonprofit board could recuse themselves from a vote related to the nonprofit in order to avoid any conflict of interest. The City of West Hollywood currently has no restrictions on elected or appointed officials serving on nonprofit boards as long as it is in compliance with federal and state law and conflicts of interest are avoided.

This item directs the Ethics Reform Task Force to research policies in other jurisdictions to determine if other cities have adopted policies regarding elected or appointed officials serving on nonprofit boards of directors. The Ethics Reform Task Force will report back to the City Council with further information on what policies other jurisdictions have adopted, if any, and recommendations for City Council consideration.

### **CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD GENERAL PLAN:**

This item is consistent with the Primary Strategic Goal(s) (PSG) and/or Ongoing Strategic Program(s) (OSP) of:

- OSP-2: Institutional Integrity.

In addition, this item is compliant with the following goal(s) of the West Hollywood General Plan:

- G-2: Maintain transparency and integrity in West Hollywood's decision-making process.
- HS-1: Maintain and pursue humane social policies and social services that address the needs of the community.

### **EVALUATION PROCESSES:**

N/A

### **ENVIRONMENTAL SUSTAINABILITY AND HEALTH:**

N/A

### **COMMUNITY ENGAGEMENT:**

N/A

**OFFICE OF PRIMARY RESPONSIBILITY:**

ADMINISTRATIVE SERVICES DEPARTMENT / CITY CLERK DIVISION

**FISCAL IMPACT:**

None at this time.

**ATTACHMENT:**

1. Institute of Management Consultants USA Code of Ethics

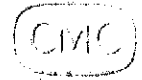




**IMC USA**

Institute of Management Consultants USA

## Institute of Management Consultants USA Code of Ethics



CERTIFIED  
MANAGEMENT CONSULTANT

All IMC USA members and Certified Management Consultants® (CMCs) pledge in writing to abide by the Institute's Code Ethics. Their adherence to the Code signifies voluntary assumption of self-discipline. As the professional association and certifying body for management consultants in the United States, IMC USA requires adherence to this Code of Ethics as a condition of membership and certification. The standards of conduct set forth in this Code provide basic principles in the ethical practice of management consulting. The purpose of this Code is to help IMC USA members maintain their professionalism and adhere to high ethical standards in the conduct of providing services to clients and in their dealings with their colleagues and the public. The individual judgment of Members and CMCs is required to apply these principles. Members and CMCs are liable to disciplinary action under the IMC USA Rules of Procedure for Enforcement of this Code if their conduct is found by the IMC USA Ethics Committee to be in violation of the Code or to bring discredit to the profession or to IMC USA.

### **My Commitment to My Clients**

- 1.0 I will serve my clients with integrity, competence, independence, objectivity, and professionalism.
- 2.0 I will mutually establish with my clients realistic expectations of the benefits and results of my services.
- 3.0 I will only accept assignments for which I possess the requisite experience and competence to perform and will only assign staff or engage colleagues with the knowledge and expertise needed to serve my clients effectively.
- 4.0 Before accepting any engagement, I will ensure that I have worked with my clients to establish a mutual understanding of the objectives, scope, work plan, and fee arrangements.
- 5.0 I will treat appropriately all confidential client information that is not public knowledge, take reasonable steps to prevent it from access by unauthorized people, and will not take advantage of proprietary or privileged information, either for use by myself, the client's firm, or another client, without the client's permission.
- 6.0 I will avoid conflicts of interest or the appearance of such and will immediately disclose to the client circumstances or interests that I believe may influence my judgment or objectivity.
- 7.0 I will offer to withdraw from a consulting assignment when I believe my objectivity or integrity may be impaired.
- 8.0 I will refrain from inviting an employee of an active or inactive client to consider alternative employment without prior discussion with the client.

### **My Commitment to Fiscal Integrity**

- 9.0 I will agree in advance with a client on the basis for fees and expenses and will charge fees that are reasonable and commensurate with the services delivered and the responsibility accepted.
- 10.0 I will not accept commissions, remuneration, or other benefits from a third party in connection with the recommendations to a client without that client's prior knowledge and consent, and I will disclose in advance any financial interests in goods or services that form part of such recommendations.

### **My Commitment to the Public and the Profession**

- 11.0 If within the scope of my engagement, I will report to appropriate authorities within or external to the client organization any occurrences of malfeasance, dangerous behavior, or illegal activities.
- 12.0 I will respect the rights of consulting colleagues and consulting firms and will not use their proprietary information or methodologies without permission.
- 13.0 I will represent the profession with integrity and professionalism in my relations with my clients, colleagues, and the general public.
- 14.0 I will not advertise my services in a deceptive manner nor misrepresent or denigrate individual consulting practitioners, consulting firms, or the consulting profession.
- 15.0 If I perceive a violation of the Code, I will report it to the Institute of Management Consultants USA and will promote adherence to the Code by other member consultants working on my behalf.

*Approved by the IMC USA Board of Directors February 3, 2005*