



# Item 11a - Executive Director's Report

Ryan Micik, Chair  
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Vincent Steele  
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Nicolas Heidorn, Executive Director

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TO: Public Ethics Commission  
FROM: Nicolas Heidorn, Executive Director  
DATE: June 2, 2023  
RE: Executive Director's Monthly Report for the June 14, 2023, PEC Meeting

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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 for each program area.

## **Budget**

In May, Commission staff met with Councilmembers and City staff to request that the Proposed Budget be amended to provide a limited pilot of the Democracy Dollars program in 2024, as detailed in the Measure W Implementation Update memo. Staff also advocated for additional staff resources, regardless of whether a pilot is funded, given the increased demand in all program areas.

## **Lobbyist Registration Fee & Late Filing Penalties**

At its April meeting, the Commission authorized PEC staff to request that the City Council include the following fees in the Master Fee Schedule to take effect January 2024:

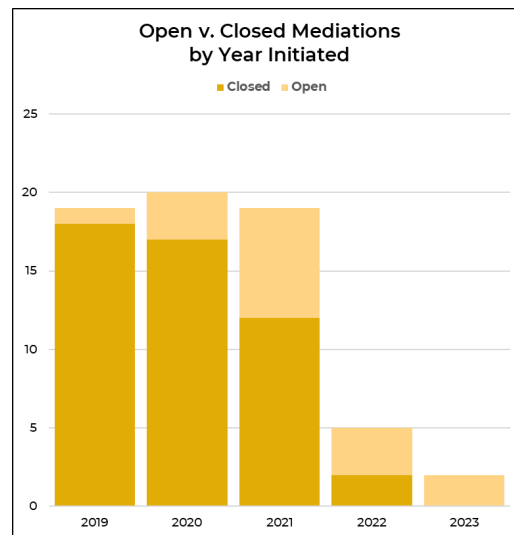
1. An annual lobbyist registration fee of \$500.
2. A late filing fee of \$10 per day after the filing deadline until the form is filed for lobbyist registration and lobbyist reports.

Both proposed fees have been included in the proposed Master Fee schedule. On May 22, 2023, the City Council Finance and Management Committee voted to recommend that the proposed Master Fee schedule be approved, with certain amendments not pertaining to the PEC's requests. The City Council will vote on the Master Fee schedule on June 6, 2023.

If the proposed lobbyist registration fee is adopted, prior to the fee's implementation, staff will bring back to the Commission a proposed amendment to the Lobbyist Registration Act reflecting the fee and a proposed registration fee waiver policy for lobbyists that are employees or representatives of 501(c)(3) nonprofit organizations and/or community-based organizations that can demonstrate hardship.

## **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 has 16 open mediations, down from 24 last month. Ten mediations have been completed this year, including eight this month.



Following a mediation, Commission staff provides a written summary of the mediation to the Commission and can also make recommendations for further Commission action. Mediation summaries for the following eight mediations, conducted by staff and subsequently closed this past month, are attached:

1. In the Matter of the Workplace & Employment Standards Department (Case No. M2020-03)
2. In the Matter of the Human Resources Management Department (Case No. M2020-15)
3. In the Matter of the Public Works Department (Case No. M2021-02)
4. In the Matter of the Police Department (Case No. M2021-04)
5. In the Matter of the Cannabis/Special Activity Permitting Department (Case No. M2021-10)
6. In the Matter of the Housing & Community Development Department (Case No. M2021-12)
7. In the Matter of the Rent Adjustment Program (Case No. M2021-15)
8. In the Matter of the Finance and Human Resources Management Departments (Case No. M2022-04)

## Staff Changes

The PEC had a number of staff transitions in May, including the hiring of a new Executive Director, announced last month, and more recently the hiring of a new exempt limited duration employee (ELDE) Ethics Investigator, Garrett Micheels. Micheels comes to the PEC with extensive experience enforcing government ethics laws, including formerly working as an investigator for the FPPC. Welcome, Garrett!

Also in May, Law Clerk Chris Nardi completed his clerkship with the PEC. Nardi worked on a number of PEC priorities, including taking a leading role in substantially reducing the number of open public records mediations. Chris also performed excellent work in assisting the Enforcement Chief with legal research and analysis, which enabled Enforcement to process more complaints during his tenure than it otherwise would have been able to do. We're thankful to Chris for his great work, and wish him well in his future career as an attorney!

Attachments: Commission Programs and Priorities; Mediation summaries.

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## PUBLIC ETHICS COMMISSION

### Programs and Priorities 2023

Program	Goal	Desired Outcome	Program Activities	2023 Major Projects
<b>Lead/ Collaborate (Policy, Systems, Culture)</b>	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"> <li>○ Lead Measure W implementation</li> </ul>	<ul style="list-style-type: none"> <li>○ Public Records Performance Tool</li> <li>○ Lobby Registration Act amendment and waiver policy if registration fee adopted</li> <li>✓ GSPP project re contractor pay-to-play restrictions and improving disclosure</li> </ul>
<b>Educate/ Advise</b>	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"> <li>● Regular ethics training</li> <li>● Information, advice, and technical assistance</li> <li>● Targeted communications to regulated communities</li> <li>● New trainings as needed for diversion</li> </ul>	<ul style="list-style-type: none"> <li>○ Develop Measure W/ Democracy Dollars training resources for candidates</li> <li>○ Collaboration with Clerk and HR on process improvements for ethics onboarding/exit and Form 700 compliance</li> <li>✓ Public Records training</li> </ul>
<b>Outreach/ Engage</b>	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"> <li>● Public Records mediations</li> <li>● Commissioner-led public outreach</li> <li>● Outreach to client groups – targeted training and compliance</li> <li>● PEC social media outreach</li> </ul>	<ul style="list-style-type: none"> <li>○ Develop content to reflect Measure W changes and Democracy Dollar Program</li> <li>○ Develop Democracy Dollars Community Engagement plan</li> <li>○ Review and update mediation procedures/staff manual</li> </ul>
<b>Disclose/ Illuminate</b>	PEC website and disclosure tools are user-friendly, accurate, up-to-date, and commonly used to view government integrity data.  Filing tools collect and transmit data in an effective and user-friendly manner.	Citizens can easily access accurate, complete campaign finance and ethics-related data in a user-friendly, understandable format.  Filers can easily submit campaign finance, lobbyist, and ethics-related disclosure information.	<ul style="list-style-type: none"> <li>● Monitor compliance (campaign finance/lobbyist/ticket use)</li> <li>● Proactive engagement with filers</li> <li>● Technical assistance</li> <li>● Assess late fees/refer non-filers for enforcement</li> <li>● Maintain data assets</li> </ul>	<ul style="list-style-type: none"> <li>○ Democracy Dollars admin system development</li> <li>○ Democracy Dollars performance tracking and public data development</li> <li>○ Updates to Ticket Distribution (Form 802) database</li> </ul>

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Program	Goal	Desired Outcome	Program Activities	2023 Major Projects
<b>Detect/ Deter</b>	PEC staff proactively detects potential violations and efficiently investigates complaints of non-compliance with laws within the PEC's jurisdiction.	Public servants, candidates, lobbyists, and City contractors are motivated to comply with the laws within the PEC's jurisdiction.	<ul style="list-style-type: none"> <li>• Process and investigate complaints</li> <li>• Initiate proactive cases</li> <li>• Collaborate/coordinate with other government law enforcement agencies</li> </ul>	<ul style="list-style-type: none"> <li>○ Digital complaint form/mediation request</li> <li>○ Improve Enforcement database</li> </ul>
<b>Prosecute</b>	Enforcement is swift, fair, consistent, and effective.	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.	<ul style="list-style-type: none"> <li>• Prioritize cases</li> <li>• Conduct legal analyses, assess penalty options</li> <li>• Negotiate settlements</li> <li>• Make recommendations to PEC</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolve 2016 and 2017 case backlog</li> <li>○ Review/revise policies for release of public information and election-related complaints</li> <li>○ Develop internal Enforcement staff manual</li> </ul>
<b>Administration/ Management</b>	PEC staff collects and uses performance data to guide improvements to program activities, motivate staff, and share progress toward PEC goals.	PEC staff model a culture of accountability, transparency, innovation, and performance management.	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Budget proposal</li> <li>• Ongoing professional development and staff reviews</li> <li>• Fill staff vacancies</li> <li>• Commissioner onboarding</li> </ul>	<ul style="list-style-type: none"> <li>○ 2023 – 2025 strategic plan preparation/retreat</li> <li>✓ Develop process for City Attorney and City Auditor Salary Adjustment and adopt resolution for Council</li> </ul>