

Date: August 17, 2022

To: Thomas B. Modica, City Manager



From: April Walker, Administrative Deputy City Manager



For: Mayor and Members of the City Council

Subject: **Ethics Commission FY 23 Proposed Budget Letter**

On August 10, 2022, the Ethics Commission authorized the Chair and Vice Chair to compose and submit a memorandum to the City Manager, Mayor and City Council, and Budget oversight Committee regarding the Proposed Fiscal Year 2023 Budget and the Ethics Commission's budgetary requests and recommendations.

On behalf of the Chair and Vice Chair, please find their letter attached.

If you have any questions, please contact me at (562) 570-6561.

ATTACHMENT – ETHICS COMMISSION FY 23 BUDGET LETTER

CC: BUDGET OVERSIGHT COMMITTEE
CHARLES PARKIN, CITY ATTORNEY
DOUGLAS P. HAUBERT, CITY PROSECUTOR
LAURA L. DOUD, CITY AUDITOR
LINDA F. TATUM, ASSISTANT CITY MANAGER
KATY NOMURA, DEPUTY CITY MANAGER
TERESA CHANDLER, DEPUTY CITY MANAGER
APRIL WALKER, ADMINISTRATIVE DEPUTY CITY MANAGER
KEVIN LEE, CHIEF PUBLIC AFFAIRS OFFICER
MONIQUE DE LA GARZA, CITY CLERK
DEPARTMENT HEADS
TAYLOR ANDERSON, DEPUTY CITY ATTORNEY
JULIAN CERNUDA, ASSISTANT TO THE CITY MANAGER
HEATHER VAN WIJK, ETHICS OFFICER
JT NAGAYAMA, CITY CLERK ANALYST

**CITY OF LONG BEACH
ETHICS COMMISSION**

**Margo Morales, Chair
Barbara A. Pollack, Vice Chair
Raul Añorve, Commissioner
Lani De Benedictis, Commissioner**



**Luke Fiedler, Commissioner
J.P. Shotwell, Commissioner
Susan Wise, Commissioner**

August 17, 2022

Honorable Mayor and Members of the City Council
Budget Oversight Committee
Thomas B. Modica, City Manager
City of Long Beach
411 West Ocean Boulevard
Long Beach, CA 90802

RE: Ethics Commission Fiscal Year 2023 Proposed Budget Letter

Honorable Mayor Garcia and Members of the City Council, Budget Oversight Committee, and City Manager Tom Modica:

As the City of Long Beach (City) proceeds to develop the Fiscal Year 2023 (FY23) Budget, we want to share the areas of focus for the Ethics Commission (Commission) and the probable effect on the City's Budget. But first, please accept our thanks for your support for the Commission during recent budget cycles. The addition of the Ethics Officer in the Fiscal Year 2022 (FY 22) budget has provided the foundation on which we will build an ethics program to create a more ethical culture within the City.

Detail about the work of the Commission during FY 22 is available in our annual [reports](#). During FY 22, the Commission worked closely with City Manager's Office staff to identify a solid candidate to fill the Ethics Officer position. Heather Van Wijk was hired into the position of Ethics Officer in April 2022 and her prior City position was recently filled, allowing Ms. Van Wijk to turn her full attention to her work as the City's Ethics Officer. The Ethics Officer will be a valuable resource to you, the Commission, and City staff. She and Commission support staff are enrolled in continuing education classes provided by the Ethics Compliance Initiative. Staff expects to receive Leadership Professional in Ethics and Compliance (LBEC) Certification by the end of 2022.

Request to Carryover Unspent Funds

The timing of the Ethics Officer hiring process created a salary savings that will remain unspent at the end of this fiscal year. The Commission proposes to use those savings to support the roll out of the new Code of Conduct and Ethics (Code) for the City. The final Code was adopted by the Commission in April 2021. The corresponding ordinance with recommended changes will not be presented to the City Council until the meet and confer process with bargaining units concludes; that process has taken longer than anticipated.

Despite the delays in the formal adoption of a new Code, the development of an ethics education program for the City is underway. It will be rooted in the values of **Accountability, Fairness, Impartiality, Diversity, Transparency, and Integrity**. Additionally, it will incorporate design ideas provided by graduate students at USC's Price School of Public Policy, who worked closely with the Commission and City staff last fall. We, therefore, respectfully request approval of the carryover of all unspent funds allocated to the Commission for use in the rollout of the new Code and an ethics education program during FY 23. Should you authorize the carryover of unspent funds for use by the Commission, the Commission expects to have financial resources to support said implementation plan.

Impact of Ethics Proposals on All City Departments

The Commission is cognizant that many of our proposals to improve transparency and decision-making based upon ethical principles will impact the budgets of various City departments. We continue to work closely with the City Manager staff to seek the inclusion of resources, where necessary, to support a robust ethics program in the City.

One area where the Commission recently identified needed support is with the review of the Fair Political Practices Commission (FPPC) Form 460. During the recent primary election, it came to our attention that Form 460 reviews for compliance rely on the public to bring forward discrepancies in the required filings. Though the City complies with all FPPC Form 460 regulations, the Commission feels strongly that the City needs to improve self-regulating and self-auditing processes to ensure compliance with the Long Beach Reform Act and build public trust in voting and in campaign practices in Long Beach. It is recommended that the City dedicate additional resources towards staffing for review of the Form 460, including meaningful training, review, and auditing of the Form 460s. A department responsible for review of Form 460s will also need to be identified.

The Commission is also reviewing the City's Lobbyist Ordinance. In the near future we will submit for your consideration significant recommended revisions to the existing Lobbyist Ordinance, intended to strengthen reporting and enhance transparency. We are hopeful that technology utilization can achieve some aspects of the needed oversight and analysis to limit the need for staffs' time. If adopted, these changes will also impact the City Clerk's Office workload and may result in a need for additional resources for the City Clerk's Office to follow up on reports that are not filed timely or completely. We are working with the City Clerk to understand the impact of our proposals on the operations of their Office, and will support their request for resources in this or the next budget cycles.

The Commission continues to address the shortfalls identified in the 2020 Ethics Program Performance Audit. The Commission plans to review department policies and procedures within the purview of the powers and duties of the Commission. During the past six months, the Commission has received two presentations from Finance Management staff regarding procurement and accounts payable policies and processes. The Commission is likely to make recommendations in response and in follow up to those presentations may also require additional resources to ensure that the City operates and complies with best applicable practices. This pattern, and the resulting resource requirements, may repeat as the Commission and its staff work through the shortfalls in the City's ethics program.

The Commission will continue to work with the various departments to understand the impact of proposals the Commission may make in advancing the core values of **Accountability, Fairness, Impartiality, Diversity, Transparency, and Integrity**. The Commission fully supports budget requests of all departments for resources they deem necessary to embrace these values in their processes and procedures and to consider and implement Commission recommendations.

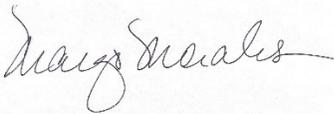
Conclusion

We all recognize public confidence in government is fragile. Every study the Commission undertakes, and the resulting recommendations are focused on how to improve transparency and trust. While the City's Ordinances and policies provide a foundation, the Commission will continue to identify areas that deserve strengthening. The City Council's continued support of the Commission's work by providing resources across the City to allow ethics education and the adoption and implementation of better procedures and processes will demonstrate the commitment of City leadership to ethical practices and strengthen public confidence and participation in our City's government.

We stand available to answer any questions you may have and to hear your comments and concerns about the Commission. We also would welcome the opportunity to talk with you soon about the completed work and the future plans and needs of the Commission in FY 23 and beyond.

We are confident that all of you recognize the community support for the Ethics Commission and will ensure that the budget you develop for 2022-2023 openly affirms that recognition and provides robust support for the Commission's work and the implementation of a new ethics program throughout the City. We will appreciate your support of this request and look forward to collaborating with you to translate the important work of the Ethics Commission into positive and noticeable results.

Sincerely,



Margo Morales
Ethics Commission, Chair



Barbara A. Pollack
Ethics Commission, Vice Chair