

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT
relative to recommended changes to the City's Governmental Ethics Ordinance (GEO).

Recommendations for Council action:

1. APPROVE the recommended changes to the City's GEO as detailed in the August 16, 2013 City Ethics Commission report, attached to the Council file, with the following amendments and REQUEST the City Attorney's Office to draft the appropriate ordinance(s):

- a. Semi Annual List of all City contractors and bidders

- i. Provide that the City will have one comprehensive official database for restricted sources that are covered under Sections 49.5.2(M)(1)(b) and 2(b) maintained by the City Ethics Commission and updated on a quarterly basis and revise Section 49.5.12(B) accordingly. All contracts, whether housed in a separate City database or not, must be included in the Ethics Commission database.
- ii. Provide that the City will provide the Ethics Commission adequate staffing and funding to create, maintain, and update the database.
- iii. Provide the City Ethics Commission with the authority to notify the Mayor, City Attorney, City Controller, City Council, and the respective General Manager/Executive Director of delinquency after 5 business days of the due date with respect to providing the City Ethics Commission information required under Section 49.5.12(B).

- b. Restricted sources

- i. Restricted Source Gift limit (other than lobbyists and lobbying firms) shall be 33 percent of the gift limit under the Political Reform Act, as adjusted by regulation, rounded to the nearest ten dollars (\$10) during any calendar year.
- ii. Provide clarity that City officials shall comply with the gift limitations and requirements in the Political Reform Act and that section precedes the section on Restricted Sources (Section C).
- iii. Add back in Section (C)(3) to read "A restricted source shall not act as an agent or intermediary in, or arrange for the making of, a gift by another person to a City official that exceeds the applicable limit".
- iv. Add back Section (C)(1) to read "A City official shall not solicit a gift from a restricted source. A City official shall not accept a gift from a restricted source

that exceeds the applicable limit".

- v. Include "educational institution" under exemptions located in LAMC 49.5.8(C)(4)(e).
- vi. Provide clarity that the gift limit with respect to lobbyists/lobbying firms is zero.
- vii. Provide that restricted source gift limit is not applicable to Sections 49.5.2(M)(1)(b) and 2(b) sources until the City Ethics Commission and the Los Angeles City Council certify an official database to identify restricted sources.
- viii. Provide that the official database covering Sections 49.5.2(M)(1)(b) and 2(b) is the reference for compliance and enforcement purposes. For Sections 2 49.5.2(M)(1)(a) and 2(a), the lobbyist/lobbying firm database is the reference for compliance and enforcement purposes. For Sections 49.5.2(M)(1)(c), (1)(d), (2)(c) and (2)(d), the Ethics Commission will not maintain an inventory or database covering these sections and it will be the responsibility of the filers and givers to thoroughly vet a potential restricted source.
- ix. Provide a disclaimer that the official database covering Sections 49.5.2(M)(1)(b) and (2)(b) is the reference for compliance and enforcement purposes as of the date the database has been updated. Furthermore provide that it will be the responsibility of the filer and givers to thoroughly vet a potential restricted source during the three month period between updates until the new database is released.

c. Political Activity

- i. Remove the word "wearing" and replace with appropriate language. Furthermore, remove last sentence dealing with personal vehicles. LAMC 49.5.2(K).

d. Political Activity

- i. Change the words "This includes" to "This may include" – 49.5.5(B)(2)(b).

e. Misuse of City Position or Resources

- i. Replace language with the following to reflect current case law: "This section does not prohibit the use of City resources to provide information to the public about the possible effects of a bond issue or ballot measure relating to City activities when the use of public resources is otherwise legally authorized". – LAMC 49.5.5(E).

f. Permanent Lobbying Ban

- i. Add back in language “and substantially” as well as last sentence of section defining “personal and substantial”; – LAMC 49.5.14(B).

g. Time-Based Lobbying Ban

- i. Delete all provisions and replace with a 12-month ban for any city lobbying that applies to Mayor, City Attorney, City Controller, Councilmembers, Board of Public Works Commissioners, General Managers, Executive Directors, Chief Administrative Officers, Mayor’s Chief of Staff, Deputy Mayor, Mayoral Aide VII, Mayoral Aide VIII, Assistant City Attorney, Chief Deputy Controller, Admin Deputy Controller, PR Deputy Controller, Council Aide VI, Council Aide VII, and equivalent positions after leaving city service.
- ii. For all other SEI Form 700 filers, provide a 12-month ban for lobbying the agency they were employed by, loaned to, or assigned for in the prior 24-months.
- iii. Remove definition of High-level official since it is no longer needed.
- iv. Add back in the last sentence contained under LAMC 49.5.14(J) and amend into LAMC 49.5.14(A) as the last sentence of that section to clarify that commissioners may appear before a City agency as a member of the general public on a matter related to his or her personal interests.
- v. Rewrite Section 48.5.8(C)(4)(c) to read “Items received by a City official from an organization to which the City, the City official acting in an official City capacity, or the City official’s agency belongs ...”
- vi. Delete and remove all provisions of proposed Section 49.5.9 and related issues in other sections.

2. REQUEST the City Ethics Commission to report back to the City Council with any necessary changes to the Administrative Code to implement these amendments by January 6, 2014.

3. AUTHORIZE the City Attorney, in consultation with the Executive Director of the City Ethics Commission and the Chair of the Rules, Elections, and Intergovernmental Relations Committee, to make any necessary technical or legal changes to these amendments and throughout the municipal code for purposes of consistency in preparation of the draft ordinance.

Fiscal Impact Statement: Neither the Chief Legislative Analyst nor the City Administrative Officer has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

At its regular meeting of October 18, 2013, the Rules, Elections and Intergovernmental Relations Committee considered a City Ethics Commission report dated August 16, 2013 relative to recommended changes to the City's GEO . During the discussion of this item, the City Ethics Commission representative provided an overview of said recommended changes and responded to various related questions from the Committee members. The Chief Legislative Analyst representative then recommended several amendments to the proposed GEO and proceeded to read said amendments for the record.

After additional discussion and providing an opportunity for public comment, the Committee recommended that Council approve the recommended changes to the GEO as reflected in the August 16, 2013 City Ethics Commission report and amended in Committee. Committee amendments are detailed in the Committee report recommendations above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
HUIZAR:	ABSENT
LABONGE:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-