

Notes

Board of Neighborhood Commissioners' Public Hearing

October 7, 2008

Page 1

- *ISSUE AREAS: Proposed Disclosure Filing for Neighborhood Council Board Members &*
- *Proposed Changes to the Neighborhood Council Funding Program*

GWEN POINDEXTER, Deputy City Attorney, Neighborhood Council Advice Division

- Brief procedural background on the development of these proposals
- The initial proposal came from the **Neighborhood Council Review Commission** (NCRC) recommendation that Neighborhood Councils be allowed to **initiate City Council files**
- Re: conflict of interest, NC'S are currently subject to State of California conflict of interest rules.
- Initiating Council files could have resulted in the need for NC board members to file the **Form 700**
- The Form 700 is the CA State form on which officials must disclose financial interests and possible conflicts
- City Council acted to exempt NC'S from having to file form 700
- Although they do not have to fill out the form, NC'S still must comply with State Conflict of interest (COI) rules
- When City Council adopted the NCRC recommendation that NC'S be able to initiate council files, they raised the condition that board members should also be required to file the Form 700
- In order to make that a requirement, the City's administrative code would need to be amended by ordinance to reverse the exemption previously granted by City Council
- City Council asked City Attorney's office to draft new requirements to fill out 700
- Ethics Commission in conjunction with the City Council's Education & Neighborhoods Committee drafted other options: the Form 52 & the Form 53
- Form 52 designed specifically for purposes of initiating Council files
- Form 53 is a more general disclosure form with lesser disclosure requirements; designed as an annual filing document for all NC board members
- Now there are essentially 4 options facing the City to address the issue of Neighborhood Council interest disclosure:
 1. City Attorney's office draft an administrative code amendment to require that NC BOARD members file the Form 700
 2. City adopt form 52 for NC board members
 3. City adopt form 53 for NC board members
 4. Adopt the Education & Neighborhoods Committee recommendation to allow NC'S to initiate Council files without filing disclosure forms

POLICY DIRECTOR, City of Los Angeles ETHICS COMMISSION

- Form 52 first form approved in response to Council action to allow NC'S to initiate Council files
- It is designed for NC'S who participate in initiating Council files
- Ethics Commission feels strongly that Form 700 is NOT appropriate for NC board members due to their lesser direct decision-making role (i.e. they are more advisory)
- Currently, 6000+ City officials/workers fill out the Form 700
- E & N felt financial disclosure should not be tied to initiating Council files

COMMISSIONER ABRAMS

- Could NC's submit a draft disclosure to be vetted by Ethics Commission/City Attorney?

Notes

Board of Neighborhood Commissioners' Public Hearing

October 7, 2008

Page 2

- (Response: Ethics Cmsn. Could review an NC-generated proposal & would need to adopt in order for it to go into effect.)

JAY HANDAL—West LA NC

- Our NC initially disagreed with any type of disclosure filing
- I do recognize the potential to abuse Council file initiation
- Suggestion: Create a form to be completed relative only to the initiation of an individual Council file
- We [NC'S] have no power; we are only advisory; City Council members have the power
- Given NCS' short terms, annual filing may not be useful

COMMISSIONER GATICA

- Even though NC'S have advisory authority, it's significant.
- At some point in the future, they may be able to appeal development projects or spend money on local organizations

JAY HANDAL

- Disclosure would make more sense when/if NC'S gain more authority; today we are powerless

COMMISSIONER ABRAMS

- What about mandatory Ethics training for NC'S?

JAY HANDAL

- Yes, training is needed
- Even lawyers can't decipher the rules without training
- Because of our [NCS'] relationships to the community, the rules can be confusing
- Same goes for the Brown Act; people find it confusing

IVAN SPIEGAL, VENICE NEIGHBORHOOD COUNCIL

- Even with thorough training people get confused 2 weeks later
- I can almost guarantee that if VNC is required to fill out 700, 1/3- 1/2 of our board will be gone
- For example, after a 1 year hiatus in activity, VNC had a backlog of money to spend. We spent lots of money on community improvement projects. We created a process to select & review the projects, and we chose 19 projects out of the more than 44 that were proposed.
- Afterwards, at least 8 board members had to recuse themselves from the approval process because of their ties to the community organizations doing the projects
- Almost lost quorum due to recusals
- Ethics training should be required
- Training could be required within 30 days of NC board members taking office
- We need training; not forms

LINDA LUCKS, BONC COMMISSIONER

- What about filling out an annual form?

Notes

Board of Neighborhood Commissioners' Public Hearing

October 7, 2008

Page 3

IVAN SPIEGEL

- After getting training, NC board members could sign a statement certifying that they understand the rules and the situations from which they may have to recuse themselves
- Also need to be aware that info on disclosure forms is sensitive and may be exploited/accessed [e.g. identity theft]

YOLANDA GONZALEZ, Vice President Emeritus of Venice Neighborhood Council & Boyle Heights Neighborhood Council

- Agree with previous commenters
- I'm not afraid of filling out Form 700; I've met other high standards of clearance/disclosure, e.g. when I became a naturalized citizen
- From perspective of East LA: we need Brown Act & Ethics Training
- We experienced problems with conflict of interest on BHNC board with former Commissioner Membreno who had contingents on 2 NC boards
- Should we continue with language translation if we can't do all languages?
- If we want people to be involved, then how will we entice them?
- Disclosure requirements will turn people away & hinder participation

COMMISSIONER ABRAMS—READING LETTER FROM LEN SHAFFER, PRESIDENT OF TARZANA NC

- Because NC board members are volunteers without power, we should not have to file any disclosure
- We should be trained on ethical/appropriate behavior and duty to avoid conflicts
- Board members could sign a document/statement that they understand conflict rules
- This form could apply only to NC'S that initiate Council files

JUDY DANIELS

- Like other volunteers, I would be reluctant to file ANY disclosure
- If required, I think at least 1/2 of my board would resign
- Our board has not held a formal discussion, but in casual comment, all the comments have been against requirement for disclosure
- I'm dismayed that Greig Smith linked disclosure forms to initiation of Council files
- Council files are less preferred than cooperative action form your Council Member
- Initiation of Council files unlikely to greatly empower NC'S

COMMISSIONER GATICA

- Throughout these comments, I've heard 2 themes: that NC'S have no power, but they want more power, but in any case they should not be accountable for disclosure
- I think the power of having a voice is being minimized
- Along with that power should come accountability

COMMISSIONER LOGAN

- I might support the recommendation that disclosure files go along with Council file initiation. It makes sense, because it gives NC'S accountability and credibility in the decision-making process re: the respective decisions.
- Annual ethics training should be required due to the rapidity of change on NC boards
- Need for some level of transparency even though we are volunteers

COMMISSIONER LUCKS

- If NC'S weren't becoming more powerful, there would be no call from City officials for increased accountability on the part of NC'S
- If you want more power, you have to earn it. One way to do that is by showing you have nothing to hide
- We do understand concerns re: identity theft of this information
- Ethics recommendation (re: the annual statement) seeks to balance the need for transparency with actual level of NC authority

COMMISSIONER ABRAMS

- The world is changing
- NC'S are gaining in power as services & support are more localized
- Power is gravitating to NC's; this is why this question of disclosure has arisen
- Our NC is quite influential in our area
- We need a compromise to ensure honesty & transparency
- We are dealing with an evolution of power

MARY ANN GEYER: EAST SAN FERNANDO VALLEY

- NC'S not supportive of filing disclosures
- Attorneys & accountants, for example, worry about disclosure of their clients
- Volunteers are not liable; won't stay on NC boards
- Conflict of interest training is needed: COI'S are blatant
- DONE staff need to be more well-versed in COI's
- NC'S are advisory only
- NC'S need Brown Act & Ethics training
- Ethics/COI Training should be mandated to be taken within 45 days of taking office, or they should be mandated to leave
- Even though Ethics training is online, board members don't take it
- Worst thing is that DONE doesn't provide training

JAY HANDAL

- Bring COI down to the grassroots level.
- There is no one at that level that can tell us what to do at the meetings
- There should be City Attorneys at every NC meeting, like the Neighborhood Prosecutors

GWEN POINDEXTER

- There is a Brown Act DVD
- Ethics training is online and it is mandatory for NC board members
- The City Attorney's office has nowhere near the resources to attend every NC meeting
- Every NC has an assigned attorney
- Every NC has a president and a legal liaison to pose general questions on behalf of the board
- Every NC board member has the ability to contact the City Attorney's office to ask about their individual/potential conflicts of interest
- City Attorney's office is available for training in many ways, including at the regional NC level

Notes

Board of Neighborhood Commissioners' Public Hearing

October 7, 2008

Page 5

TERE MARQUEZ, BOYLE HEIGHTS NEIGHBORHOOD COUNCIL

- BHNC: our board doesn't observe Brown Act or bylaws
- DONE grievances have been files
- BHNC- If people don't know they won't comply
- I favor a disclosure form
- Members of BHNC and non-profit board members band together on conflicts of interest

BABAK NAHID, MAR VISTA COMMUNITY COUNCIL

- We need to be accountable
- We are looking for leadership
- Not exactly City Council members, but volunteers, but are in a responsible position
- Conflict of interest forms and issues can tend to dilute the issue
- Simply ask COI questions on a form & have someone sign that there is no conflict, i.e. "self-regulation"

COMMISSIONER LOGAN

- At the level of filing a council file there should be some level of responsibility—not necessarily the level of responsibility that City Council members have but a need for transparency

COMMISSIONER LUCKS

- Oct. 20 BONC meeting at City Hall: BONC will deliberate this issue among themselves

YOLANDA GONZALEZ RE: CHANGES TO NC FUNDING PROGRAM

- BHNC'S funding has been distributed without board approval before new board was in place
- Tried to get BHNC to use the Venice NC forms/procedures

JAY HANDAL

- What is a summary of the changes that are being recommended to the funding process

CHRISTOPHER MACKINNON

- I reviewed the proposed changes and returned the survey
- I support NC'S having a checking account and being freed from the Demand Warrant process
- I also support NC'S being able to receive grants

GWEN POINDEXTER

- The City donations ordinance has already passed
- Implementation of the ordinance is being worked out

