

**MINUTES OF A REGULAR MEETING OF THE  
TORRANCE ETHICS AND INTEGRITY COMMITTEE**

**CALL TO ORDER**

The Torrance Ethics and Integrity Committee convened in a regular session at 6:30 p.m. on Wednesday, April 28, in the West Annex Commission Meeting Room, 3031 Torrance Boulevard.

**ROLL CALL**

Present: Committee Members Gallagher, Gottshall, Matsuda, Montoya, and Chairman Payne.

Absent: None.

Also Present: Staff Liaison to the Committee Lohnes,  
Deputy City Attorney Strader and Management Aide Elmore.

**FLAG SALUTE**

Member Matsuda led the Pledge of Allegiance.

**Oral Communications #1**

None.

1. **Report of Staff on Posting of the Agenda**

Staff Liaison to the Committee Lohnes verified that the meeting agenda was properly posted.

2. **Approval of Minutes: March 24, 2010**

The Ethics and Integrity Committee minutes of March 24, 2010 were amended as follows:

Page 1, Oral Communications #1, Add: Chairman Payne suggested that the Ethics and Integrity Committee meetings be advertised in the Daily Breeze.

Page 2, after paragraph 3 in No. 3, Add: Members Matsuda and Gallagher acknowledged that the time to do something in advance of the upcoming election has passed; but, something could be done for future elections.

Page 6, paragraph 3, "Ayes:" Delete "Chairman Payne." "Noes:" Add: Chairman Payne.

Correct the spelling of "Gotshall" to read "Gottshall" throughout.

**MOTION:** Member Montoya moved for the approval of the Ethics and Integrity Committee minutes of March 24, 2010 as amended. The motion was seconded by Member Gallagher and passed by unanimous roll call vote as shown on the following page:

Ayes: Gallagher, Gottshall, Matsuda, Montoya, and Chairman Payne.  
Noes: None.  
Abstain: None.  
Absent: None.

3. **Discuss and Consider the Cancellation or Rescheduling of the May 26<sup>th</sup> Ethics and Integrity Committee Meeting**

Staff Liaison to the Committee Lohnes advised that, because two of the Committee members are scheduled to attend commissioner training on the regular meeting date of May 26, 2010 and the Ethics and Integrity Committee will be meeting jointly with the City Council on May 25, 2010, the Committee might want to discuss if the regular meeting will be held on May 26, 2010.

The Committee noted that, when the Committee was formed, the Council thought meetings could be held quarterly; but, the Committee agreed to meet monthly. The Committee discussed various options, such as holding the regular meeting immediately after the joint meeting with the City Council on May 25, 2010, cancelling the regular meeting on May 26, 2010 and re-scheduling the regular meeting.

Member Gallagher expressed concern over skipping a meeting.

Member Montoya entertained the idea of re-scheduling the regular meeting to a date a week or two after the joint meeting with the Council.

**MOTION:** Member Gottshall moved to cancel the Ethics and Integrity Committee meeting on May 26, 2010. The motion was seconded by Member Matsuda and passed by a 4-1 majority roll call vote:

Ayes: Gallagher, Gottshall, Matsuda and Chairman Payne.  
Noes: Montoya.  
Abstain: None.  
Absent: None.

Staff Liaison Lohnes recommended that the meeting be adjourned to the regular meeting date of June 23, 2010.

4. **Discuss and Consider Setting Dates for the Ethics and Integrity Committee for the Remainder of 2010**

Due to summer schedules and holidays in the months of November and December, Staff Liaison Lohnes related staff's recommendation for the Ethics and Integrity Committee to discuss setting the Committee meeting dates for the remainder of the year.

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In the interest of time, Chairman Payne suggested that this item be continued to a future meeting.

**MOTION:** Member Gottshall moved to continue Agenda Item No. 4, "Discuss and Consider Setting Dates for the Ethics and Integrity Committee for the Remainder of 2010," be continued to a future meeting. The motion was seconded by Chairman Payne and passed by unanimous voice vote:

Ayes: Gallagher, Gottshall, Matsuda, Montoya and Chairman Payne.  
Noes: None.  
Abstain: None.  
Absent: None.

5. **Discuss Presentation of Work Plan Documents to the City Council at the Joint Meeting to be held on May 25, 2010**

Noting the Committee's upcoming presentation on the Work Plan to the City Council on May 25<sup>th</sup>, Chairman Payne asked if his fellow Committee members feel the changes made to the Plan at the last meeting are accurately reflected in the documents attached to the staff report.

Member Gottshall pointed out that whether or not some of the goals are within the existing scope appears to be questionable and that, where this is the case, the word "questionable" could be added to "Within the Existing Scope."

Staff Liaison Lohnes explained that there are some gray areas as to whether or not some of the goals are within the existing scope and that only the City Council can amend the Ethics and Integrity Committee ordinance to include them.

Deputy City Attorney Strader advised that more definitive answers on whether or not the goals are within the existing scope could be added.

The Committee agreed that page 3 of Attachment A to the staff report (Goal: Promote and encourage ethical conduct for elected office candidates) should be modified to read, "**Within existing scope? Yes.** Only the City Council.." and that page 4 of Attachment to the staff report (Goal: Develop an Ethics and Integrity marketing program" should be modified to read, "**Within existing scope? Yes.** Section 13.20.7..."

The Committee held a lengthy discussion about the appropriate content to discuss at the upcoming joint meeting with the City Council, as well as the procedures considering the Committee's Work Plan.

Member Gallagher stated that there are still some questions about the ordinance establishing the Committee and that he would like the Council to understand that the Work Plan is the result of the Committee's interpretation of what the ordinance authorizes the Committee to do. He voiced concern over the manner and short amount of time in which the Work Plan goals were developed and emphasized the importance of obtaining clarity on the Council's expectations of the Committee.

Member Montoya pointed out that the Council will have read the Ethics and Integrity Committee minutes, which include discussion of the Work Plan, and that input from the Council will be valuable.

Chairman Payne agreed that the Committee could advise the Council that they made various assumptions about what they can do based on the ordinance.

Staff Liaison Lohnes verified that the Committee will have the opportunity to address issues of concern about the ordinance at the joint meeting with the Council.

Member Matsuda stressed the need to obtain direction from the Council and to move forward in a timely manner. She commented on possible difficulties associated with the each Committee member addressing the Council on a goal, particularly since there was not a unanimous consensus of the Committee on all of them. She said that, while she understands Member Gallagher's perspective that the development of the Work Plan goals was quick, she noted that the Council might feel the Committee has had more than enough time and needs to get down to business.

Member Gottshall related her satisfaction with the method and amount of time in which the Work Plan goals were developed. She encouraged her fellow Committee members to obtain feedback and direction from the Council.

Staff Liaison Lohnes explained staff's understanding that the Council is interested in the Committee's thoughts on why the Work Plan goals are important at this time, how the goals fulfill the Committee's mission and, for those goals that are not within the existing scope, why it is important to amend the ordinance in order to accomplish them.

Member Montoya expressed concerns over the Committee members possibly providing personal opinions to the Council.

Staff Liaison Lohnes acknowledged the importance of reflecting a consensus of the Committee and she advised that the Committee should be prepared to articulate the reason for supporting each of the Work Plan goals.

Member Matsuda agreed that the Committee should be prepared to explain why the Work Plan goals should be supported at this time.

Deputy City Attorney Strader explained the normal protocol for presentations to the Council and she confirmed that the Committee could advise the Council of their desire not to give a presentation on each of the Work Plan goals.

Chairman Payne suggested that the presentation to the Council include an introduction, brief background information, a summary on the high points of each Work Plan goal and an explanation of why the ordinance should be changed to accomplish the goals that are not within the existing scope. He agreed with the importance of obtaining input on the Council's expectations of the Committee.

In reference to his concerns expressed throughout discussion of the Work Plan goals, Member Montoya affirmed that he is not opposed to any of the goals; that he could be passionate and positive in presenting information to the Council; and that he will support the consensus of the Committee with regard to the presentation to the Council.

Concerning the goal of “Conduct Council, Employee and Commissioner E & I Survey,” Member Gallagher voiced his opinion that a survey should test results and, therefore, should be prepared afterwards and not at the beginning.

Staff Liaison Lohnes reviewed the Committee’s vision of the format for the joint meeting with the Council as follows: provide introductory comments; provide a high-level summary of why the Committee feels it is important to pursue the Work Plan goals at this time; Council questions; public input; Council discussion; Council feedback to the Committee. She highlighted her letter of April 8, 2010 to the Council forwarding the Work Plan documents and providing input on the anticipated content of the joint meeting with the Ethics and Integrity Committee. Ms. Lohnes clarified that the joint meeting with the Council is scheduled on May 25, 2010 at 5:00 p.m. for approximately one hour and forty-five minutes in the Toyota Meeting Hall at the Cultural Arts Center.

Member Matsuda envisioned that the Committee members who did not support some of the goals might have difficulty presenting information about them to the Council.

Staff Liaison Lohnes explained that this is a proposed work plan from which the Committee will be working and it should not include all the answers; that the Committee should be able to support the general concepts of the Work Plan goals and why it is important to proceed; and that the joint meeting with the Council is an opportunity to obtain guidance from the Council on what they would like to see in the Work Plan.

Member Gallagher anticipated that the priority numbers of some of the Work Plan goals will change and he felt that this kind of flexibility must be understood.

Member Montoya suggested that the introduction at the joint meeting with the Council include that Mr. Len Wood developed the process the Committee followed in developing the Work Plan goals.

Staff Liaison Lohnes mentioned that background information on the development of the Work Plan goals could be provided to the Council in the staff report.

Member Matsuda recommended that, in order to conserve paper, staff prepare a summary of background information for the Council rather than copying all of the materials used/developed by the Committee in developing the Work Plan goals.

The Committee agreed that the Committee members will provide presentations to the Council on the Work Plan goals as follows:

- |           |   |
|-----------|---|
| Payne     | Establish process to monitor and improve training programs.<br>Receive and review a summary of all ethics complaints. |
| Gottshall | Promote and encourage ethical conduct for elected office candidates.  |
| Matsuda   | Develop an Ethics and Integrity marketing program.  |
| Gallagher | Determine if an ethics coordinator/departmental liaison is needed.  |
| Montoya   | Conduct Council, employee and commissioner Ethics and Integrity survey.   |

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**MOTION:** Member Gottshall moved that the Ethics and Integrity Committee members present Work Plan goals at the joint meeting with the City Council on May 25, 2010, as listed above. The motion was seconded by Member Montoya and passed by unanimous roll call vote:

Ayes: Gallagher, Gottshall, Matsuda, Montoya and Chairman Payne.

Noes: None.

Abstain: None.

Absent: None.

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### **Recess and Reconvene**

At 8:00 p.m., there was a recess until 8:10 p.m., when discussion of Agenda Item No. 5 (Discuss Presentation of Work Plan Documents to the City Council at the Joint Meeting to be Held on May 25, 2010) continued with all members present. There was a consensus of the Committee that the members will have a maximum of five minutes for their presentations on the Work Plan goals to the Council, and that Chairman Payne will have a maximum of seven minutes because his presentation will include opening and closing remarks as well as two Work Plan goals

Member Gottshall encouraged her fellow Committee members to keep their presentations at a maximum of three minutes when at all possible.

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### 6. **Discuss and Recommend Guidelines for Use When Considering the Appointment of City Staff as Commissioners in Order to Avoid the Appearance of a Conflict of Interest**

Member Gallagher related his agreement with the analysis provided by Deputy City Attorney Strader.

In answer to a question from Member Montoya, Staff Liaison Lohnes related staff's understanding that at least two City staff currently serve on City commissions/committees.

Deputy City Attorney Strader advised that staff made an effort to restrain from recommendations on this topic and, instead, provided options. She suggested that, should the Committee agree to recommend a "blanket prohibition," City staff currently sitting on commissions/committees/boards be allowed to finish their terms. Ms. Strader provided clarification about the City commissions/committees/boards on which City staff are required to serve.

Chairman Payne related his concern about conflict of interest, particularly with City staff serving on commissions/committees/boards applying directly to their positions with the City.

Member Matsuda stated her support for a complete prohibition of current City staff serving on City commissions/committees/boards, with the exception of those committees/boards on which City employees are required to serve as part of their duties/responsibilities under the Code (Telecommunications Committee, License Review Board, Claims Review Board and Disaster Council). She explained that a complete prohibition would eliminate any actual or perceived conflicts of interest, any burdens on the City in ensuring that City employees do not use their work hours to conduct their commission/committee/board business and any conflicts of

interest that might be created by City employees who serve on commissions/committees/boards in interacting with various City departments during the natural course of their jobs with the City.

In answer to a question from Members Gallagher and Gottshall, Staff Liaison Lohnes and Deputy City Attorney Strader provided input on how this topic arose.

Chairman Payne related his opinion that current City staff serving on City commissions/committees/boards presents a potentially bad perception and that this should be prohibited. He agreed that staff currently serving should be allowed to finish their terms.

Deputy City Attorney Strader affirmed her intent to research how the staff representatives to the committees/boards on which they are required to serve under the Code are selected.

Member Gottshall expressed her concerns over current City staff serving on City commissions/committees/boards, with the exception of those on which staff representatives are required to serve according to the Code.

Member Montoya related his understanding that, according to the "Summary of Commission Appointment Codes" provided in the staff report (of record), a majority of cities do not have codes prohibiting their employees from serving on commissions/committees/boards, so those cities must not be having problems with it. He noted the apparent shortage of applicants for these volunteer positions and indicated that he could support continuing to allow it with the addition of a requirement for departmental oversight.

Staff Liaison Lohnes explained that the cities shown in the staff report which do not address this topic in their codes might have other rules against it.

**MOTION:** Member Matsuda moved to recommend enacting a complete prohibition on holding a paid position with the City when applying for City commissions/committees/boards, with the exception of the Telecommunications Committee, License Review Board, Claims Review Board and Disaster Council, on which current City employees are required to serve according to the Code, and to recommend allowing current City employees serving on City commissions/committees/boards to serve out their terms. Hearing no second, Member Matsuda withdrew the motion.

**SUBSTITUTE MOTION:** Member Matsuda moved to recommend that there be a complete prohibition of City employees serving on City commissions/committees/boards, excepting those currently required by the Code, and that employees currently serving on City commissions/committees/boards be grandfathered in to serve out their terms. The motion was seconded by Member Gottshall and ultimately passed by a 4-1 majority roll call vote later in this discussion.

Following the motion, discussion continued with Member Montoya observing that, should the motion pass and City employees are prohibited from serving on City commissions/committees/boards, some very good candidates will not be allowed to serve. It was his feeling that the Council's procedures for selecting commissioners/committee and board members should be relied upon and that the value of the perspectives that can be provided by employees doing so should be considered in making a decision.

Member Matsuda commented on the importance of being sensitive to perceived conflicts of interest and she noted that there are many volunteer opportunities available other than City employees who would like to serve on City commissions/committees/boards.

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Member Gallagher commented on the possibility that the Committee's actions could appear to be very strong and on the importance of consistency in making decisions. He stated his agreement with Member Montoya's observation and suggested that caution be used when considering perceptions, since there are apparently not any existing or new problems with City staff serving on City commissions/committees/boards.

Deputy City Attorney Strader advised that various options were provided for the Committee's consideration and that a recommendation in favor of prohibiting City staff serving on City commissions/committees/boards would be within the realm of the agenda item.

Chairman Payne commented on the positive aspects of community members serving on City commissions/committees/boards and on the value of perspectives provided to the Committee by City staff.

Staff Liaison Lohnes explained that the development of guidelines on this topic as recommended by staff would be a reasonable approach to this matter; that the Council has procedures for selecting commissioners/committee/board members; and that it might be a good idea to prohibit City employees from serving on advisory committees.

Member Gottshall asked that the motion be amended to include the justifications for the Committee's recommendations.

Member Matsuda stated her disagreement with amending the motion, citing her expectation that the staff report will include the rationale behind the Committee's recommendation.

The motion passed by the following 4-1 majority roll call vote:

Ayes:	Gottshall, Matsuda, Montoya and Chairman Payne.
Noes:	Gallagher.
Abstain:	None.
Absent:	None.

Member Matsuda related her understanding of the Mayor's interest in developing general guidelines to avoid potential conflicts of interest for the appointment of City commissions/committees/boards and she asked that this topic be placed on the next meeting agenda.

Deputy City Attorney Strader related staff's intent to research this matter and report back to the Committee.

Management Aide Elmore advised that Agenda Item No. 6 was placed on the agenda at the Mayor's request. However, the Commission can request that a broader item be placed on a future meeting agenda.

**MOTION:** Member Matsuda moved that the topic of general guidelines for use when considering the appointment of commissioners to avoid potential conflicts of interest be placed on the next meeting agenda. The motion died for lack of a second.

Chairman Payne suggested that discussion of this subject be continued until later in the meeting under Oral Communications #2.

Member Matsuda suggested that, to help eliminate the unintended influence of former co-workers, a period of at least six months be required before former City employees who have either retired or resigned can serve on City commissions/committees/boards.

**MOTION:** Member Matsuda moved to recommend that, to help eliminate the unintended influence of former co-workers, a period of at least six months be required before former City employees who have either retired or resigned can serve on City commissions. The motion died for lack of a second.

7. **Evaluate State Regulations, City of Torrance Policies and the Policies of Other Local Cities Addressing the Issue of Gifts and Gratuities and Recommend for Council's Consideration a Policy that Will Cover All City of Torrance Commissioners**

Staff Liaison Lohnes advised that the staff report and attachments include an abundance of information regarding gift and gratuity policies in other cities.

Management Aide Elmore reviewed the staff report. He provided detailed information about this topic, including that this item was placed on the meeting at the Mayor's request. Mr. Elmore indicated that one policy could apply to all, unless the Committee determines that one standard will not be sufficient; that the determination on who is covered under such a policy is within the Committee's discretion; that City requirements cannot be less than State standards; and that only City employees are required to comply with Torrance Policy 30; and that compliance with a gift and gratuity policy could be managed by the City Clerk's office. He outlined the requirements of Torrance Policy 30 and Form 700 (Statement of Economic Interests).

Member Gottshall expressed her difficulty in understanding all of the information provided in the staff report. She requested a chart on the differences between State and City requirements.

Chairman Payne related his opinion that those wishing to volunteer will not be dissuaded from serving if they cannot receive monetary gifts. He asked that the Committee not be precluded from making a determination this evening.

Member Gallagher observed that the gift and gratuity policy seems to be integrated with conflict of interest, which can be confusing. He agreed that a chart would be useful.

Deputy City Attorney Strader advised that Torrance Policy 30 only applies to City employees.

Chairman Payne entertained the idea of Torrance Policy 30 applying to all commissioners/ committee and board members.

**MOTION:** Chairman Payne moved to recommend that Torrance Policy 30 be applied to all commissions/committees/board members, including those listed under "Not Covered." The motion died for lack of a second.

Member Gallagher stressed the importance of making the requirements clear and understandable for those to whom they will apply.

Member Matsuda related her understanding that Torrance Policy 30 does not include a reporting of businesses and economic interests, as required in Form 700, which is really where the conflicts of interest occur.

Deputy City Attorney Strader shared information about an option to amend the Conflict of Interest Code to include additional commissions/committees/boards.

**MOTION:** Chairman Payne moved to recommend a policy similar to Torrance Policy 30 for those commissions/committees/boards in the “Not Covered” column.

Discussion prior to the motion being seconded included Management Aide Elmore explaining that City employees must report all gifts received under Torrance Policy 30. He clarified the Mayor’s request for the developing of a gift and gratuity policy rather than reporting requirements.

In response to an inquiry from Member Montoya, Management Aide Elmore related his lack of knowledge as to reporting gifts received on taxes.

Member Montoya felt that the possible effect on taxes is important to know.

Deputy City Attorney Strader advised that this will be on a case-by-case basis in that certain gifts are considered income for tax purposes and others are not; that a gift for purposes of reporting is not necessarily a gift for purposes of taxes; that Form 700 would have to be filled out and transmitted even if a gift is not received; and that Form 700 is not required under Torrance Policy 30.

The motion was seconded by Member Gallagher.

Member Matsuda voiced concern that it would be out of balance to allow those who are more susceptible to have lesser requirements; and that additional reporting requirements, such as Form 700, would be beneficial because individuals would be forced to stop and think.

Staff Liaison Lohnes suggested that the minimum reportable gift be \$50.00 and that the annual limit on single-source gifts be \$420.00.

Member Matsuda suggested a two-tiered system requiring Form 700, a reportable gift limit of \$50.00 and a single-source gift limit of \$420.00.

Chairman Payne withdrew his motion to recommend a policy similar to Torrance Policy 30 and Member Gallagher withdrew his second to the motion.

Staff Liaison Lohnes advised that conflict of interest code requirements are different for different positions. She recommended that the conflict of interest codes for the commissions/committees/boards currently uncovered be updated.

**MOTION:** Member Matsuda moved to recommend that all of the commissions/committees/boards currently not covered be required to fill out Form 700 categories 1 through 5. The motion died for lack of a second.

Deputy City Attorney Strader advised that gift and gratuity limits and reporting requirements, as well as the obligations of certain commissions/committees/boards are included in the Conflict of Interest Code.

Chairman Payne entertained the idea of requiring only Category 4 for those not covered and lowering the requirements to be consistent with Torrance Policy 30.

Member Gallagher related his concern that this is very specific information to be discussing at such a late hour.

**MOTION:** Chairman Payne moved to recommend the following requirements for all City commissioners/committee/board members appointed by the City Council: that gifts received must be limited to \$25.00; that all gifts must be reported; and that the gift description in Torrance Policy 30 shall apply. The motion was seconded by Member Gallagher.

Management Aide Elmore read aloud Torrance Policy 30.

Deputy City Attorney Strader explained why conflict of interest was included.

The motion passed with a 4-1 majority roll call vote as shown below:

Ayes: Gallagher, Gottshall, Montoya and Chairman Payne.  
Noes: Matsuda.  
Abstain: None.  
Absent: None.

8. **Discuss and Consider the Placement of a News Release Advertising the Meeting Dates, Time, Location , as Well as Mission of the Ethics and Integrity Committee**

**MOTION:** Member Montoya moved to continue Agenda Item No. 8 (Discuss and Consider the Placement of a News Release Advertising the Meeting Dates, Time, Location, as Well as the Mission of the Ethics and Integrity Committee) to the meeting in June. The motion was seconded by Chairman Payne and passed by unanimous roll call vote:

Ayes: Gallagher, Gottshall, Matsuda, Montoya and Chairman Payne.  
Noes: None.  
Abstain: None.  
Absent: None.

**Oral Communications #2**

1, Following a suggestion from Member Matsuda, there was a consensus of the Committee to include discussion of guidelines for use in considering the appointment of City commissioners/committee/board members to avoid the appearance of a conflict of interest.

2. Chairman Payne asked that a future meeting agenda include what happens at the upcoming joint meeting with the Council and where to go from there.

3. Chairman Payne noted the upcoming election for Chairman of the Ethics and Integrity Committee for Fiscal Year 2010-2011.

4. Deputy City Attorney Strader advised that the Committee is not in session during breaks and that anything about the Committee should not be discussed at that time.

**PLEASE NOTE: AMENDMENTS YET TO BE NOTED!!!!!!!**

- 5. Deputy City Attorney Strader reminded the Committee not discuss topics not on the meeting agenda.
- 6. Staff Liaison Lohnes distributed written material on the City Manager's recent presentation on the City's budget.
- 7. Member Matsuda related her understanding that one of the Committee's charges under the Code is to provide reports on training, such as Torrance University. She suggested that this topic be placed on the next meeting agenda.

**MOTION:** Member Montoya moved to continue Agenda Item No. 8 ( Discuss and Consider the Placement of a News Release Advertising the Meeting Dates, Time, Location, as Well as the Mission of the Ethics and Integrity Committee) to the meeting in June. The motion was seconded by Chairman Payne and passed by unanimous roll call vote:

Ayes: Gallagher, Gottshall, Matsuda, Montoya and Chairman Payne.  
Noes: None.  
Abstain: None.  
Absent: None.

**ADJOURNMENT**

At 10:45 p.m., the meeting was adjourned to Wednesday, May 28, 2010, 5:00 p.m. The next regular meeting is scheduled for Wednesday, June 28, 2010.

Approved as Amended June 23, 2010 s/ Sue Herbers, City Clerk
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