

# CITY OF LOS ANGELES

CALIFORNIA

**KAREN E. KALFAYAN**  
Interim City Clerk

**HOLLY WOLCOTT**  
Executive Officer



**ANTONIO R. VILLARAIGOSA**  
MAYOR

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**CITY CLERK**

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**KONRAD CARTER**  
Acting Chief, Council and Public Services  
Division

[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

January 14, 2009

To All Interested Parties:

The City Council adopted various actions, as attached, under Council file  
No. 08-0351, at its meeting held January 13, 2009.

A handwritten signature in cursive script, appearing to read 'Karen E. Kalfayan'.

City Clerk

1-13-09  
10

TO THE COUNCIL OF THE  
CITY OF LOS ANGELES

Your **EDUCATION AND NEIGHBORHOODS COMMITTEE**

**reports as follows:**

EDUCATION AND NEIGHBORHOODS COMMITTEE REPORT relative to requiring members of Neighborhood Councils that participate in the filing of Neighborhood Council files to file a financial disclosure form.

Recommendation for Council action, as initiated by Motion (Smith – Garcetti):

AMEND the prior Council action in Council file no. 08-0351 to read as follows:

APPROVE that the City shall facilitate the filing of Council Files by Neighborhood Councils with the following provisions:

- a. This shall be a two-year pilot project.
- b. Neighborhood Councils may submit up to three Council Files per calendar year.
- c. A Council file submission requires the support of a second Neighborhood Council.
- d. These files will be identified as Neighborhood Council Files.
- e. No financial disclosure form shall be required of the members of a Neighborhood Council participating in the filing of a Neighborhood Council File.

Community Impact Statement: Yes

General Comments: Greater Valley Glen Neighborhood Council

Fiscal Impact Statement: None submitted by the City Ethics Commission. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

SUMMARY

In a report dated September 8, 2008, the City Ethics Commission (CEC) provides the following background information related to the above matter. In January 2008, the Council approved a two-year pilot project, which authorized Neighborhood Councils (NC) to create up to three Neighborhood Council Files (NCF) per year, if one NC introduces the file and one seconds it. This was done in response to a recommendation made by the Neighborhood Council Review Commission (Council File no. 05-0894-S3). At the same time, the Council adopted an amending Motion (Smith – Garcetti) requiring each member of a NC that introduces or seconds a NCF to file a California Statement of Economic Interests Form 700 (Form 700).

At a subsequent meeting of the Council held February 19, 2008, a separate Motion (Smith – Garcetti) was referred to the Education and Neighborhoods (EN) Committee relative to various actions regarding requiring members of NCs that participate in the filing of NCFs to file a Form

\*Adopted as amended by Council action of

700. The CEC submitted several reports on this matter which are attached to the Council File (CEC reports dated February 19, 2008, March 20, 2008, August 11, 2008, and September 8, 2008).

The CEC identifies a variety of issues in requiring NC board members to file the Form 700. The most significant issue is the conflict with an existing provision in the Los Angeles Administrative Code which currently exempts NC board members from filing the Form 700. To assist in resolving this issue, the CEC has specifically designed for NCs an alternative City-generated form to avoid the consequences associated with Form 700 and reflect the advisory nature of NCs while still promoting open and accountable government (Form 52). In March of 2008, the CEC adopted Form 52 as a financial disclosure form for NC board members who participate in creating a NCF.

Additionally, the CEC reports that Councilmember Alarcon's staff created a third financial disclosure form (Form 53) as an alternative for NCs and requested that the CEC review and adopt this form. The CEC declined to adopt the Form 53 because in their opinion the form is essentially identical to Form 700 and does not reflect the advisory role of NCs. At the meeting on August 12, 2008, the EN Committee discussed both Form 52 and Form 53. During the discussion, the Chair of the Committee expressed concerns that requiring financial disclosure only of NC board members who participate in creating NCFs is punitive and that financial disclosure is appropriate for all NC board members. The CEC was asked to consider the option of requiring NC board members to submit financial disclosure statements on an annual basis and not only when initiating Council files.

During the meeting of September 9, 2008, the EN Committee continued to consider the type of financial disclosure which would be most appropriate. During the discussion of this matter, CEC staff reaffirmed the CEC's support for Form 52 as the most appropriate tool at this time for financial disclosure by NC board members who participate in creating a NCF. However, if Council concludes that all NC board members should be required to submit financial disclosure statements on an annual basis, the CEC recommends Form 53 for that purpose.

After providing an opportunity for public comment and acknowledging the significant amount of input received against all forms of financial disclosure being considered for NC board members, the Committee recommended to amend the previous Council action and move forward with the filing of Neighborhood Council Files without the requirement of any type of financial disclosure form. This matter is now submitted to the Council for its consideration.

Respectfully submitted,

EDUCATION AND NEIGHBORHOODS COMMITTEE

MEMBER	VOTE
ALARCON:	YES
HAHN:	YES
ZINE:	YES

ep  
9/11/08  
#080351.doc

DEC 03 2008 - CONTINUED TO Jan 6, 2009

JAN 6 2009 - CONTINUED TO Jan 13, 2009  
- Not Official Until Council Acts -

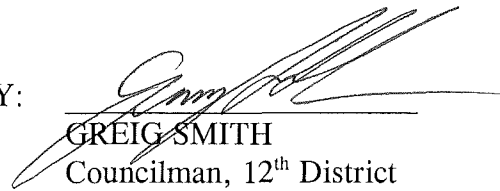
REPORT  
**ADOPTED**  
 \* AS AMENDED  
 JAN 13 2009  
 SEE ATTACHED MOTIONS  
 LOS ANGELES CITY COUNCIL

MOTION

I MOVE that the matter of the Continued Consideration of the Education and Neighborhoods Committee Report relative to requiring members of Neighborhood Councils that participate in the filing of Neighborhood Council files to file a financial disclosure form, Item 10 on today's Council Agenda (CF: 08-0351) BE AMENDED to adopt another provision relative to the filing of Council files, as follows:

f. Any member of a Neighborhood Council involved in the filing of a Neighborhood Council File who does not wish to file any required disclosure form shall be recused from and not participate in any action associated with the filing of that Neighborhood Council file or any subsequent action associated with that file.

PRESENTED BY:

  
GREIG SMITH  
Councilman, 12<sup>th</sup> District

SECONDED BY:



January 13, 2009  
ak

Motion  
**ADOPTED**

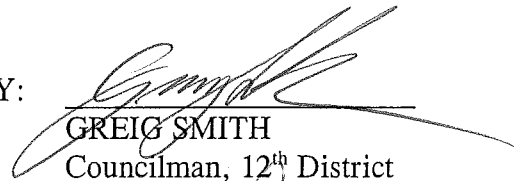
JAN 13 2009

**LOS ANGELES CITY COUNCIL**

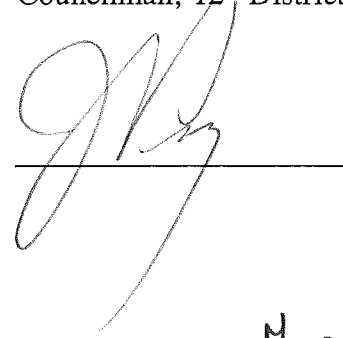
MOTION

I MOVE that the matter of the Continued Consideration of Education and Neighborhoods Committee Report relative to requiring members of Neighborhood Councils that participate in the filing of Neighborhood Council files to file a financial disclosure form, Item 10 on today's Council Agenda (CF: 08-0351) BE AMENDED to delete provision (e) and to adopt the attached Neighborhood Council disclosure form labeled "Form 54" in lieu of any other reporting form.

PRESENTED BY:

  
GREIG SMITH  
Councilman, 12<sup>th</sup> District

SECONDED BY:



January 13, 2009  
ak

Manon  
**ADOPTED**

JAN 13 2009

**LOS ANGELES CITY COUNCIL**

**CITY OF LOS ANGELES  
NEIGHBORHOOD COUNCIL FINANCIAL DISCLOSURE**

**FORM 54**

**NAME**

Last

First

Middle

**SPOUSE'S/DOMESTIC PARTNER'S NAME**

Last

First

Middle

Address:

(May use mailing address)

Street

City

State

Zip Code

Email Address:

Phone Number:

**NAME OF NEIGHBORHOOD COUNCIL:**

**POSITION ON NEIGHBORHOOD COUNCIL BOARD:**

**REPORTING PERIOD:**

12-month period prior to introducing or seconding Neighborhood Council File

**FILING SUMMARY**

Total Number of pages: \_\_\_\_\_

Check applicable summaries or "no reportable interest."

Part A Section 1 INCOME & BUSINESS POSITIONS

Section 2 LOANS

Part B Section.3 INVESTMENTS, INCOME AND ASSETS OF BUSINESS ENTITIES /TRUSTS

Section 4 INTEREST IN REAL PROPERTY

Part C Section 5 GIFTS, TRAVEL PAYMENTS & REIMBURSEMENTS

No reportable interests

**I certify under penalty of perjury that the information provided is true and correct.**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

**PART A -INCOME, BUSINESS POSITIONS & LOANS** **NAME:**

**Section 1: Income & Business Positions – For Filer and Spouse/Registered Domestic Partner**

Name of Source Income over \$5,000 Received:	Name of Source Income over \$5,000 Received:
Address:	Address:
Business Activity, if any, of source:	Business Activity, if any, of source:
Your business position:	Your business position:
Consideration for which income was received:  <input type="checkbox"/> Salary <input type="checkbox"/> Spouse/Domestic Partner's income  <input type="checkbox"/> Loan repayment  <input type="checkbox"/> Sale of: _____  <input type="checkbox"/> Commission or  <input type="checkbox"/> Rental income, list each source of \$10,000 or more:  _____  <input type="checkbox"/> Other	Consideration for which income was received:  <input type="checkbox"/> Salary <input type="checkbox"/> Spouse/Domestic Partner's income  <input type="checkbox"/> Loan repayment  <input type="checkbox"/> Sale of: _____  <input type="checkbox"/> Commission or  <input type="checkbox"/> Rental income, list each source of \$10,000 or more:  _____  <input type="checkbox"/> Other

**Section 2: Loans Received – For Filer and Spouse/Registered Domestic Partner**

\* You are not required to report loans from commercial lending institutions, or any indebtedness created as part of a retail installment or credit card transaction, made in the lender's regular course of business 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:	Interest Rate	Term (Months/Years)
Address:	Security for loan	
Business Activity, if any of lender	<input type="checkbox"/> None	<input type="checkbox"/> Personal residence
Highest balance during reporting period	<input type="checkbox"/> Real Property	Street
<input type="checkbox"/> \$ 500 - \$ 1,000	<input type="checkbox"/> Guarantor	City
<input type="checkbox"/> \$1,001 - \$10,000	<input type="checkbox"/> Other _____	Describe
<input type="checkbox"/> \$10,001 - \$ 100,000		
<input type="checkbox"/> Over \$ 100,000		

Attached additional sheets if necessary. Describe

Comments:

**PART B – Investments, Income and Assets of Business Entities/Trusts & Interests in Real Property**

**NAME:**

**Section 3: Investments, Income and Assets of Business Entities/Trusts\* - For Filer and Spouse/Registered Domestic Partner**

Name of Business Activity:	Name of Business Activity:
General Description of Business Activity	General Description of Business Activity
Fair Market Value <input type="checkbox"/> \$2,000- \$ 10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$100,001 - \$1,000,000	Fair Market Value: <input type="checkbox"/> \$2,000- \$ 10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$100,001 - \$1,000,000
Nature of Investment <input type="checkbox"/> Stock <input type="checkbox"/> Other : _____	Nature of Investment* <input type="checkbox"/> Stock <input type="checkbox"/> Other : _____
If Applicable List Date _____ / _____ / _____ Acquired                                  Disposed	If Applicable List Date _____ / _____ / _____ Acquired                                  Disposed

\*Not Required to List Diversified Mutual Funds Registered with the SEC/Attach additional sheets if necessary

**Section 4: Interests in Real Property\* - For Filer and Spouse/Registered Domestic Partner**

Street Address or Precise Location:	Street Address or Precise Location:
City: _____	City: _____
Fair Market Value <input type="checkbox"/> \$2,000- \$ 10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$100,001 - \$1,000,000	Fair Market Value: <input type="checkbox"/> \$2,000- \$ 10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$100,001 - \$1,000,000
Nature of Interest* <input type="checkbox"/> Ownership/Deed of Trust <input type="checkbox"/> Easement <input type="checkbox"/> Leasehold : _____	Nature of Investment* <input type="checkbox"/> Ownership/Deed of Trust <input type="checkbox"/> Easement <input type="checkbox"/> Leasehold : _____
If Applicable List Date _____ / _____ / _____ Acquired                                  Disposed	If Applicable List Date _____ / _____ / _____ Acquired                                  Disposed

\*Not Required to List Primary Residence/Attach additional sheets if necessary

**Loans Received - For Filer and Spouse/Registered Domestic Partner**

\* You are not required to report loans from commercial lending institutions, or any indebtedness created as part of a retail installment or credit card transaction, made in the lender's regular course of business 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:	Interest Rate	Term (Months/Years)
Address:	_____	_____
Business Activity, if any of lender	Security for loan <input type="checkbox"/> None <input type="checkbox"/> Personal residence	
Highest balance during reporting period	<input type="checkbox"/> Real Property:	Street _____ City _____
<input type="checkbox"/> \$ 500 - \$ 1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$ 100,000 <input type="checkbox"/> Over \$ 100,000	<input type="checkbox"/> Guarantor <input type="checkbox"/> Other: _____	Describe



**PART C - GIFTS, TRAVEL PAYMENTS,  
ADVANCES & REIMBURSEMENTS**

**NAME:**

**Section 5: List gifts, travel payments, advances & reimbursements worth \$100 or more in the previous year from a single source with business before the City - For Filer and Spouse/Registered Domestic Partner**

Name of Source	Name of Source
Address	Address
Business Activity, If any, of Source	Business Activity, If any, of Source
Date: _____ / _____ / _____	Date: _____ / _____ / _____
Value: \$ _____	Value: \$ _____
Description: _____	Description: _____
Name of Source	Name of Source
Address	Address
Business Activity, If any, of Source	Business Activity, If any, of Source
Date: _____ / _____ / _____	Date: _____ / _____ / _____
Value: \$ _____	Value: \$ _____
Description: _____	Description: _____
Comments:	Comments:
Attach additional sheets if necessary	

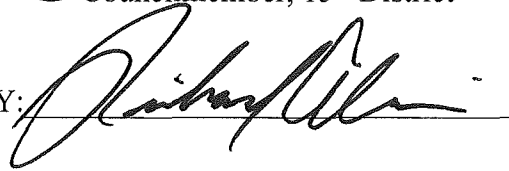
I MOVE that the matter of the Continued Consideration of Education and Neighborhoods Committee Report relative to requiring members of Neighborhood Councils that participate in the filing of Neighborhood Council Files be required to

- A. Participate in a MANDATORY ethics training through the Department of Neighborhood Empowerment;
- B. Sign a DECLARATION of Financial Disclosure similar to the attached.

PRESENTED BY:

  
\_\_\_\_\_  
JANICE HAHN  
Councilmember, 15<sup>th</sup> District

SECONDED BY:

  
\_\_\_\_\_

**JAN 13 2009 - FAILED OF ADOPTION**

JAN 13 2009

EG

**DECLARATION**

Neighborhood Council Financial Disclosure

I have participated in the required ethics classes in person or on-line, by taking either an on-line course available to neighborhood council Board members, or an ethics class approved by the City Attorney.

I am aware that as a Board member of a neighborhood council I am subject to various state laws and local ordinances dealing with ethical conflicts of interest, including the Political Reform Act.

I am aware that because of a perceived financial or personal interest in the subject matter of this Board action, it is my obligation, either to disclose those possible conflicts or to recuse myself and take no part in the Board discussion or action.

I am aware that if I have an actual financial or personal conflict of interest in the subject matter of this Board action, or if I discover the existence of such conflict during the discussion of this action, or if I have received monetary or in-kind remuneration or gifts from a lobbyist doing business on this matter, it is my obligation to immediately recuse myself and take no part in any discussion or decision making process involving this matter.

I declare the foregoing to be true and correct.

By: \_\_\_\_\_

Neighborhood Council: \_\_\_\_\_

Date: \_\_\_\_\_

**VERBAL MOTION**

I HEREBY MOVE that Council APPROVE the implementation of a system-wide, mandatory conflict of interest ethics training for all Neighborhood Councils, with repercussions and consequences to individual board members in non-compliance, the specifics of which will be deliberated, determined and made public at a later date.

PRESENTED BY \_\_\_\_\_  
GREIG SMITH  
Councilmember, 12<sup>th</sup> District

PRESENTED BY \_\_\_\_\_  
JAN PERRY  
Councilmember, 9<sup>th</sup> District

January 13, 2009

CF 08-0351

*Noned*  
**ADOPTED**

JAN 13 2009

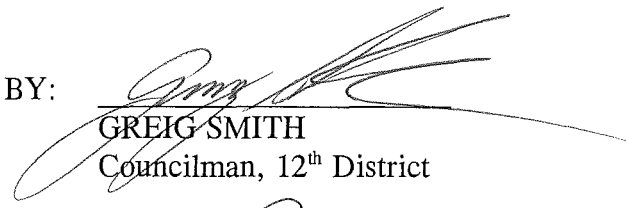
**LOS ANGELES CITY COUNCIL**

MOTION

I MOVE that the matter of the Continued Consideration of Communication from the Board of Neighborhood Commissioners (BONC) regarding Neighborhood Council Financial Disclosure Forms, **Item 24** on today's Council Agenda, (CF: 08-0351), BE AMENDED to DELETE AND NOT APPROVE Recommendation No. 2 of that Communication which reads as follows:

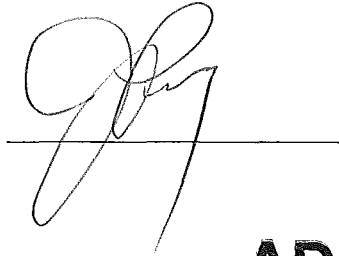
- 2. REQUIRE Neighborhood Council board members to file a modified Form 52 financial disclosure document that details information on their own, as well as their spouse or registered domestic partner's current or past employment, and any gifts, and any real estate holdings or business interests that only pertain specifically to the Neighborhood Council File in question in order to open a Neighborhood Council File.

PRESENTED BY:



GREIG SMITH  
Councilman, 12<sup>th</sup> District

SECONDED BY:



January 13, 2009  
ak

*Motion*  
**ADOPTED**

JAN 13 2009

LOS ANGELES CITY COUNCIL

EG