

## Disclosure Exemption Is Proposed

L.A. Ethics Commission recommends that members of the city's 84 neighborhood councils not be required to reveal their financial interests.

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The Los Angeles Ethics Commission recommended Tuesday that members of the city's 84 neighborhood councils be exempt from having to disclose their personal financial interests.

The decision came despite opposition from political reform advocates who note that allegations of conflicts of interest have already arisen in some panels.

One allegation of a conflict was made during the recent debate over a proposal to build a city fire station on the property of the Florentine Gardens nightclub in Hollywood.

The proposal was endorsed by the Hollywood United Neighborhood Council, whose president, Joel Fisher, is a public affairs representative for a competing business, the Avalon nightclub.

Ethics Commission President Gil Garcetti said requiring residents, business owners and others who serve on the advisory councils to disclose their finances is an unnecessary burden that might discourage some residents from participating.

"I have been trying to look at it in terms of what can we do to encourage participation, not to discourage participation, in the governmental process," he said.

He noted that each neighborhood council receives only \$50,000 per year to spend, and any votes on planning projects or other issues are only advisory.

"Here the risk [of conflict] is so small," Garcetti said.

The vote overruled objections to the exemption by the panel's staff. Commission Executive Director LeeAnn Pelham argued for disclosure, saying it provides the public information needed to determine whether a conflict exists. She noted some members of the public have appeared before the commission to complain about conflicts of interests by neighborhood council members.

"The purpose of financial disclosure is to make sure the public has confidence in the decision-making process, whether it is at the grass-roots level or by the City Council," Pelham said.

Voters approved a ballot measure four years ago to create a network of neighborhood councils throughout Los Angeles that would allow residents and business owners who are elected to the panels to have a greater say in important decisions.

Some saw the vote as a slap at the councils. "It's sending a signal that these neighborhood councils are not very important because they are not seen as affecting decisions," said Bob Stern, president of the Center for Governmental Studies.

The Florentine Gardens case has been cited as the Ethics Commission took up the proposed guidelines.

Fisher said his work for another nightclub was irrelevant. He said he did not have a conflict because the fire station could have been built on the parking lot without shutting Florentine Gardens. "I wasn't trying to shut down Florentine Gardens," he said. On financial disclosure of his interest, he added, "I would have confirmed it if someone asked."

Similar complaints were made by environmentalists opposed to the Playa Vista development, which was approved by the City Council after it was endorsed by a narrow margin by the Neighborhood Council of Westchester/Playa Del Rey.

Rex Frankel of the Ballona Ecosystem Education Project said three members of the neighborhood council have business interests that have been paid by the developers and therefore should have abstained from the debate and vote.

"If they had not been able to vote, the neighborhood council would not have endorsed the project," Frankel said. Gwen Vuchsas, president of the neighborhood council, said she didn't vote on Playa Vista even though her security firm has not done work for the development firm for a few years. She said the Ethics Commission was correct not to require disclosure.

"We are only advisory," she said. "We are not making decisions on how the city spends its money."