

AD HOC COMMITTEE ON CITY GOVERNANCE REFORM relative to the proposed creation of a Charter Reform Commission and a ballot measure proposal for Ethics Commission Reform.

Recommendations for Council action:

1. REQUEST the City Attorney, with the assistance of the Chief Legislative Analyst (CLA) and City Ethics Commission, to prepare and present the documents necessary to place before the voters a ballot measure relative to enhancing the powers, duties, and responsibilities of the City Ethics Commission for the November 2024 General Election as follows:
 - a. Amend Charter Sections 702 (k) and 711 to:
 - i. Establish a minimum annual budget of \$6.5 million that is adjusted annually to reflect changes in the City's actual revenues unless the Council makes findings of exigent circumstances.
 - ii. Specify that the City Ethics Commission's expenditures are not subject to prior approval by any other City office or position when the Commission operates within its budget.
 - iii. Specify that the City Ethics Commission is not subject to hiring freezes when it operates within its budget.
 - b. Amend Charter Section 703 to add a provision that would require the City Council to hold a public hearing within 120 days to approve, disapprove or adopt as amended the policy recommendations within the jurisdiction of the City Ethics Commission, not including amendments to the Charter. Additionally, the City Council must act within 120 days of that public hearing to vote on whether to approve, disapprove or adopt as amended the proposed policy recommendations. The time period for the deadline to vote may be extended by agreement of the Council and the Commission. If the Council does not act within either of the time frames, the proposal will be deemed disapproved.
 - c. Amend Charter Section 703 to authorize the City Ethics Commission to submit a disapproved policy directly to the City voters with a four-fifth vote, unless the Council takes subsequent action to disapprove the action of the City Ethics Commission by a two-thirds vote of the full City Council.
 - d. Amend Charter Section 706 (b) to allow the Executive Director to appoint a designee for the probable cause hearings.
 - e. Amend Charter Section 706 (c)(3) to increase the monetary penalty to the General Fund of up to \$15,000 dollars for each violation, adjusted according to the Consumer Price Index annually.
 - f. Amend Charter Section 708 to allow the City Ethics Commission, in limited circumstances, to retain independent outside counsel.
 - g. Amend Charter Section 710 (b) to eliminate the requirement that a three-judge panel be required to appoint a special prosecutor when the City Attorney's office has a conflict and allow the City Ethics Commission to appoint a special prosecutor from a list of pre-approved special prosecutors.

- h. Amend Charter Section 710 (c) to increase the existing annual special prosecutor appropriation from \$250,000 to \$500,000.
 - i. Add Charter Section 700(d)(6) to prohibit a commissioner from having a direct and substantial financial interest in any business, work, or action taken by the City.
 - j. Amend Charter Section 700 to prohibit the appointing authorities from appointing relatives, major donors, or campaign consultants from serving as commissioners.
 - k. Amend Charter Section 700 (e) to allow the individual appointing authorities (instead of Mayor) to remove their own appointees, subject to a majority vote of the City Council.
 - l. Amend Charter Section 700 (f) to extend the deadline for making an appointment to fill a vacancy from 30 days to 90 days.
 - m. Amend Charter Section 701 (a) to allow the City Ethics Commission to establish a salary range for the Executive Director that is within the General Manager tier. The City Ethics Commission shall select an individual's annual salary within the range.
 - n. Amend Charter Section 701 (b) to specify that all City Ethics Commission staff positions are exempt from the City's civil service provisions.
 - o. Amend Charter Section 700 (a) and (b) to expand the City Ethics Commission to seven members. The two members of the Commission not appointed by elected officials shall be appointed, following a public recruitment and application process that will be developed by the City Ethics Commission, by a majority vote of the five appointed members of the City Ethics Commission.
2. REQUEST the City Attorney to prepare and present an ordinance establishing a Charter Reform Commission, as follows:
- a. The scope of the Charter Commission will be to review the entirety of the City's charter and will include specific sections and issues as referred to them by the Ad Hoc Committee on City Governance Reform and the Council.
 - b. The Commission will have 13 members.
 - c. The appointment process will take place in two phases. In Phase I, the Mayor will appoint four members, the Council President will appoint two members, and the Council President Pro Tempore will appoint two members. In Phase II, the eight appointed members will launch an application process and develop criteria for selecting five additional members, who will balance the commission in terms of geography, diversity, expertise, etc. The final five appointments will be subject to Council approval.
 - d. The Executive Director of the Charter Reform Commission will be appointed by the Mayor and Council President.
 - e. The Charter Reform Commission and its staff will be assisted by the Chief Legislative Analyst (CLA), City Administrative Officer (CAO), City Clerk, and City Attorney as needed.
3. INSTRUCT the CLA and CAO to include a line item for a Charter Reform Commission and staffing needs in the 2024 – 2025 budget.
4. INSTRUCT the CLA to update Table 1 in the CLA report dated January 22, 2024, attached to the Council file, to reflect the deadlines for the November 2026 general election.

5. REQUEST the City Attorney to prepare and present an ordinance to establish a Charter Reform Commission that will be created every decade, with a timeline that would allow for a measure to be placed on the ballot every year ending in the number six. The Council may direct the Commission to conduct a full review, limited review, or no review.

Fiscal Impact Statement: None submitted by the Ethics Commission or CLA. The City Administrative Office has not completed a financial analysis of this report.

Community Impact Statement: Yes:

For
Empowerment Congress West Area Neighborhood Council
Rampart Village Neighborhood Council
Winnetka Neighborhood Council

For if Amended
Reseda Neighborhood Council
North Westwood Neighborhood Council

Against
Lake Balboa Neighborhood Council

SUMMARY

At its special meeting held on April 18, 2024, the Ad Hoc Committee on City Governance Reform considered a Ethics Commission report on Charter Reform recommendations pertaining to the City Ethics Commission and a CLA report on a potential Charter Reform Commission.

After an opportunity for public comment was held, the Committee deliberated on the recommendations and moved to approve the City Ethics Commission and CLA reports, as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

AD HOC COMMITTEE ON CITY GOVERNANCE REFORM

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
RAMAN	YES
BLUMENFIELD	YES
HARRIS-DAWSON	YES
HUTT	YES
HERNANDEZ	YES
PARK	ABSENT

AS 4/18/24

-NOT OFFICIAL UNTIL COUNCIL ACTS-