

**WEST HOLLYWOOD
ETHICS REFORM TASK FORCE
SPECIAL MEETING AGENDA
MONDAY, JANUARY 6, 2020
6:00 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 1, 2019)

- 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. Emails sent to the Task Force are public records.**

3. TASK FORCE comments, questions, deliberations

DISCUSSION TOPIC

- **Public input on Task Force Recommendations to the City Council**
- **Discussion of Final Task Force Recommendations to the City Council .**

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.

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.

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.

**WEST HOLLYWOOD
ETHICS REFORM TASK FORCE
SPECIAL MEETING MINUTES
MONDAY, JULY 1, 2019
6:00 P.M.**

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

1. **CALL TO ORDER** – Chair Kanin called the meeting to order at 6:00 p.m.
 - A. Pledge of Allegiance – Chair Kanin led the Pledge of Allegiance.
 - B. Chair Kanin reminded everyone to speak clearly into the microphone and turn off mobile devices.
 - C. Roll Call

PRESENT: Task Force Member Guardarrama, Task Force Member Kanin, and Task Force Member Ralston.
ABSENT: None.
ALSO Assistant City Attorney Langer and Assistant City Clerk
PRESENT: Crowder.

- D. Approval of the Minutes of April 22, 2019. **Motion by Task Force Member Guardarrama, seconded by Task Force Member Ralston.**

2. **PUBLIC COMMENT:** None.
3. **TASK FORCE comments, questions, deliberations**

DISCUSSION TOPIC

The Task Force reviewed the draft recommendations to City Council and made comments and revisions.

STEVE MARTIN, WEST HOLLYWOOD, spoke regarding perceived corruption with City contractors and campaign contributions.

Recommendation 1: Filing of Campaign Communications

The Task Force recommends that an ordinance be created and adopted that requires all campaign communications be submitted to the City to be included on the City's online campaign filing system, NetFile (including campaign reporting data and creating a repository for all campaign communication materials, including without limitation mailers, scripts for robocalls, scripts for door-to-door solicitations, texts for emails and campaign signs). The intent for this recommendation is to tie the requirement to the City's existing definition of campaign materials which is found in the City's municipal code under section 2.76.020.

Recommendation 2: Fair Political Practices Commission Enforcement of West Hollywood Campaign Finance and Government Ethics Laws

The Task Force recommends that the City of West Hollywood enter into an agreement with the Fair Political Practices Commission (FPPC) to provide enforcement services related to local campaign finance or government ethics laws. This service was recently made available through adoption of AB 2880 in 2018. In 2012 the State Legislature passed a law allowing San Bernardino County to contract with the FPPC on a trial basis. Upon submitting the required report to the Legislature on its success, the Legislature passed a bill allowing for the contract to continue. In 2018, they broadened the scope to every California city or county under Government Code section 83123.6.

While there is no identified concern about violations or lack of enforcement locally, the Task Force recommends using this new service because it is a new offering by the FPPC that could provide the public with assurances that the enforcement process is entirely independent and to avoid even the appearance that enforcement could be politicized.

Recommendation 3: Lobbyists

The City Council directed that the Task Force look at lobbyist reporting and best practices. Following discussion, the Task Force formed the following recommendations.

A. The Task Force recommends that the City Clerk's Office place the City's Lobbyist log on the City's website so that it is accessible to the public.

B. The Task Force further recommends a change to the City of West Hollywood's 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." Currently, the definition covers anyone who receives economic consideration to communicate with elected officials for the purpose of influencing a legislative or administrative action. This change would better clarify an amount of consideration exchanged for the lobbying services (Attachment B).

Recommendation 4: Campaign Contributions

The Task Force recommends that the \$500 campaign contribution limit be increased to \$1,000, and increased each election cycle by the cumulative Consumer Price Index (CPI).

During the May 2018 Task Force meetings, the members discussed the efficacy of the City's campaign contribution limit of \$500 per person to candidates for City Council in any single election. In 2015, the then convened Ethics Task Force recommended increasing the limit by a cost of living increase. On April 4, 2016, the City Council considered this matter with other Task Force recommendations and WHMC changes and elected not to adopt an increase to the campaign contribution limit. For a historical perspective, the City lowered its campaign contribution limit from \$1000 to \$500 in 2009.

For these reasons, the Task Force is again recommending that the contribution limit be increased to \$1,000 and increased each election cycle by the cumulative Consumer Price Index (CPI). Should the Council support this recommendation, it should direct staff to prepare an ordinance to implement this change.

Recommendation 5: Public Financing System

In 2017, the Political Reform Act was amended through Senate Bill 1107 to allow cities to adopt

systems for public campaign financing. The theory behind the bill at the state level was to enhance the integrity of the electoral process by reducing fund raising pressures on public office seekers to create a more level playing field and reduced influence of special interest groups. Those benefits could also be experienced at the local level too through public campaign financing. The Howard Jarvis Taxpayers' Association challenged the law and was successful in the trial court. As of the Task Force's final July meeting, this case was currently pending in the California Court of Appeals. The Task Force recommended monitoring the matter and if the bill is upheld, the Task Force would consider a future recommendation to the City Council to explore a public campaign financing program.

Since that time, the California Court of Appeal issued its decision in the case and invalidated SB 1107, finding that the bill was an improper legislative amendment of voter initiative that precluded public funding of campaigns. Staff will continue to monitor this topic and if this decision is appealed to the California Supreme Court or if future legislation is adopted regarding public campaign financing, the topic can be considered as a future Task Force topic.

Recommendation 6: Code of Conduct for City Contracts

At the July 16, 2018 City Council meeting, City Council directed the Ethics Reform Task Force to evaluate the creation of a code of ethics for City consultants and contractors. The item was brought to the Task Force on September 17, 2018. At that time, the Task Force directed staff to research other jurisdictions policies, if any, pertaining to a Code of Ethics for consultants and contractors. Staff researched other jurisdictions including: Seattle, Washington DC, Metropolitan Transit Authority (New York and Long Island), Orange County, New York, and the Federal Acquisition Regulations (FAR). Following review of those examples, the Task Force supported including the Institute of Management Consultants USA Code of Ethics into City contracts.

Recommendation 7: Elected and Appointed Officials Serving on Boards of Directors for Non-Profit Organizations

On July 16, 2018, the City Council also asked the Task Force to consider whether the City should create a policy regarding elected officials serving of the boards of directors for non-profit organizations. According to the July 16th report, 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 directed 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. There is certainly value in city council members and city officials serving the community by being involved with local non-profits. Potential issues could arise if that nonprofit had any business before the City. Following consideration of this matter and

sample policies from the City of Palm Springs and the City of Berkeley, the Task Force recommends requiring that positions held by elected and appointed officials on Boards of Directors for Non-Profits be required to be reported to the City through the Schedule C "Non-Profit Business Position" on their annual Form 700 – Statement of Economic Interest filing as "No Income – Business Position Only". This option allows the public to know when public officials serve on non-profit boards; but, remains consistent with the City Council's 2008 decision on this issue.

Recommendation 8: Restrictions on Campaign Officials Serving as Lobbyists

Lastly, in 2016 the City Council directed an ordinance be prepared to prohibit campaign consultants from serving as lobbyists.

Earlier this year, staff asked that the Ethics Reform Task Force review the current regulations, deliberate the issue and provide input for the proposed ordinance for City Council consideration.

The Task Force discussed this issue and raised some concerns with the proposed ordinance. The Task Force directed staff to conduct some additional research and following deliberation, the Task Force Members recommend an alternate approach. Rather than restricting campaign officials from serving as lobbyists, the Task Force recommends substantive revisions to the City's lobbyist regulations (similar to what the last Ethics Reform Task for recommended in 2016). Those recommendations were that a lobbyist shall not:

- A. Do any act with the purpose and intent of placing any official under personal obligation to the lobbyist, the lobbying firm, or to the lobbyist's or firm's employer or client.
- B. Fraudulently deceive or attempt to deceive any City official with regard to any material fact pertinent to any pending or purposed municipal legislation.
- C. Cause or influence the introduction of any municipal legislation for the purpose of thereafter being employed or retained to secure its passage or defeat.
- D. Cause any communication to be sent to any City official in the name of any nonexistent person or in the name of any existing person without the consent of such person.

This proposal mirrors provisions of state lobbying restrictions, which are aimed at preventing officials from having personal obligations to lobbyists, which may in turn influence their action based on these personal obligations. See Government Code Section 86205(a). While these provisions are broader than the proposal limited to campaign consultants, the Task Force recommends this broader approach to lobbyist regulations.

Motion by Task Force Member Guardarrama, seconded by Task Force Member Ralston, and approved.

4. **COMMENTS FROM STAFF & TASK FORCE MEMBERS** – Task Force Member Kanin noted that he is not available on September 16, 2019.
5. **ADJOURNMENT** – The Ethics Reform Task Force adjourned at 7:15 p.m.

NOVEMBER 4, 2019

**SUBJECT: ETHICS REFORM TASK FORCE RECOMMENDATIONS
RELATED TO GOVERNMENT ETHICS, LOBBYIST
REGULATIONS, CAMPAIGN FINANCE, AND ENFORCEMENT
AND CONTINUATION OF DISCUSSION ON REVISIONS TO
LOBBYIST ORDINANCE**

INITIATED BY: ADMINISTRATIVE SERVICES DEPARTMENT
(Christof Schroeder, Director)
(Yvonne Quarker, City Clerk)
(Melissa Crowder, Assistant City Clerk)

CITY ATTORNEY'S OFFICE
(Mike Jenkins, City Attorney)
(Lauren Langer, Assistant City Attorney)

STATEMENT ON THE SUBJECT:

The Ethics Reform Task Force (Task Force) was created by the City Council to evaluate the City's laws and regulations pertaining to government ethics, lobbyist regulations, campaign finance, and enforcement, and recommend revisions, if needed. This report summarizes the Task Force's recommendations to the City Council for the period from May 2018 through July 2019, and provides an opportunity for the City Council to consider an ordinance to prohibit campaign consultants from serving as lobbyists (discussion continued from October 7, 2019).

RECOMMENDATIONS:

- 1) Receive and file the recommendation report from the Ethics Reform Task Force;
- 2) Provide additional direction to staff on any of the recommendations from the Task Force; and
- 3) In light of the Ethics Reform Task Force recommendations, consider whether to introduce on first reading an ordinance to prohibit campaign consultants from serving as lobbyists

BACKGROUND / ANALYSIS:

Since May 2018, the Ethics Reform Task Force (Task Force) has met six (6) times: May 23, 2018, July 12, 2018, September 17, 2018, February 25, 2019, April 22, 2019, and July 1, 2019. At each meeting, the Task Force reviewed and considered various issues and recommendations related to Government Ethics, Lobbyist Regulations and Enforcement. The Task Force members bring a variety of experience to this body. The

Task Force is currently made up of the following members:

- Joseph Guardarrama - Government Ethics Attorney with Kaufman Legal Group and former City Commissioner
- Max Kanin - Attorney specializing in election law, campaign finance law, and government ethics
- Elizabeth Ralston - Past President of the League of Women Voters of Los Angeles

The initial direction on April 2, 2018, was to reconvene the Task Force to meet three times and report back to the City Council on any necessary ethics reform. During that period, the City Council directed the Task Force to review a few additional substantive items, which extended the schedule for the Task Force, which the City Council approved on August 6, 2018. Over the course of six meetings, the Task Force reviewed, deliberated, and formed recommendations on various topics, which serve the basis of the recommendation report. Staff has added some additional context and information to help the Council turn these recommendations into action items, should the City Council support the various recommendations. The Task Force members plan to be present at the City Council meeting to answer any questions concerning the recommendations.

Recommendation 1: Filing of Campaign Communications

The Task Force recommends that an ordinance be created and adopted that requires all campaign communications be submitted to the City to be included on the City's online campaign filing system, NetFile (including campaign reporting data and creating a repository for all campaign communication materials, including without limitation mailers, scripts for robocalls, scripts for door-to-door solicitations, texts for emails and campaign signs). The intent for this recommendation is to tie the requirement to the City's existing definition of campaign materials which is found in the City's municipal code under section 2.76.020.

The City Clerk's office has confirmed with Netfile that the system has the capability to achieve this. This action would require adoption of an ordinance directing that these communications materials be submitted to the City for inclusion in the repository and direction to the City Clerk's office to enhance the campaign filing system accordingly.

Recommendation 2: Fair Political Practices Commission Enforcement of West Hollywood Campaign Finance and Government Ethics Laws

The Task Force recommends that the City of West Hollywood enter into an agreement with the Fair Political Practices Commission (FPPC) to provide enforcement services related to local campaign finance or government ethics laws. This service was recently made available through adoption of AB 2880 in 2018. In 2012 the State Legislature passed a law allowing San Bernardino County to contract with the FPPC on a trial basis. Upon submitting the required report to the Legislature on its success, the Legislature passed a bill allowing for the contract to continue. In 2018, they broadened the scope to

every California city or county under Government Code section 83123.6. The services are now offered statewide and authorized under Government Code §83123.6 which required the City to enter into an agreement with the FPPC (Attachment A). The FPPC's template agreement spells out the scope of work, which offers the following specific services: Auditing and investigating campaign finance for candidates and controlled committees; civil and administrative prosecution for violations of local campaign regulations; campaign compliance assistance for candidates and contributors regarding compliance with local ordinances; campaign compliance training; legal review for all proposed changes to local ordinances for compliance with the Political Reform Act; and education and training services. The agreements run for a two-year election cycle. The proposed rates for services run from \$220 per hour for their attorneys and executive supervisory staff; \$195 per hour for research analysts and \$125 per hour for investigation services.

Once the agreement is executed, the FPPC becomes the civil prosecutor of local campaign finance and ethics laws. As noted above, the Commission can also provide advice, investigate possible violations and bring administrative or civil actions for violations (without authorization from the City to pursue actions). The City would also be required to consult with the FPPC before adopting or amending any local campaign finance or government ethics law that are subsequently enforced by the FPPC.

While there is no identified concern about violations or lack of enforcement locally, the Task Force recommended using this new service because it is a new offering by the FPPC that could provide the public with assurances that the enforcement process is entirely independent and to avoid even the appearance that enforcement could be politicized.

Should the City Council be interested in adopting this recommendation, the Council should direct staff to review and negotiate terms of the agreement with the FPPC, which would be brought back to the City Council for approval at a later date.

Recommendation 3: Lobbyists

The City Council directed that the Task Force look at lobbyist reporting and best practices. Following discussion, the Task Force formed the following recommendations.

A. The Task Force recommends that the City Clerk's Office place the City's Lobbyist log on the City's website so that it is accessible to the public.

B. The Task Force further recommends a change to the City of West Hollywood's 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." Currently, the definition covers anyone who receives economic consideration to communicate with elected officials for the purpose of influencing a legislative or administrative action. This change would better clarify an amount of consideration exchanged for the lobbying

services (Attachment B).

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The Task Force recommends that the \$500 campaign contribution limit be increased to \$1,000, and increased each election cycle by the cumulative Consumer Price Index (CPI).

During the May 2018 Task Force meetings, the members discussed the efficacy of the City's campaign contribution limit of \$500 per person to candidates for City Council in any single election. In 2015, the then convened Ethics Task Force recommended increasing the limit by a cost of living increase. On April 4, 2016, the City Council considered this matter with other Task Force recommendations and WHMC changes and elected not to adopt an increase to the campaign contribution limit. For a historical perspective, the City lowered its campaign contribution limit from \$1000 to \$500 in 2009.

During the April 4, 2016, meeting, the City Council considered various ways to increase the limit (e.g. CPI now with various additional increases every few years); but in the end, there was not a consensus that the amount needed to be increased. Some members of the City Council were in favor of an increase while others expressed that that a small increase would not make a significant difference. One Councilmember believed that having a lower contribution limit may create a more even playing field for new candidates that are not incumbents.

During the current Task Force consideration of this matter, the Task Force members agreed that the lower contribution limit can encourage Independent Expenditure Committees and require more fundraising activities by the candidates. For these reasons, the Task Force is again recommending that the contribution limit be increased to \$1,000 and increased each election cycle by the cumulative Consumer Price Index (CPI). Should the Council support this recommendation, it should direct staff to prepare an ordinance to implement this change.

Recommendation 5: Public Financing System

In 2017, the Political Reform Act was amended through Senate Bill 1107 to allow cities to adopt systems for public campaign financing. The theory behind the bill at the state level was to enhance the integrity of the electoral process by reducing fund raising pressures on public office seekers to create a more level playing field and reduced influence of special interest groups. Those benefits could also be experienced at the local level too through public campaign financing. The Howard Jarvis Taxpayers' Association challenged the law and was successful in the trial court. As of the Task Force's final July meeting, this case was currently pending in the California Court of Appeals. The Task Force recommended monitoring the matter and if the bill is upheld, the Task Force would consider a future recommendation to the City Council to explore a public campaign financing program.

Since that time, the California Court of Appeal issued its decision in the case and

invalidated SB 1107, finding that the bill was an improper legislative amendment of voter initiative that precluded public funding of campaigns. Staff will continue to monitor this topic and if this decision is appealed to the California Supreme Court or if future legislation is adopted regarding public campaign financing, the topic can be considered as a future Task Force topic.

Recommendation 6: Code of Conduct for City Contracts

At the July 16, 2018 City Council meeting, City Council directed the Ethics Reform Task Force to evaluate the creation of a code of ethics for City consultants and contractors. The item was brought to the Task Force on September 17, 2018. At that time, the Task Force directed staff to research other jurisdictions policies, if any, pertaining to a Code of Ethics for consultants and contractors. Staff researched other jurisdictions including: Seattle, Washington DC, Metropolitan Transit Authority (New York and Long Island), Orange County, New York, and the Federal Acquisition Regulations (FAR).

Following review of those examples, the Task Force supported including the Institute of Management Consultants USA Code of Ethics into City contracts (Attachment C). 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 City currently requires in all of its service contracts that contractors agree to living wage, having an anti-discrimination policy and this proposal for a code of ethics would be another requirement for any company or individual doing business with the city as a consultant or contractor.

Recommendation 7: Elected and Appointed Officials Serving on Boards of Directors for Non-Profit Organizations

On July 16, 2018, the City Council also asked the Task Force to consider whether the City should create a policy regarding elected officials serving of the boards of directors for non-profit organizations. According to the July 16th report, 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 directed 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. There is certainly value in city council members and city officials serving the community by being involved with local non-profits. Potential issues could arise if that nonprofit had any business before the City. Following consideration of this matter and sample policies from the City of Palm Springs and the City of Berkeley, the Task Force recommends requiring that positions held by elected and appointed officials on Boards of Directors for Non-Profits be required to be reported to the City through the Schedule C "Non-Profit Business Position" on their annual Form 700 – Statement of Economic Interest filing as "No Income – Business Position Only". This option allows the public to know when public officials serve on non-profit boards; but, remains consistent with the City Council's 2008 decision on this issue.

Recommendation 8: Restrictions on Campaign Officials Serving as Lobbyists

Lastly, in 2016 the City Council directed an ordinance be prepared to prohibit campaign consultants from serving as lobbyists.

The City Council considered a draft ordinance to implement this direction on October 7, 2019. The staff report for that ordinance is attached as Attachment D. The City Council debated various revisions to the draft ordinance concerning the scope of the ordinance (clarifying that the ordinance covers campaign consultants for elected West Hollywood city council members, and possibly covering consultants for independent committees for candidates). The City Council also considered whether there should be a financial threshold for the value of the campaign consulting services provided to the candidate before the lobbying restriction is triggered. Following deliberation, the City Council directed that this item come back for consideration when the Ethics Reform Task Force recommendations are presented to City Council.

Earlier this year, staff asked that the Ethics Reform Task Force review the current regulations, deliberate the issue and provide input for the proposed ordinance for City Council consideration.

The Task Force discussed this issue and raised some concerns with the proposed ordinance. The Task Force directed staff to conduct some additional research and following deliberation, the Task Force Members recommend an alternate approach. Rather than restricting campaign officials from serving as lobbyists, the Task Force recommends substantive revisions to the City's lobbyist regulations (similar to what the

last Ethics Reform Task for recommended in 2016). Those recommendations were that a lobbyist shall not:

- A. Do any act with the purpose and intent of placing any official under personal obligation to the lobbyist, the lobbying firm, or to the lobbyist's or firm's employer or client.
- B. Fraudulently deceive or attempt to deceive any City official with regard to any material fact pertinent to any pending or proposed municipal legislation.
- C. Cause or influence the introduction of any municipal legislation for the purpose of thereafter being employed or retained to secure its passage or defeat.
- D. Cause any communication to be sent to any City official in the name of any nonexistent person or in the name of any existing person without the consent of such person.

This proposal mirrors provisions of state lobbying restrictions, which are aimed at preventing officials from having personal obligations to lobbyists, which may in turn influence their action based on these personal obligations. See Government Code Section 86205(a). While these provisions are broader than the proposal limited to campaign consultants, the Task Force recommends this broader approach to lobbyist regulations.

Alternatively, a revised draft ordinance to prohibit campaign consultants from serving as lobbyists is attached to this report as Attachment F. This ordinance reflects the changes discussed at the October 7, 2019 City Council meeting; and can be further revised based on City Council direction or introduced on first reading tonight.

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.

This item is consistent with the core goals of the WeHoX Technology and Innovations Program including to:

- Promote local democracy and increase civic engagement; and
- Promote efficiency and effectiveness in government.

EVALUATION PROCESSES:

N/A

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

N/A

COMMUNITY ENGAGEMENT:

The Ethics Reform Task Force (Task Force) is a Brown Act body. Every meeting of the Task Force was open to the public and members of the public attended the meetings to provide their input on the various discussion topics.

OFFICE OF PRIMARY RESPONSIBILITY:

ADMINISTRATIVE SERVICES DEPARTMENT / CITY CLERK DIVISION

CITY ATTORNEY'S OFFICE

FISCAL IMPACT:

There are costs associated with some of the recommendations listed in the Staff Report. For example, if the City enters into a contract with the Fair Political Practices Commission, there is a cost associated with the service. If the City Council approves that particular recommendation, the City Clerk's Office would return with an Item to the City Council requesting approval to enter into a contract with the FPPC and, at that time, the fiscal impact would be provided.

ATTACHMENTS:

Attachment A – Sample State of California Fair Political Practices Commission Campaign Law Enforcement Agreement

Attachment B – West Hollywood Municipal Code Section 2.72.010 "Lobbyist – Defined"

Attachment C – Institute of Management Consultants USA Code of Ethics

Attachment D – FPPC Form 700 Statement of Economic Interest Schedule C "Non-Profit Business Positions"

Attachment E - October 7, 2019 report to City Council regarding ordinance to prohibit campaign consultants from serving as lobbyists

Attachment F - Revised ordinance to prohibit campaign consultants from serving as lobbyists to reflect city council discussion on October 7, 2019

STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
AND

CAMPAIGN LAW ENFORCEMENT AGREEMENT

This agreement ("Agreement") is made and entered into this ____ day of _____ 20__, by and between the State of California, acting by and through the Fair Political Practices Commission, ("FPPC") and the _____ ("Local Agency").

Background

The Local Agency determined it is in its best interest to retain the services of the FPPC to provide for the enforcement and interpretation of campaign laws under the provisions of the Local Agency campaign ordinance ("Local Ordinance"), governing the elective Local Agency offices, as set forth with specificity in Exhibit D, Items 1 and 2.

The FPPC has the special skills, knowledge, experience, and expertise in the enforcement and interpretation of campaign laws necessary to effectively advise, investigate, audit, and otherwise assist the Local Agency on such matters. The FPPC's enforcement and interpretation of campaign laws under the provisions of the Local Ordinance is expressly authorized by California Government Code Section 83123.6.

The parties agree as follows:

Terms and Conditions

Exhibit A: Scope of Services

1. The FPPC agrees to provide the Local Agency with campaign law services for the impartial, effective administration, implementation, and enforcement of the Local Ordinance as dictated in paragraph 2.
2. Campaign Law Enforcement Services.

Auditing

- i. The FPPC will perform audits and investigations for each candidate, and his or her controlled committee, for elective Local Agency office for whom \$2,000 or more in contributions were received or \$2,000 in expenditures were made, whether by the candidate, a committee(s) controlled by the candidate, or committee primarily supporting the candidate.

ii. The audit or investigation will cover all required campaign statements and for the primary and general election, or runoff, or special election for the following election time periods: January 1, 20 through December 31, 20. The audits may extend to include any transaction in connection with the election being audited or investigated. It will not include any statements or reports previously audited under Title 9 of the Government Code, Chapter 10, Sections 90001 or 90003.

iii. The FPPC will follow audit guidelines and standards as required under Government Code Section 90007.

Enforcement

The FPPC agrees to serve as the civil and administrative prosecutor for violations of the Local Ordinance. The FPPC, at its sole discretion, may investigate possible violations and may commence civil and/or administrative actions in accordance with Title 9 of the Government Code, and Title 2, Division 3, Part 1, Chapter 5 (Administrative Adjudication), Sections 11500, et seq., of the Government Code.

Campaign Compliance Assistance

The FPPC agrees to provide written and/or verbal assistance to candidates for elected Local Agency offices, and potential contributors in a Local Agency election, regarding the Local Ordinance upon the request of the candidate or potential contributor.

Campaign Compliance Training

- At least once per election cycle, the FPPC will provide an in-person seminar to review the relevant process, procedures and rules for Local Agency electoral candidates.
- The FPPC will provide outreach to Local Agency electoral candidates. The Local Agency will provide the FPPC with filed Form 501 campaign intention statements by the Local Agency electoral candidates to facilitate this outreach.

✓ **Legal Review**

Upon notification and request by the Local Agency, the FPPC will review any proposed changes to the Local Ordinance for compliance with the Political Reform Act prior to adoption by the Local Agency. (Required under Government Code Section 83123.6. subdivisions (b) and (c).)

✓ **Education and Training**

The FPPC will provide an initial training workshop to the Local Agency regarding the conflict of interest provisions and/or Form 700 requirements under the Political Reform Act, as it applies to the Local Agency and its officials, employees, candidates for elected Local Agency offices, and/or lobbyists. (The Political Reform Act initial training workshop is not a charged service.)

3. The term of this Agreement is the two-year election cycle period: January 1, 20 through December 31, 20. Services will commence on the beginning of this term, and for the elections held during this term, as indicated in paragraph (2)(A), above. Due to the nature of audits and investigations, some services may necessarily occur on dates after the stated election cycles. Services from prior contract will continue as previously determined until completed.
4. The Local Agency agrees to provide the FPPC with a resolution, motion, order, or ordinance of the governing body, which authorizes execution of this Agreement, and indicating the individual who is authorized to sign the Agreement on behalf of the Local Agency.
5. The Local Agency must consult with the FPPC prior to adopting or amending the Local Ordinance. The Local Ordinance must comply with Title 9 of the Government Code. (Government Code Section 83123.6, subdivision (b) and (c).)
6. The Contract Coordinators for this Agreement are:

Fair Political Practices Commission

Agency: _____

Thomas Jones, Executive Director
1102 Q Street, Suite 3000
Sacramento, CA 95814
916-322-5660
tjones@fppc.ca.gov

Name/Title: _____
Address: _____
City/Zip: _____
Phone: _____
Email: _____

Communications regarding this Agreement will be addressed to the Contract Coordinators unless otherwise indicated in the Agreement. Each party will update the contact information for the Contract Coordinator within 30 days of any changes.

Exhibit B: Budget Details and Payment Provisions

1. Full Cost Recovery Agreement.

In accordance with the state full cost recovery policy, the Local Agency agrees to reimburse the FPPC for its full direct and its indirect costs incurred in performing the

services. The full cost of goods or services includes all costs attributable directly to the activity plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided. (State Administrative Manual, Section 8752.). If the Local Agency terminates the agreement, it agrees to pay the FPPC for any other expenditures reasonably made by the FPPC in anticipation of services to be rendered pursuant to this Agreement (Gov. Code Section 83123.6 (d)(2))

2. Invoicing and Payment.

The FPPC will provide the Local Agency with an itemized quarterly invoice detailing all FPPC service hours and costs for the administration, implementation, and enforcement of the Local Ordinance under this Agreement, along with any billing statement for payments due under the Agreement.

Quarterly itemized invoices and billing statements will be submitted to:

Agency:
Office:
Name/Title:
Address:

The Local Agency agrees to pay the FPPC within thirty (30) days of the date of each quarterly invoice and billing statement.

3. Advance Payment.

A. The Local Agency agrees to pay an advance payment of [\$55,000 or adjusted amount] to the FPPC for costs to be incurred in performance of this Agreement. The Local Agency agrees to make this advance payment at the beginning of each year of the contract term.

B. Except for extraordinary costs and expenses, no advance notification is necessary for services provided for each year of the contract. The FPPC will track its expenditures made in anticipation of services to be rendered, and its services provided, and will bill first to the advance payment. Upon depletion of the advance payment, the Local Agency will pay additional reimbursement sums, if any, upon receipt of a billing statement from the FPPC.

4. Rates and Costs for Services.

A. Budget Detail.

The FPPC will bill for its services at the rates set forth below. These rates include the FPPC's direct and indirect costs related to these positions.

| <u>Classification</u> | <u>Rate per hour</u> |
|--|----------------------|
| Attorney | \$220.00 |
| Paralegal | \$205.00 |
| Investigator | \$125.00 |
| Program Specialist (Auditor) | \$195.00 |
| Political Reform Consultant (Research Analyst) | \$195.00 |
| | |
| Executive/Supervisory Staff | \$220.00 |
| Administrative Staff | \$195.00 |

The rates reflect the Attorney General's Office, Bulletin 17-09, and the Department of General Services Price Book, 2018-19. The Executive/Supervisory Staff and Administrative Staff rates are calculated using comparable rates from the Price Book and internal calculations in compliance with the state full cost recovery policy.

B. Necessary Changes to Rates.

In the event that the state hourly rates increase, or the state reimbursement rates increase, the Local Agency agrees to pay the appropriate increased rate applied as of the effective date of the rate increase. It is understood by both parties that no advance written notification is necessary prior to implementing the increased rates. In the event that the FPPC determines that the above hourly rates do not result in a full cost recovery for services provided in accordance with state policy, it will notify the Contract Coordinator for the Local Agency and retroactively apply the appropriate rates, after consultation with the Local Agency, to ensure the FPPC maintains the required full cost recovery.

C. Ordinary and Extraordinary Costs and Expenses.

The FPPC will bill its actual costs for ordinary costs and expenses directly related to the services provided. Ordinary costs and expenses are limited to:

1. Court fees, including filing fees, judicial officer fees, deposition fees, transcript fees, and process serving fees.
2. Administrative fees, including administrative officer fees, administrative law judge fees, hearing fees, transcript fees, and process serving fees.
3. Travel, lodging, and meals pursuant to state reimbursement rates as necessary for FPPC officers, employees, contractors, agents, and volunteers.
4. Telephone charges, postage, photocopying/document reproduction costs, and damage to property repaired or replaced at state expense.
5. Research service fees necessary to perform services.

Prior Approval Required:

The FPPC will bill its actual costs for extraordinary costs and expenses only upon prior approval by the Local Agency Counsel. Extraordinary costs and expenses include, but are not limited to:

1. Fees for third-party consultants, investigators, and experts including their travel, lodging, and meals.
2. Travel, lodging, and meals for witnesses.

5. Total Cost of the Agreement.

The parties anticipate that the total amount of this Agreement will not exceed [\$400,000 or adjusted amount], with an estimated budget of [\$200,000 or adjusted amount] per year. In the event this contract is canceled or is not renewed, the FPPC will provide an estimate of remaining hours necessary to complete the services already in progress, or required by this Agreement, to be billed at the hourly rate, and the services may be completed upon mutual agreement.

Exhibit C: General Terms and Conditions

1. APPROVAL. This Agreement is of no force or effect until signed by both parties. In addition, pursuant to Government Code Section 83123.6, subdivision (d), the FPPC may approve this Agreement at the earliest of 90 days after its submission to the Department of General Services ("DGS"), or after receiving DGS's written review, whichever occurs first.
2. STATE AUDIT OF THIS AGREEMENT. The Local Agency agrees that the State of California, including but not limited to, the Department of General Services, the Bureau of State Audits, or their designated representative, shall have the right to review and to copy all records and supporting documentation pertaining to the performance of this Agreement. The Local Agency agrees to maintain records and supporting documentation for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated by the parties or required by the Bureau of State Audits. The Local Agency agrees to allow the auditor(s) access to records and supporting documentation during normal business hours and to allow interviews of any employees who might reasonably have information related to the records. Furthermore, the Local Agency agrees that the State of California has the same right to audit records and interview staff in any subcontract related to the performance of this Agreement. (Government Code Section 8546.7.) The FPPC will not bill the Local Agency for its time or costs related to a State Audit by the Department of General Services, Bureau of State Audits.
3. DISPUTES. Any dispute concerning a question of fact arising under the terms of this

Agreement that is not disposed within a reasonable period of time (ten days) by the parties normally responsible for the administration of this Agreement shall be brought to the attention of the Contract Coordinators for joint resolution. The parties shall continue their responsibilities during any dispute.

4. INDEMNIFICATION. Pursuant to Government Code Section 895.4 and except as provided below, the Local Agency agrees to indemnify, defend (with counsel approved by the FPPC General Counsel), and hold harmless the FPPC and its authorized officers, employees, contractors, agents, and volunteers from any and all claims, actions, losses, damages, and liability arising out of the performance of this Agreement, or from the enforcement or interpretation of any provision of the Local Ordinance, from any cause whatsoever, including the acts, errors, or omissions of any person and for any costs or expenses incurred by the FPPC on account of any claim except where such indemnification is prohibited by law.

The FPPC shall indemnify, hold harmless, and defend the Local Agency and its authorized officers, employees, contractors, agents, and volunteers from any and all claims, actions, losses, damages, and liability arising from the FPPC's sole negligence or willful misconduct relating to obligations under this Agreement.

5. AMENDMENT. This Agreement may be amended by written mutual consent of the parties. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
6. CANCELLATION. This Agreement may be canceled by either party, at any time, by ordinance or resolution and with an effective date of 90 days after notice is provided by the cancelling party, or other mutually agreed upon date. Notice of the cancellation shall be provided to the Contract Coordinators. In the event this Agreement is canceled by the Local Agency, the FPPC may require the Local Agency to pay for services rendered and any other expenditures reasonably made by the FPPC in anticipation of services to be rendered pursuant to the Agreement.
7. REPORT TO THE LEGISLATURE. Within thirty (30) of receipt of a written request by the FPPC, the Local Agency will provide the FPPC with items necessary for its report to the Legislature pursuant to Section 83213.6, subdivision (h), including its estimated annual cost savings, annual performance metrics, and relevant public comments submitted to the Local Agency.

Exhibit D: Special Terms

1. Local Ordinance.

The Local Ordinance subject to this Agreement consists of the following, with any noticed subsequent amendments pursuant to Exhibit A, item 5:

Name and citation to title, division, chapter, and sections (as necessary) [example: "Local Agency Ordinance, Title 1, Government and Administration, Division 2, Chapter 43, Campaign Finance Reform"]:

2. Local Agency Elective Offices.

The Local Agency elective offices subject to the Local Ordinance and this Agreement are:

[examples: "Supervisor
Auditor-Controller/Treasurer/Tax Collector
District Attorney
Sheriff/Coroner/Public Administrator
Local Agency Superintendent of Schools
Local Agency Assessor-Recorder-Local Agency Clerk"]:

Fair Political Practices Commission
Thomas Jones, Executive Director

Local Agency
[Name, Title ex: Mayor/Chair of
Council/Board of Supervisors]:

Date:

Date:

West Hollywood Municipal Code

[Up](#) [Previous](#) [Next](#) [Main](#) [Search](#) [Print](#) [No Frames](#)

[Title 2 Administration and Personnel](#)

[Article 4 – Miscellaneous](#)

[Chapter 2.72 Lobbying](#)

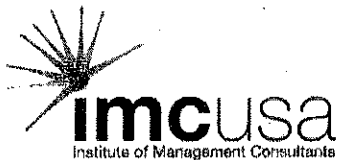
2.72.010 Lobbyist – Defined.

“Lobbyist” shall mean any individual who is employed, retained or contracts for economic consideration to communicate with any elective official or any officer or employee of the City of West Hollywood for the purpose of influencing a legislative or administrative action.

(Ord. 85-44, 1985; prior code § 21000)

View the [mobile version](#).

ATTACHMENT B



CODE OF ETHICS

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.

CMC

My Commitment to My Clients

- 1) I will serve my clients with integrity, competence, independence, objectivity, and professionalism.
- 2) I will mutually establish with my clients realistic expectations of the benefits and results of my services.
- 3) 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) 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) 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) 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) I will offer to withdraw from a consulting assignment when I believe my objectivity or integrity may be impaired.
- 8) 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) 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) 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) 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) I will respect the rights of consulting colleagues and consulting firms and will not use their proprietary information or methodologies without permission.
- 13) I will represent the profession with integrity and professionalism in my relations with my clients, colleagues, and the general public.
- 14) I will not advertise my services in a deceptive manner nor misrepresent or denigrate individual consulting practitioners, consulting firms, or the consulting profession.
- 15) 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.

SCHEDULE C
Income, Loans, & Business
Positions
 (Other than Gifts and Travel Payments)

CALIFORNIA FORM 700
 FAIR POLITICAL PRACTICES COMMISSION

Name _____

▶ 1. INCOME RECEIVED

NAME OF SOURCE OF INCOME _____

ADDRESS (Business Address Acceptable) _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

YOUR BUSINESS POSITION _____

GROSS INCOME RECEIVED No Income - Business Position Only

\$500 - \$1,000 \$1,001 - \$10,000

\$10,001 - \$100,000 OVER \$100,000

CONSIDERATION FOR WHICH INCOME WAS RECEIVED

Salary Spouse's or registered domestic partner's income
 (For self-employed use Schedule A-2.)

Partnership (Less than 10% ownership. For 10% or greater use
 Schedule A-2.)

Sale of _____
 (Real property, car, boat, etc.)

Loan repayment

Commission or Rental Income, list each source of \$10,000 or more

_____ (Describe)

Other _____
 (Describe)

▶ 1. INCOME RECEIVED

NAME OF SOURCE OF INCOME _____

ADDRESS (Business Address Acceptable) _____

BUSINESS ACTIVITY, IF ANY, OF SOURCE _____

YOUR BUSINESS POSITION _____

GROSS INCOME RECEIVED No Income - Business Position Only

\$500 - \$1,000 \$1,001 - \$10,000

\$10,001 - \$100,000 OVER \$100,000

CONSIDERATION FOR WHICH INCOME WAS RECEIVED

Salary Spouse's or registered domestic partner's income
 (For self-employed use Schedule A-2.)

Partnership (Less than 10% ownership. For 10% or greater use
 Schedule A-2.)

Sale of _____
 (Real property, car, boat, etc.)

Loan repayment

Commission or Rental Income, list each source of \$10,000 or more

_____ (Describe)

Other _____
 (Describe)

▶ 2. LOANS RECEIVED OR OUTSTANDING DURING THE REPORTING PERIOD

* You are not required to report loans from a commercial lending institution, or any indebtedness created as part of a retail installment or credit card transaction, made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER* _____

ADDRESS (Business Address Acceptable) _____

BUSINESS ACTIVITY, IF ANY, OF LENDER _____

HIGHEST BALANCE DURING REPORTING PERIOD

\$500 - \$1,000

\$1,001 - \$10,000

\$10,001 - \$100,000

OVER \$100,000

INTEREST RATE _____% None

TERM (Months/Years) _____

SECURITY FOR LOAN

None Personal residence

Real Property _____
 Street address _____
 City _____

Guarantor _____

Other _____
 (Describe)

Comments: _____

Instructions – Schedule C

Income, Loans, & Business Positions

(Income Other Than Gifts and Travel Payments)

Reporting Income:

Report the source and amount of gross income of \$500 or more you received during the reporting period. Gross income is the total amount of income before deducting expenses, losses, or taxes and includes loans other than loans from a commercial lending institution. (See Reference Pamphlet, page 11.) You must also report the source of income to your spouse or registered domestic partner if your community property share was \$500 or more during the reporting period.

The source and income must be reported only if the source is located in, doing business in, planning to do business in, or has done business during the previous two years in your agency's jurisdiction. (See Reference Pamphlet, page 13.) Reportable sources of income may be further limited by your disclosure category located in your agency's conflict of interest code.

Reporting Business Positions:

You must report your job title with each reportable business entity even if you received no income during the reporting period. Use the comments section to indicate that no income was received.

Commonly reportable income and loans include:

- Salary/wages, per diem, and reimbursement for expenses including travel payments provided by your employer
- Community property interest (50%) in your spouse's or registered domestic partner's income - **report the employer's name and all other required information**
- Income from investment interests, such as partnerships, reported on Schedule A-1
- Commission income not required to be reported on Schedule A-2 (See Reference Pamphlet, page 8.)
- Gross income from any sale, including the sale of a house or car (Report your pro rata share of the total sale price.)
- Rental income not required to be reported on Schedule B
- Prizes or awards not disclosed as gifts
- Payments received on loans you made to others
- An honorarium received prior to becoming a public official (See Reference Pamphlet, page 10.)
- Incentive compensation (See Reference Pamphlet, page 12.)

You are not required to report:

- Salary, reimbursement for expenses or per diem, or social security, disability, or other similar benefit payments received by you or your spouse or registered domestic partner from a federal, state, or local government agency.
- Stock dividends and income from the sale of stock unless the source can be identified.
- Income from a PERS retirement account.

(See Reference Pamphlet, page 12.)

To Complete Schedule C:

Part 1. Income Received/Business Position Disclosure

- Disclose the name and address of each source of income or each business entity with which you held a business position.
- Provide a general description of the business activity if the source is a business entity.
- Check the box indicating the amount of gross income received.
- Identify the consideration for which the income was received.
- For income from commission sales, check the box indicating the gross income received and list the name of each source of commission income of \$10,000 or more. (See Reference Pamphlet, page 8.) **Note: If you receive commission income on a regular basis or have an ownership interest of 10% or more, you must disclose the business entity and the income on Schedule A-2.**
- Disclose the job title or business position, if any, that you held with the business entity, even if you did not receive income during the reporting period.

Part 2. Loans Received or Outstanding During the Reporting Period

- Provide the name and address of the lender.
- Provide a general description of the business activity if the lender is a business entity.
- Check the box indicating the highest balance of the loan during the reporting period.
- Disclose the interest rate and the term of the loan.
 - For variable interest rate loans, disclose the conditions of the loan (e.g., Prime + 2) or the average interest rate paid during the reporting period.
 - The term of the loan is the total number of months or years given for repayment of the loan at the time the loan was entered into.
- Identify the security, if any, for the loan:

Reminders

- Code filers – your disclosure categories may not require disclosure of all sources of income.
- If you or your spouse or registered domestic partner are self-employed, report the business entity on Schedule A-2.
- Do not disclose on Schedule C income, loans, or business positions already reported on Schedules A-2 or B.

SUBJECT: AMENDMENTS TO CITY'S LOBBYIST REGULATIONS
INITIATED BY: CITY ATTORNEY'S OFFICE
(Michael Jenkins, City Attorney)
(Lauren Langer, Assistant City Attorney)

STATEMENT ON THE SUBJECT:

The City Council will consider an ordinance to prohibit campaign consultants from serving as lobbyists.

RECOMMENDATION:

Introduce on first reading the following ordinance:

ORDINANCE NO. 19- XXX, "AN ORDINANCE OF THE CITY OF WEST HOLLYWOOD AMENDING THE REGULATIONS GOVERNING LOBBYISTS AND AMENDING THE WEST HOLLYWOOD MUNICIPAL CODE"

BACKGROUND / ANALYSIS:

In recent years, 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. This item builds on those proposals by proposing an ordinance to prohibit campaign consultants, including individuals or entities who participate in campaign management or in the development of campaign strategy, from serving as lobbyists. At the November 7, 2016 City Council meeting, the Council directed the City Attorney to draft this ordinance to prohibit campaign consultants from serving as lobbyists.

As defined in the West Hollywood Municipal Code § 2.72.010, a lobbyist is "any individual who is employed, retained or contracts for economic consideration to communicate with any elected official or any officer or employee of the City of West Hollywood for the purpose of influencing a legislative or administrative action. Currently, the city has an ordinance that addresses "revolving door" politics, by which former members of the city council, members of the Planning Commission, department heads, and division managers, are prohibited from serving as lobbyists for a period of one year after leaving that office or employment.

Another type of "revolving door" lobbyist is one who was previously a campaign consultant for a city councilmember. Campaign consultants give political and strategic advice to City Council candidates and forge strong relationships with those candidates. A lobbyist can help a candidate get elected and then lobby that same councilmember on behalf of a developer or other client. Unlike the former elected officials or staff who must

wait at least one year before lobbying, there is no regulation on campaign consultants. This "revolving door" between doing campaign work and lobbying is unrestricted and creates the appearance of impropriety and opportunities for unfettered access and influence with elected officials.

As noted in the attached November 7, 2016 city council report, the City and County of San Francisco has a similar restriction on campaign consultants. The proposed ordinance is modeled after the San Francisco ordinance, and as noted below includes some practical parameters from San Francisco to help define and implement the rule. These parameters are recommendations, and the City Council may determine that different parameters are more appropriate for West Hollywood.

Definition of Campaign Consultant

The proposed ordinance defines a campaign consultant as any person or entity that receives or is promised economic consideration equaling \$1,000 or more in a calendar year for campaign consulting services. This means participating in campaign management or developing or participating in the development of campaign strategy. The \$1000 threshold is similar to the threshold set out in the San Francisco ordinance. Given the significantly smaller size of the city and the cost to run an election campaign in West Hollywood compared to San Francisco, the City Council may determine that a lower financial threshold is appropriate for determining who qualifies as a campaign consultant subject to this new rule.

Employee Exceptions

Another parameter for the council to consider is whether any employees of the campaign consulting firm should be exempt from the ordinance. The proposed ordinance covers employees of the consulting firm that worked for the campaign; but, it exempts purely clerical employees and those employees that did not personally provide any services to the client city council member. This means that those two types of employees could lobby the city. These exceptions are also included in the San Francisco ordinance.

The proposed ordinance, like San Francisco, also exempts attorneys who provide only legal services, accountants who provide only accounting services, pollsters who provide only polling services, and treasurers who provide only those services which are required of treasurers by the Political Reform Act, California Government Code Section 81000, et seq. The theory behind these exemptions is that legal, financial and polling services can be more technical in nature, and may not lead to same type of close relationship with a candidate as a campaign consultant who participates in the daily campaign management and strategy. However, the City Council may determine that these specialty service providers do have same access to and influence with the client/council member following an election and should be covered by the lobbying prohibition.

Time Period

The original City Council direction did not propose a specific time limit on the prohibition; however, staff recommends including some time limitation on the lobbying prohibition. The ordinance proposes a four year time limit such that the prohibition would be in effect from the date of the election through the client/council member's four year term. The City Council could consider a different time limit. A one year limit would follow the city's other revolving door prohibition on former city employees and officials. A two-year limit would track the time between general elections, whereby the campaign consultant could start lobbying following the next general election (provided that consultant did not serve as a campaign consultant for another city council member in the subsequent election). Staff does not recommend a time period longer than four years, as the ordinance should be tailored to address the specific problem. The appearance of impropriety and opportunities for unfettered access and influence between campaign consultant and elected official would appear to be greatly diminished at the end of the city council member's four year term, after which they are required to run for office again.

Alternatives:

As explained above, the City Council may want to consider:

1. A lower financial threshold for persons to qualify as a campaign consultant;
2. Whether all employees of the consulting firm and specialty service providers (legal, accounting, polling) should be included in the definition of campaign consultant and subject to the rule; and
3. Whether a shorter time period on the lobbying prohibition (e.g. shorter than 4 years) is appropriate.

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.

EVALUATION PROCESSES:

N/A

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

N/A

COMMUNITY ENGAGEMENT:

N/A

OFFICE OF PRIMARY RESPONSIBILITY:

CITY MANAGER'S DEPARTMENT / CITY ATTORNEY

FISCAL IMPACT:

None

ATTACHMENTS:

Attachment A: November 7, 2016 City Council Staff Report

Attachment B: Draft Ordinance

ORDINANCE NO. 19- _____

AN ORDINANCE OF THE CITY OF WEST
HOLLYWOOD AMENDING THE REGULATIONS
GOVERNING LOBBYISTS AND AMENDING THE
WEST HOLLYWOOD MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD DOES HEREBY
ORDAIN AS FOLLOWS:

Section 1. A new Section 2.72.100 is added to Chapter 2.72 of Title 2, Article 4
of the West Hollywood Municipal Code to read as follows:

2.72.100 Campaign Consultants.

a. Definitions.

(1) "Campaign consultant" means any person or entity that receives or is promised economic consideration or provides or donates services equaling a value of \$1,000 or more in a calendar year for campaign consulting services. The term "campaign consultant" includes any person or entity that subcontracts with a campaign consultant to provide campaign consulting services, and that receives or is promised economic consideration equaling \$1,000 or more in a calendar year for providing campaign consulting services. The term "campaign consultant" does not include attorneys who provide only legal services, accountants who provide only accounting services, pollsters who provide only polling services, and treasurers who provide only those services which are required of treasurers by the Political Reform Act, California Government Code Section 81000, et seq. For purposes of this section, campaign consultant means an individual who has an ownership interest in the campaign consultant, and an employee of the campaign consultant.

(2) "Campaign consulting services" means participating in campaign management or developing or participating in the development of campaign strategy.

(3) "Campaign management" means conducting, coordinating or supervising a campaign to elect, defeat, retain or recall a candidate, including but not limited to hiring or authorizing the hiring of campaign staff and consultants, spending or authorizing the expenditure of campaign funds, directing, supervising or conducting the solicitation of contributions to the campaign, and selecting or recommending vendors or subvendors of goods or services for the campaign.

(4) "Campaign strategy" means plans for the election, defeat, retention or recall of a candidate, including but not limited to producing or authorizing the production of campaign literature and print and broadcast advertising, seeking

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ATTACHMENT F

endorsements of organizations or individuals, seeking financing, or advising on public policy positions.

b. A campaign consultant for a candidate elected to the West Hollywood City Council or for an independent committee supporting one or more candidates for West Hollywood City Council shall not act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, the City Council or any committee, subcommittee, Board, Commission, or present member thereof, or any officer or employee of the City, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.

c. The above restriction shall apply for a period of four years following the date of an election in which a client of the campaign consultant was elected to a seat on the West Hollywood City Council.

d. Exceptions:

(1) This section shall not apply to:

(A) any individual who is, at the time of the appearance or communication, a board member, officer, employee, or representative of another local government agency, a public agency, or a nonprofit organization, and is appearing or communicating on behalf of that agency or organization;

(B) an employee of a campaign consultant whose sole duties are clerical; or

(C) an employee of a campaign consultant who did not personally provide campaign consulting services to the city council member with whom the employee seeks to communicate in order to influence local legislative or administrative action.

(2) The exceptions in Subsection (d)(1) shall not apply to any person who communicates with an officer of the City in his or her capacity as an employee of the campaign consultant who is prohibited by Subsection (b) from making the communication.

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PASSED, APPROVED, AND ADOPTED THIS ____ day of _____,
2019.

AYES: Councilmember:
NOES: Councilmember:
ABSENT: Councilmember:
ABSTAIN: Councilmember:

John D'Amico, Mayor

ATTEST:

Yvonne Quarker, City Clerk

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