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**CITY OF SANTA FE**  
**ETHICS AND CAMPAIGN REVIEW BOARD**

**January 13, 2014**

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**MINUTES OF THE  
CITY OF SANTA FE**

**ETHICS AND CAMPAIGN REVIEW BOARD**

**JANUARY 13, 2014**

**1. PROCEDURES**

**ROLL CALL**

A regular meeting of the City of Santa Fe Ethics and Campaign Review Board was called to order by Justin Miller, Chair on this date at approximately 4:00 pm in the City Council Chambers, 1<sup>st</sup> floor, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

Roll call indicated the presence of a quorum as follows:

**Members Present:**

Justin Miller, Chair  
Paul L. Biderman (arrived later)  
Ruth Kovnat  
Tara Lujan  
Kristina Martinez  
Seth McMillan

**Members Absent:**

Roderick Thompson, Vice Chair (excused)

**Staff Present:**

Jodi McGinnis Porter, Public Information  
Yolanda Vigil, City Clerk  
Zachary Shandler, Assistant City Attorney  
Melissa Byers, Legislative Liaison

**Others Present:**

Jeff Green, candidate  
Jim. Harrington, Common Cause  
Karl Sommer, Attorney for Mr. Maestas  
Charmaine Clair, Stenographer

**a) APPROVAL OF THE AGENDA**

**Ms. Martinez moved to approve the Agenda as presented. Ms. Kovnat seconded the motion which was passed by unanimous voice vote.**

**b) APPROVAL OF THE MINUTES- November 05, December 10 and December 16, 2013**

**Ms. Kovnat moved to approve the minutes of November 5, 2013 as revised and the minutes of December 10, 2013 and December 16, 2013, as presented. Ms. Martinez seconded the motion and it passed by unanimous voice vote.**

**2. DISCUSSION MATTERS**

a) Information/Communications with Candidates

1) Status of Candidates and Reporting Requirements

Chair Miller said this meeting is part of the obligation of the Board to hold an informational meeting with candidates and interested persons in January of an election year. He thanked everyone for coming and said there would be a presentation from City Staff and an opportunity for comment or questions.

Chair Miller asked Ms. Vigil to review the Reporting Requirements.

2) Campaign Code and Public Campaign Finance Code

- Requirements, Deadlines and Sanctions

Ms. Vigil said presently there are 14 certified candidates that will appear on the ballot; 3 mayoral candidates, two District 1 candidates, five District 2 candidates, three District 3 candidates and one District 4 candidate.

Two political committees have signed in with the City Clerk's office: Progressive Santa Fe Political Action Committee and Vote Yes On-Line for a Full Time Mayor.

Ms. Vigil said there are 10 candidates that received public financing; all three mayoral candidates; a District 1 candidate, three in District 2 and also three in District Three. There are four private financing candidates; one in District 1, two in District 2 and one in District Four.

Ms. Vigil said one report has been filed by candidates certified as participating candidates in public financing and that is on-line. She said the first filing would be 23 January. She has met with most of the treasurers, but needs to meet with one candidate treasurer and the two political committee treasurers. All have received the CD and all information needed to file.

The filing dates were noted: as February 7 and February 25; by noon the day before the election on March 3rd and two weeks following the election on March 18, 2014. Anything outstanding must be filed within six months after the election.

Ms. Vigil said City Code 929(c) requires Campaign Finance Reports to be supplied to the ECRB upon request. She confirmed that it was still acceptable to refer the Board to the website rather than give them hard copies.

Ms. Vigil said regarding the sign liaisons and the Statement of Organization; all candidates have filed letters except one, which should come today. The code requires all candidates to file a form with the City Clerk stating they are aware of the Campaign Code. Three of those forms are outstanding, but there is no deadline to file the form.

Ms. Vigil said she could answer questions during the Public Comment period.

- Review of Advisory Opinions

Mr. Shandler said the City Attorney's office had issued several advisory opinions in this election cycle that mostly dealt with the collection of seed money and public financing. He did not include those in his presentation since that point has passed.

Mr. Shandler said two years ago an advisory opinion was issued about in-kind contributions. One question was whether candidates seeking public financing could receive in-kind contributions for their campaigns. The answer is no; once a candidate is a participating candidate and receives public financing they cannot receive any other contributions, including in-kind contributions.

Mr. Shandler said the advisory letter continues that if the candidate is privately financed, the candidate *can* receive in-kind contributions as long as reported.

Mr. Shandler said the next letter (March 1, 2012) is on the use of public financing for Election Day events; such as Election Day parties. He said if publicly financed there are three sources that could be used for funding an event; 1) the remainder of the balance of the Public Campaign Finance Funds. 2) Volunteer personal services or expenses and 3) events up to \$200.00, which are both exceptions to the definition of *contribution*. The expenditure must be at the conclusion of Election Day.

Mr. Shandler said the third item is a memo about political committee coordination. The question presented is "could a political committee coordinate with a candidate's political committee." City Council adopted an ordinance (2014-2) that governs the procedure and is now in effect. The ordinance (page 2, Section(1)(f)) defines a *contribution* as "an expenditure by a person other than a candidate or the candidate's political committee that is made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate or the candidate's political committee."

*Mr. Biderman entered the meeting at this time.*

Mr. Shandler provided an example. He said if an outside group asked a publicly financed candidate to exchange phone lists, etc., or anything similar to cooperation, consultation or concert with another group; that is not permitted for that candidate.

### 3) Campaign Signs-Compliance and Enforcement

Mr. O'Reilly, the Land Use Director, said Code Enforcement for the City is within his Department and handles sign violations and sign enforcement that includes political signs. He said a memo was passed

out and is also available to the public as a helpful reference for candidates and distills the requirements of the signage ordinance (section 9-2 of the Municipal Code). The rules have not changed.

Mr. O'Reilly pointed out areas he has seen difficulty in every election cycle.

- Political signs on private property should only be with the consent of the property owner.
- Political signs can be put in the parkway strip (between the sidewalk and curb/gutter) in residential areas only, *with* the consent of the property owner. The signs are not allowed on commercial strips.
- Political signs cannot exceed 32 ft.<sup>2</sup> (a 4x8 sheet of plywood), but there is no dimensional requirement. Banners are permitted.
- Signs should be removed within five days of the election.
- Electronic signs are acceptable, if within the 32 ft.<sup>2</sup> and does not flash or change its message.
- No signs can be placed on sidewalks; however a person could walk down a sidewalk with a sign as long as other pedestrians are not blocked.
- No signs are allowed within City rights-of-way except for the residential parkway strip. The sign should be moved back five to ten feet if the City right-of-way is uncertain. The right-of-way location is different on every street and not always clear; candidates should use restraint.

Mr. O'Reilly identified Ms. Georgia Urioste, the City Zoning Enforcement supervisor. He said her number is in the memo and she could be called directly to file a complaint or a complaint could be entered into the CRM system on the City website.

Ms. Kovnat asked how the information is communicated to the candidates and their committees. Mr. O'Reilly replied that he has just communicated that information to the candidates and their committees.

Ms. McGinnis Porter demonstrated how to file a complaint on the CRM system. She said people are encouraged to create an account, but complaints about signage could also be submitted anonymously. Complaints would go directly to Ms. Urioste and those who file will receive an e-mail.

#### 4) Comments and Questions

Mr. Karl Sommer had a concern on the coordination. He said if a group supports a candidate and wants the candidate to appear at a function and speak, at some point when the organization asks a candidate to participate that has to be coordinated. He asked how a candidate would navigate that occurrence and not run afoul of the prohibition described by Mr. Shandler.

Chair Miller said he had no simple, easy answer. He said if there is a situation a candidate looks for advice on, he thought it more efficient to contact the City Clerk's office or the City Attorney's office; or the candidate could request an advisory opinion from the Board. He asked if Mr. Shandler had an answer.

Mr. Shandler said he would have to take the question under advisement and get back to Mr. Sommer.

### 3. DISCUSSION AND POSSIBLE ACTION

- a) Case #2013-2 Complaint filed by Jeff E. Green Alleging Violation of "Incomplete Seed Money Expenditure Report, Exceeding \$1,500 in Expenditures, and/or Making Expenditures

for His Campaign from Source Other Than Seed Money” by Joseph M. Maestas. In Accordance with Section 6-16.4 SFCC 1987 “Determination of Legal Sufficiency; Setting a Hearing.” Consideration of Whether the Complaint Sets Forth Legally Sufficient Facts Which, if True, Show Probable Cause to Believe There Was a Violation. (The Board May Go Into Executive Session Under NMSA 1978, Section 10-15-1(H)(3) to Deliberate in Connection With an Administrative Adjudicatory Proceeding.)

Chair Miller said before getting into the case, Mr. Biderman asked to address the Board.

Mr. Biderman said he realized when the complaint came up that he unfortunately had done something that disqualifies him in the matter. He apologized and explained that during the period when candidates solicited their qualifying contributions someone came to his door. He gave a \$5.00 donation to someone’s campaign and had forgotten that is not appropriate.

Mr. Biderman apologized to continually disqualify himself from matters. He said he has extended an offer in the past to withdraw from the Board should that become an issue and he plans to participate in the issues involving policy and rule changes.

Mr. Biderman said at this time he would disqualify himself and per the City Attorney, sit in the audience.

**Ms. Kovnat moved that the Board go into Executive Session to consider the legal sufficiency of Complaint #2013-2, after hearing public comments prior to going into Session. Mr. McMillan seconded the motion.**

**A roll call vote was taken and the motion passed unanimously. There were no objections.**

Chair Miller opened the floor to Public Comment prior to the Executive Session:

#### **PUBLIC COMMENT**

Mr. Sommer said he is present on behalf of the Respondent and they have submitted their response, but he wanted to add something that came to his attention. He said the ordinance #2014-2 redefines the word *contribution* in subparagraph 1(d) that talks about this particular factual setting. He thought that relevant to the Board’s consideration.

*The Board entered into Executive Session at 4:43 p.m. under NMSA 1978 Section 10-15-1(H)(3) to deliberate in connection with an administrative adjudicatory proceeding.*

**Ms. Martinez moved that the Board reconvene from Executive Session. Ms. Lujan seconded the motion and the motion passed by unanimous voice vote.**

*The Board reconvened from Executive Session at 5:15 p.m.*

Chair Miller said the record should reflect that the Ethics and Campaign Review Board met in Executive Session and the only matters discussed were matters for which the Board retreated into Executive Session.

Ms. Kovnat said the Board while in Executive Session considered whether the factual allegations of the complaint, if true, established a violation of the Code of Ethics and the Public Campaign Finance Code.

- 1) Action Regarding Whether the Complaint Sets Forth Legally Sufficient Facts Which, if True, Show Probable Cause to Believe There Was a Violation.

**Ms. Lujan moved that the Board determined the Complaint #2013-2 to be a legally sufficient complaint. Ms. Kovnat seconded the motion.**

**A roll call vote of the Board was taken and the motion passed unanimously. There were no objections.**

Chair Miller stressed that the determination is not one of the merits of the Complaint, but rather that the Complaint is legally sufficient to state a complaint. He said in the ECRB Rules of Organization and Practice, B (4) is to consider whether the factual allegations are true established violations of the Public Campaign Code. He said if a valid complaint has been filed; the Board may determine whether to hire a qualified investigator to conduct a preliminary investigation (Section E (1) of the Rules).

Chair Miller opened the floor to discussion by Board members.

Ms. Martinez suggested that in this case a private investigator is not necessary. She said all relevant evidence the Board needs to consider is before the Board, in the submissions by the parties.

Chair Miller confirmed that was the consensus of the Board. He read Section E (4) stating that the Board, if legal sufficiency was determined, could refer the matter for public hearing by the Board or by a Hearings subcommittee and shall set appropriate hearing dates. He added that a Respondent may submit a written Waiver of Hearing before the Board and/or the Hearings subcommittee.

Chair Miller said the determination for the Board is whether to set the hearing for the Board as a whole or for a Hearings subcommittee. He reminded the Board that the Rules of Organization and Practice, express not to routinely refer matters to subcommittees; however could do so if the Board's time was determined to outweigh the potential costs in terms of reduced openness of the Board's activities.

Ms. Kovnat said referring the Complaint to a subcommittee would not improve the Board's efficiency. She thought this a matter for a hearing before the full Board.

Ms. Lujan agreed and said it would be to the Board's advantage and save time.

Chair Miller confirmed that was the consensus of the Board members. He also agreed.

Mr. Sommer said neither he nor Mr. Maestas had submitted a Waiver of a Hearing, but he would submit that in writing as early as tomorrow.

Chair Miller thanked him and said the Board could proceed as if that will happen.

Ms. Martinez said the meeting to consider the merits of the complaint should be set as expeditiously as possible. She suggested within the next two weeks since it would not be an evidentiary hearing.

Chair Miller confirmed that if a violation has occurred the Board would determine sanctions at the next Board meeting.

Ms. Kovnat suggested it appropriate to invite the parties to make written submissions on the merits and sanctions, prior to the Board meeting date.

Mr. McMillan added that the Board might also take argument from the Respondent, if the Board moves to the sanction stage after making a determination.

The Board members discussed the date of the next meeting and agreed on Wednesday, 22 January. Mr. Sommer added he had no objections to the date. Mr. Green asked for clarification of the kind of response expected from him.

Mr. Shandler clarified the Board would just ask for a legal argument on what is a timely or untimely expenditure. He said more a 10 page legal brief that could state the legal argument and the appropriate sanction, based on the evidence as submitted; not new evidence.

Chair Miller said Mr. Shandler was correct. He said the Board would probably not have oral argument as much as an oral presentation from the parties. He said two issues would be at play; whether there was actual violation of the code and depending on the Board's decision on that; the type of sanctions. He said both parties should present information or thoughts to the Board on the appropriate sanctions.

Mr. Green asked how quickly that was needed by the Board. Ms. Martinez replied if the submission was received by noon on Tuesday, January 21 that would be enough time for her. Ms. Lujan agreed.

Mr. Sommer clarified that the first issue before the Board is if, under the facts legally, there is a violation. He said as noted there is an argument in the Response. He continued that if there is a violation; what sanction would be appropriate under the facts as they are and both parties are to present to the City Clerk's office by noon Tuesday, January 21 any additional arguments on points of presentations of a legal nature and that would be disseminated to everyone on the twenty-first. He said and they should be present on Wednesday, January twenty-second. He said he had no objections.

2) Action on Any Steps as Permitted Under Section 6-16.4(D) – Section 6-16.7 SFCC 1987.

**Ms. Kovnat moved that the Board meet on Wednesday, January 22, 2014 at four o'clock to consider the current record for Case #2013-2, after hearing submissions from the parties to be received by noon, January 21, 2014 and that there will be an opportunity for presentation by both parties at the Board meeting on January 22, 2014. Ms. Martinez seconded the motion.**

**A roll call vote was taken and the motion was unanimously approved. There were no objections.**

- b) Consideration of an Ordinance Relating to Campaign Contributions from City Contractors; Amending the Code of Ethics, Section 1-7 SFCC 1987 and the Campaign Code, Section 9-2 SFCC 1987 to Regulate Conflicts of Interest Arising from Campaign Contributions from City Contractors and for Related Purposes. (Councilor Calvert)

Chair Miller said he was unclear what the Board was asked to do. He asked Mr. Shandler for clarification.

Mr. Shandler said the Board could look at the language to recommend approval, or amend or deny the language. He said that would be listed on the agenda if the Councilor goes forward and the recommendation would be on the next Council agenda Request to Publish. There would be a public hearing at the evening session of City Council in late February.

Mr. Shandler said the bill #2014 and Councilor Calvert previously talked about a contractor ban and the where the focus should be was discussed. He said Councilor Calvert went back to look at the recommendation from the City Council's perspective and at the Code of Ethics- Conflicts of Interest.

He explained that the first part of the proposal focuses on what the Governing Body looks at in terms of their conflict of interest. A Councilor must recuse if their vote would benefit themselves or any of the people listed on page two. (Businesses or owners that have made a contribution or directed the making of a contribution with an aggregate amount greater than \$250 during the two years preceding the vote)

Mr. Shandler said the last sentence of the new language is the contribution made before the effective date of this ordinance. He said if the plan goes forward and is approved by Council, this would go into effect in time for the next mayoral election in March. The idea is contributions made prior to that date would not be held against the candidate in terms of the aggregate total.

Mr. Shandler noted that the existing code defines contributor as individual or business contributor, but does not capture a labor or unincorporated organization/association. This attempt is to apply not only to business contractors but to organizational contributors, which would now mean labor organizations.

Mr. Shandler summarized the three main parts of the bill: 1) to focus on Councilor conflict of interest if they vote on something where they accepted more than \$250 during the past two years. He said this doesn't stop a business person or union from making donations to their preferred candidates, but they may need to recuse themselves on that contract or act.

He said part two is the notice and part three includes unions with the businesses. He deferred to Mr. Harrington, who did a lot of the drafting.

Mr. Harrington said the genesis was back in the Charter Commission and a proposal by a Commissioner of a ban on contributions from city contractors. He said recent case law questions the constitutionality of that without a history of corruption.

Mr. Harrington said there is no ban. A contractor could give up to the \$1000 or \$2500 contribution limit, but it creates a conflict for the Councilor. Mr. Harrington said Councilor Calvert apologized for not being

able to attend the meeting. He said one of the amendments is just to clean up the definition of *contributor*. He said he raised a last-minute concern that the largest contributors to campaigns historically have been the unions. He said after talking with Councilor Calvert, the Councilor asked for the Board's thoughts on whether the language "*or any labor union or its members*" should be added to page 2, line 7 where it states: "any business or its owners." He said otherwise Common Cause supports the bill with that one question.

Mr. Harrington noted that the Ethics Code states if the City is disabled from taking action by a conflict of interest, then the person with the conflict could take action after full disclosure.

Chair Miller asked if they would want to set up that kind of situation. He added that a union member could have a contract with the City, but if the labor union made a contribution; Councilors could vote on the members.

Mr. Harrington said he talked with Councilor Calvert and asked if Council had ever voted on things of a pecuniary benefit to unionized employees that were not a subject of collective bargaining and in the contract. He said Councilor Calvert said "no" it is an unfair labor practice.

Chair Miller said the member could be involved in another endeavor entirely separate from the union.

Ms. Kovnat asked to clarify that Councilor Calvert's proposal before the Board does not include that problem. She said Mr. Harrington was asking the advice of the Board as to whether to broaden the provision. She said speaking for herself; the Board has enough to do to determine whether the proposed changes before them should be recommended to City Council.

Ms. Kovnat congratulated everyone who was involved in the drafting for clarification. She said she appreciates the clarity of the proposal.

Mr. Shandler said the credit goes to Melissa Byers of the Legislative Staff.

Chair Miller asked for questions or comments on the draft.

Mr. Biderman asked if the City is subject to the State Procurement Code. Chair Miller replied "no" the City has a charter and its own public purchasing policy.

Mr. Biderman said his concern was whether that would confuse people because they have the procurement code and where the code doesn't apply. People would have to learn different sets of rules.

Ms. Martinez said the \$250 limit appears that the amount was changed from \$1000 for a councilor and \$2500 for a mayor position. She asked the rational for lowering the amount. She was concerned they could run into a situation where everyone has to recuse anyway.

Mr. Harrington said the \$1000 and \$2500 was actually the contribution limits. He said at the same time the contribution limits were being installed, the question was raised whether that should be removed. He said it was discussed and the language was put in as a backup. He thought the provision in the

current code redundant. He said no contractor could give contributions over those amounts anyway. Mr. Harrington said the \$250 came from the Ethics Code gift exemption amount.

Chair Miller confirmed the contribution limit is still in place and asked how the current election would be impacted.

Mr. Shandler thought it would not impact the current election. He said the intent was to start the \$250 clock after the election to put people on notice. He said if approved on the 26th [January] this would probably be effective after March first.

Mr. Biderman said it would be helpful to have more time. He said there is enough time at the next meeting to make recommendations on January 22<sup>nd</sup> and still get their recommendation to City Council. The other Board members agreed.

**Ms. Martinez moved to postpone the discussion of this bill until the next meeting. Mr. Biderman seconded the motion.**

**A roll call vote was taken and the motion passed unanimously. There were no objections.**

c) Presentation by Advisory Committee on Disposition of Campaign Funds

Chair Miller said a request was received from Ms. Nix that asked the Board for advisement on what to do with the check from the #2013-1 Complaint.

Ms. Kovnat asked if it was the Board's view that they had received a sufficient request.

Chair Miller said Ms. Nix also sent a letter. He asked Ms. Vigil to explain the letter.

Ms. Vigil said the letter has not gone out to Board members yet. She said Ms. Nix sent the letter requesting clarification on what to do with the check. She said it appeared from the last Board meeting minutes that the Board had agreed to issue an advisory opinion and is why the item was on the agenda.

Ms. Kovnat confirmed the members of the Advisory subcommittee (she and Mr. Biderman and Ms. Lujan). She asked Ms. Vigil to send the subcommittee members the letter from Ms. Nix.

#### **4. BOARD MATTERS**

There were none.

#### **5. PUBLIC COMMENT**

Heard previously

#### **6. ADJOURNMENT**

**Ms. Kovnat moved to adjourn the meeting. Ms. Martinez seconded the motion and the motion passed by unanimous voice vote.**

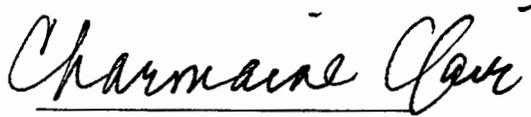
*There being no further matters to discuss and the agenda having been completed, the meeting adjourned at 6:07 p.m.*

Approved by:

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Justin Miller, Chair

Submitted by:



Charmaine Clair, Stenographer

ETHICS AND CAMPAIGN REVIEW BOARD  
EXECUTIVE SESSION  
January 13, 2014

The Ethics and Campaign Review Board of the City of Santa Fe met in an executive session duly called on January 13, 2014 beginning at 4:43 p.m.

**The following was discussed:**

In Accordance with the New Mexico Open Meetings Act, Section 10-15-1(H)(3) NMSA 1978, Deliberation in Connection with an Administrative Adjudicatory Proceeding Relating to a Complaint Filed by Jeff E. Green Against Joseph M. Maestas; Consideration Under Section 6-16.4 SFCC 1987 "Determination of Legal Sufficient; Setting a Hearing"; Consideration of Whether the Complaint Sets Forth Legally Sufficient Facts Which, if True, Show Probable Cause to Believe There Was A Violation.

PRESENT

Justin Miller, Chairperson  
Ruth Kovnat  
Tara Lujan  
Kristina Martinez  
Seth McMillan

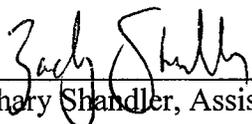
ABSENT

Roderick Thompson  
Paul Biderman (Recused)

STAFF PRESENT

Zachary Shandler, Assistant City Attorney

There being no further business to discuss, the executive session adjourned at 5:15 p.m.

  
\_\_\_\_\_  
Zachary Shandler, Assistant City Attorney