



ETHICS COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

PAUL A. RENNE
CHAIRPERSON

July 27, 2016

PETER KEANE
VICE-CHAIRPERSON

Supervisor Aaron Peskin
San Francisco Board of Supervisors

BEVERLY HAYON
COMMISSIONER

Attention: Angela Calvillo, Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

DAINA CHIU
COMMISSIONER

Re: Proposed Behested Payments Ordinance for Members of City Boards and Commissions (Board of Supervisors File No. 160478)

(VACANT)
COMMISSIONER

LEEANN PELHAM
EXECUTIVE DIRECTOR

Dear Supervisor Peskin:

The Ethics Commission appreciates the opportunity to review and provide comment on the ordinance you introduced on May 3, 2016, that proposes to amend the City's Campaign and Governmental Conduct Code to require members of City boards and commissions to file behested payment reports regarding the solicitation of charitable contributions. (Board of Supervisors File No. 160478).

To enable development of its policy position on the proposed "behested payments" ordinance prior to its hearing before the Government Audit and Oversight Committee and full Board, the Commission placed the item on its July 25, 2016 regular meeting agenda for discussion and possible action with an accompanying staff report dated July 15, 2016 (Attachment 1).¹

At its meeting this week, the Commission received a revised ordinance and comment from Mr. Lee Hepner of your staff concerning recent amendments to the proposal (Attachment 2). Following additional public comment and discussion about the goal of the proposals and possible further amendments, Chair Renne moved adoption of the staff recommendations with a clear indication that the Commission supports the intent of the proposed ordinance and that the recommendations and concerns noted in the staff report be transmitted on the Commission's behalf. The motion was seconded by Commissioner Keane and adopted unanimously on a 4-0 vote.

As detailed further in Attachment 1, the recommendations adopted by the Commission attempt to balance three key principles:

(1) promote and uphold the desirability and value of volunteering in service to the public;

¹ The proposed Ordinance first appeared on the Commission's June 27, 2016 agenda. After brief discussion at that meeting, the Commission asked Staff to provide a report regarding the proposed Ordinance for its consideration and possible action at its next regular meeting on July 25, 2016.

- (2) provide meaningful transparency with a clear nexus to that government service; and
- (3) ensure a sufficient operational foundation to enable the law's effectiveness in practice.

The Commission recommends the following to promote the goals and effectiveness of the proposed ordinance as it would apply to members of City boards and commissions:

1. Amend the proposed Ordinance to require commissioners' reporting of behested charitable donations only where there is a nexus to the governmental duties of those volunteer officials.
2. Absent a sufficient appropriation to enable the building of an electronic filing system that enables effective compliance by filers and effective disclosure for the public for commissioner behested donation reports, the Ethics Commission would *not* recommend adoption of the proposed Ordinance at this time.
2. Should a sufficient appropriation be identified in the revised Ordinance, to allow the time it will require for contracting purposes and development of online filing and disclosure tools, the Commission recommends establishing an effective and operative date of January 1, 2018.

As the City agency that would be charged with the effective administration and enforcement of these provisions should they become law, the Commission welcomes the opportunity to provide comment. Thank you again for considering its recommendations.

If our office can provide any additional information, please feel free to contact me at (415)252-3100. We look forward to continued discussion with your office, and with the Government Audit and Oversight Committee and full Board as the proposed legislation moves forward.

Sincerely,

LeeAnn Pelham

LeeAnn Pelham
Executive Director

Attachments

- (1) Ethics Commission Staff Report to the Commission dated July 21, 2016
- (2) Amended ordinance provided to the Ethics Commission on July 25, 2016

cc: Andrew Shen, Office of the City Attorney