



Item 11 - Executive Director's Report

Ryan Micik, Chair
Charlotte Hill, Vice Chair
Alea Gage
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Vincent Steele
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Nicolas Heidorn, Executive Director

TO: Public Ethics Commission
FROM: Nicolas Heidorn, Executive Director
DATE: November 29, 2023
RE: Executive Director's Report for the December 13, 2023, PEC Regular Meeting

This memorandum provides an overview of the Public Ethics Commission's (PEC or Commission) significant activities not included in other program reports since the last regular meeting. The attached overview of Commission Programs and Priorities includes the ongoing goals and key projects for 2023-24 for each program area.

2024 Meeting Schedule Approved

At its November meeting, the PEC adopted a preferred regular meeting schedule for 2024, which staff submitted to facilities. The PEC's scheduling request was approved. For 2024, the PEC will meet on the following Wednesdays:

- January 17
- March 13
- April 10
- June 12
- July 10
- September 11
- October 9
- December 11

Meetings will be held at City Hall in Hearing Room 1 beginning at 6:30 pm.

Legislative Update: LPF of 2024 and LRA Update Become Law

In the second half of this year, the PEC recommended two legislative proposals to the City Council: (1) the Limited Public Financing (LPF) Act of 2024, which would reinstate a limited public financing program for the 2024 election cycle only, and (2) an update to the Lobbyist Registration Act (LRA), which would provide a more equitable lobbyist fee structure and made other administrative changes to the LRA, including requiring that lobbyists periodically take a PEC training on the LRA. At its November 7 meeting, the City Council unanimously adopted both proposals.

PEC staff has begun working on the implementation of both laws:

- In late October, I met with the City Administrator to request that \$59,088 in unexpended funds from the prior limited public financing program be carried over and added to the \$155,000 available for candidates running for office next year under the LPF of 2024. This request was approved in November.

Item 11 - Executive Director's Report

- In November, Ethics Analyst Jelani Killings created a draft lobbyist training to fulfill the requirements of the new LRA amendments and Program Manager Suzanne Doran worked on updating the lobbyist registration portal to accommodate the new fee structure.

PEC Receives \$210,000 in Grants from Haas Jr. to Support Democracy Dollars Implementation

At its October 25, 2023, meeting, the PEC authorized staff to apply for two grants from the Evelyn and Walter Haas, Jr. Fund (Haas Jr. Fund) to support a graduate student research project and hire an outreach specialist to develop an inclusive outreach strategy for the Democracy Dollars Program. Staff, in coordination with Chair Micik and Commissioner Hill, submitted both applications in October. In November, the Haas Jr. Fund approved both applications and awarded the PEC \$10,000 to support a graduate student and \$200,000 to hire an outreach specialist.

The City requires that departments receive the approval of the City Administrator to accept grants under \$50,000 and the approval of the City Council for grants over \$50,000. The City Administrator signed off on the \$10,000 graduate student grant in November. The \$200,000 outreach specialist grant is expected to go before the City Council later in December.

These grants will be a tremendous asset to the PEC as we prepare to implement the Program in 2026. On behalf of the PEC, I expressed my gratitude to the Haas Jr. Fund for its generous support. I also want to acknowledge the excellent work of Democracy Dollars Program Manager Suzanne Doran, who took the lead in preparing and submitting these applications.

Hiring Completed or In-Progress for Three New Staff and Two Part-Time Law Students

Since the last Executive Director's report, the PEC made significant progress in filling staff vacancies and adding temporary staffing capacity to support the Enforcement Program. Compared with October 2023, by early next year, the PEC is likely to have five new people working for the PEC, including two new permanent employees, one limited duration employee, and two part-time law students.

In November, the PEC hired Teddy Teshome as our new Commission Analyst. Analyst Teshome comes to the PEC from Oakland's Department of Violence Prevention and has extensive accounting, fiscal, and budgetary experience that will be a significant asset to our Commission. We're very excited to have him. Welcome Teddy!

Also in November, the PEC extended an offer to an applicant for the vacant permanent investigator position. The candidate has accepted and is scheduled to start with the PEC in December. The PEC has also used some of its budgetary savings to recruit for a second, limited duration investigator position, which will go through June 30, 2024; the PEC will request, as part of the mid-cycle budget process, that the position be made permanent. The PEC is currently conducting interviews for this second investigator position and anticipates filling the role in December or January.

The PEC is also using budgetary savings to hire two part-time law clerk positions. Staff anticipates sending out offer letters soon and filling both positions by December or January. The law clerks will assist with legal and policy research, resolving public records mediations, and processing enforcement complaints.

Item 11 - Executive Director's Report

Finally, the PEC is also working with HR to:

- Hire a limited duration Ethics Analyst to fill the role temporarily vacated by Suzanne Doran when she was appointed interim Democracy Dollars Program Manager.
- Hire a limited duration outreach specialist, likely around July 2024, to assist with the implementation of the Democracy Dollars Program using the grant funding awarded by the Haas Jr. Foundation.
- Use Haas Jr. Foundation grant funding to support a graduate student research project in the first half of 2024 focused on identifying outreach strategies for harder to reach communities to maximize participation in the Democracy Dollars program.

First Quarterly Meeting of California Ethics Commissions Executive Directors

Following up on one of the priorities coming out of the PEC's August planning retreat, PEC staff have organized quarterly meetings with the executive directors of the Oakland, San Francisco, San Diego, and Los Angeles ethics commissions. These informal meetings will be an opportunity for directors to update each other on their respective commissions' current work and priorities and to solicit advice or compare best practices on areas of mutual interest. The first meeting will occur on December 1.

Measure W / Voter Guide Updates

PEC staff solicited public and stakeholder feedback on the draft voter guide in November. On November 14, PEC staff and staff from the Center for Civic Design and a volunteer from Open Oakland conducted user testing of a draft voter guide at the Dimond Branch library. Staff spoke with 24 patrons to gather their input about what would be useful to them in a voter guide.

Later in November, I also met with members of the BayPEC coalition to show them a draft of the voter guide and solicit their feedback.

\$1,000+ Late Fees / Late Fee Waivers

Under City Charter Section 603(f), any assessment of a per diem late fee of \$1,000 or more must be placed on the PEC's agenda. The PEC did not issue any late fees exceeding that amount since the last reporting period.

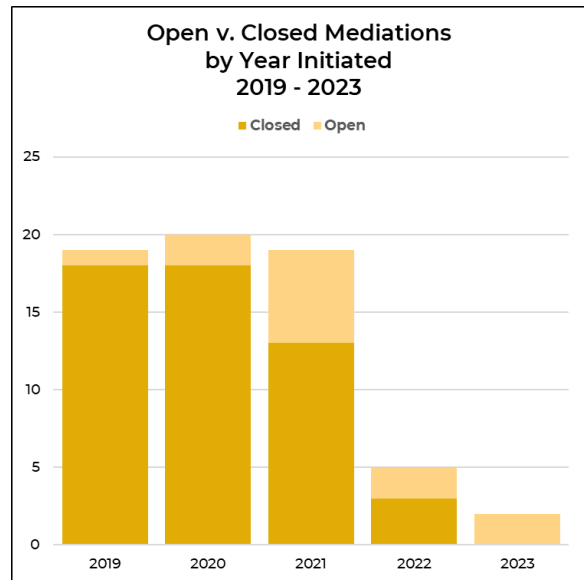
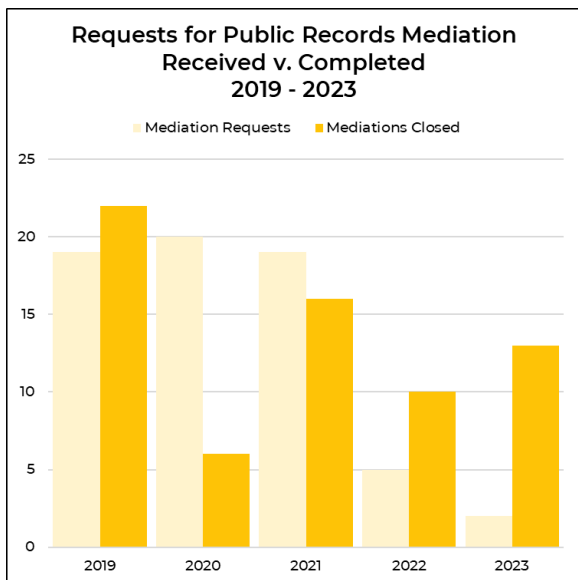
Under City Charter Section 603(f), if the Executive Director waives any per diem fees for the late filing of campaign finance report, he or she must notify the Commission at their next regular meeting. I have not waived any late fees since the last reporting period.

Mediation Program

Pursuant to the Oakland Sunshine Ordinance, the Commission conducts mediation of public records requests made by members of the public to City departments for records within the department's control. The PEC currently has 13 open mediations. No new mediation requests were received and none completed since the last regular meeting.

Item 11 - Executive Director's Report

Additional Attachment: Commission Programs and Priorities.



Item 11 - Executive Director's Report

PUBLIC ETHICS COMMISSION

Programs and Priorities 2023/24 (*new additions in bold*)

Program	Goal	Desired Outcome	Regular Program Activities	2023/24 Projects
Lead/ Collaborate (Policy, Systems, Culture)	PEC facilitates changes in City policies, laws, systems, and technology and leads by example to ensure fairness, openness, honesty, integrity, and innovation.	Effective campaign finance, ethics, and transparency policies, procedures, and systems are in place across City agencies	<ul style="list-style-type: none"> ○ Lead Measure W implementation ○ Engage in review of laws PEC enforces 	<ul style="list-style-type: none"> ✓ Lobby Registration Act amendment to incorporate new fees and waiver policy ✓ Ordinance for one-time LPF for 2024 elections <ul style="list-style-type: none"> ○ Voter Guide Pilot ○ Mayor Salary Setting Guidance ○ Charter Review Options ○ Policy Review: Lobbyist Registration Act ✓ Ethics Commission Network ✓ Invite Department Presentations on Records Request Responses
Educate/ Advise	Oakland public servants, candidates for office, lobbyists, and City contractors understand and comply with City campaign finance, ethics, and transparency laws.	The PEC is a trusted and frequent source for information and assistance on government ethics, campaign finance, and transparency issues; the PEC fosters and sustains ethical culture throughout City government.	<ul style="list-style-type: none"> ● Regular ethics training ● Information, advice, and technical assistance ● Targeted communications to regulated communities ● New trainings as needed for diversion 	<ul style="list-style-type: none"> ○ Collaboration with Clerk and HR on process improvements for ethics onboarding/exit and Form 700 compliance ✓ Public Records training
Outreach/ Engage	Citizens and regulated community know about the PEC and know that the PEC is responsive to their complaints/questions about government ethics, campaign finance, or transparency concerns.	The PEC actively engages with clients and citizens demonstrating a collaborative transparency approach that fosters two-way interaction between citizens and government to enhance mutual knowledge, understanding, and trust.	<ul style="list-style-type: none"> ● Public Records mediations ● Commissioner-led public outreach ● Outreach to client groups – targeted training and compliance ● PEC social media outreach 	<ul style="list-style-type: none"> ○ Update guides and trainings to reflect Measure W and LPF changes ✓ Update public and stakeholders on Democracy Dollar postponement ✓ Update Lobbyist Registration Act educational materials and share with Council ✓ Recruit for PEC vacancy ○ Publicize Enforcement Needs ○ Publicize PEC campaign finance tools ○ Publicize how to file complaints

Item 11 - Executive Director's Report

Program	Goal	Desired Outcome	Regular Program Activities	2023/24 Projects
Disclose/ Illuminate	<p>PEC website and disclosure tools are user-friendly, accurate, up-to-date, and commonly used to view government integrity data.</p> <p>Filing tools collect and transmit data in an effective and user-friendly manner.</p>	<p>Citizens can easily access accurate, complete campaign finance and ethics-related data in a user-friendly, understandable format.</p> <p>Filers can easily submit campaign finance, lobbyist, and ethics-related disclosure information.</p>	<ul style="list-style-type: none"> • Monitor compliance (campaign finance/lobbyist/ticket use) • Proactive engagement with filers • Technical assistance • Assess late fees/refer non-filers for enforcement • Maintain data assets 	<ul style="list-style-type: none"> ○ Democracy Dollars admin system development/issue RFP ○ Updates to Ticket Distribution (Form 802) database ○ Lobbyist App Updates ○ Public Records Performance Dashboard ○ Update Open Disclosure 2024 ✓ Update Show Me The Money ○ Digitize Schedule O Form
Detect/ Deter	<p>PEC staff proactively detects potential violations and efficiently investigates complaints of non-compliance with laws within the PEC's jurisdiction.</p>	<p>Public servants, candidates, lobbyists, and City contractors are motivated to comply with the laws within the PEC's jurisdiction.</p>	<ul style="list-style-type: none"> • Process and investigate complaints • Initiate proactive cases • Collaborate/coordinate with other government law enforcement agencies 	<ul style="list-style-type: none"> ○ Digital complaint form/ mediation request ✓ Improve Enforcement database
Prosecute	<p>Enforcement is swift, fair, consistent, and effective.</p>	<p>Obtain compliance with campaign finance, ethics, and transparency laws, and provide timely, fair, and consistent enforcement that is proportional to the seriousness of the violation.</p>	<ul style="list-style-type: none"> • Prioritize cases • Conduct legal analyses, assess penalty options • Negotiate settlements • Make recommendations to PEC 	<ul style="list-style-type: none"> ○ Resolve 2016 and 2017 case backlog ○ Review/revise policies for release of public information and election-related complaints ○ Develop internal Enforcement staff manual ✓ Expand streamline and diversion program
Administration/ Management	<p>PEC staff collects and uses performance data to guide improvements to program activities, motivate staff, and share progress toward PEC goals.</p>	<p>PEC staff model a culture of accountability, transparency, innovation, and performance management.</p>	<ul style="list-style-type: none"> • Annual Report • Budget proposal • Ongoing professional development and staff reviews • Fill staff vacancies • Commissioner onboarding 	<ul style="list-style-type: none"> ✓ 2023 – 2025 strategic plan preparation/retreat ✓ Develop process for City Attorney and City Auditor Salary Adjustment and adopt resolution for Council ○ Increase enforcement capacity