

**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.

APPROVED BY A MOTION OF THE ETHICS REFORM TASK FORCE ON THIS 6th DAY OF JANUARY, 2020.



MAX KANIN, CHAIR



MELISSA CROWDER, SECRETARY