

Agenda Report Reviewed by:
City Manager: 

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: February 16, 2021
To: Honorable Mayor and City Councilmembers
From: City Clerk
Subject: Public Hearing – Waiving of First Reading and Introduction of Ordinance Titled Electronic Filing and Administration of Fair Political Practices Commission (FPPC) Disclosure Statements and Statements of Economic Interest Forms
Recommendation: That the City Council Receive the Report, Conduct the Public Hearing and Consider Approval of Waiving of First Reading and Introduction of Ordinance Related to Electronic Filing and Administration of Fair Political Practices Commission (FPPC) Disclosure Statements and Statements of Economic Interest Forms and Authorize City staff to Execute Contract with Granicus
Funding: Currently Budgeted: XX Yes No N/A
Net General Fund Cost: \$ 1170.00

Account Code 100-10-01-4330 | Costs authorized in City Approved Budget AK (verified by Administrative Services Department)

INTRODUCTION/PURPOSE:

This item is for City Council consideration of Waiving of First Reading and Introduction of Ordinance adding Section 2.10 of the Sebastopol Municipal Code requiring electronic filing of campaign finance disclosure statements and Statements of Economic Interests

BACKGROUND:

The California Political Reform Act (Gov. Code § 84100) requires the filing of Campaign Disclosure Statements by any person or combination of persons who will be raising or spending money in local elections, including but not limited to local candidates for elective office, or those supporting or opposing local candidates or ballot measures. It also requires all elected and appointed officials and designated employees to file Statements of Economic Interest with either the FPPC or the local filing officer. In Sebastopol the Filing Officer is the City Clerk.

Since the enactment of the Political Reform Act of 1974, candidates and committees have complied with filing requirements by filing paper copies of campaign statements and reports. The Political Reform Act of 1974 requires that “all reports and statements filed under this title shall be signed under penalty of perjury and verified by the filer” (Government Code section 81004). For paper filings, those signatures must be original, “wet” signatures.

On January 1, 2013, Assembly Bill 2452 went into effect adding Government Code section 84615 of the Political Reform Act of 1974 which allows a local government agency to require online or electronic filing for an elected officer, candidate, committee, or other person who is required to file statements, reports, or other documents under the Political Reform Act, so long as the filer receives contributions or makes expenditures totaling two thousand dollars (\$2,000) or more in a calendar year (FPPC Campaign Regulations).

Since passage, many local government agencies throughout California have chosen to enact paperless filing as a courtesy to their campaign filers, to increase staff efficiency, and to help reduce the use of paper. Further, the FPPC supports and encourages efforts to move from a paper-based reporting system to a more transparent electronic system.

Electronic filing makes it easier for officials to comply with reporting obligations and provides the public with information in a more accessible and consistent format. Electronic filing will also result in less paper being printed and handled, a change consistent with the City's Zero Waste Goals.

DISCUSSION:

Due to the continuing COVID-19 pandemic as well as ensuring transparency, City staff continues to review ways for increased reporting transparency in all aspects of City government.

At their January 19, 2021 City Council Meeting, the City Council received a survey from CoMission discussing civic engagement and reaching out to the City. The respondents to the survey provided a great variety of feedback for preferred methods of communicating and disseminating information, and ways the City could refine operational methods to increase effectiveness and value over time. Moving in the direction of requiring electronic campaign statement filing will improve transparency, as it makes these filings easily searchable, legible, and consistently presented on our City's website.

There are additional benefits to electronic campaign statement filings:

- The City will offer this program at no expense to filers.
- It will help to ensure a greater level of consistency and equity between candidate filings.
- Ensures the integrity of the data transmitted and includes safeguards against tampering or altering the data.
- All filings will have a professional appearance and include quality control checks to ensure that no required entries are missed.
- The campaign disclosure statements would instantly post to the City's website the same day as filed.
- City staff will continue to provide assistance for those filers who cannot file electronically.

Public access to campaign disclosure information is a vital and integral component of a fully informed electorate. Transparency in campaign financing is critical in order to maintain public trust and support of the political process. The FPPC also supports efforts to move from a paper-based reporting system to a more transparent electronic system. Electronic filing makes it easier for officials to comply with reporting obligations and provides the public with the information in a more accessible and consistent format.

The FPPC is the authority for approving and certifying electronic filing systems for Statements of Economic Interests (Form 700). Granicus is an approved vendor. Cities and Governmental Agencies that participate in this program reported several benefits, such as lower administrative costs, more accurate reporting, and an increase in the number of statements filed on time.

In the event that a filer does not possess the equipment to file electronically, the City Clerk will work with the filer to obtain access to the City's electronic filing system.

Per California Government Code Section 84615, local jurisdictions may require the filing of campaign statements and reports solely in an electronic form and must adopt an ordinance to specify this requirement. That ordinance is before the City Council tonight for first reading and introduction.

The Statement of Economic Interests (Form 700) electronic filing component does not require an ordinance by law to implement; however, it is recommended the City Council adopt electronic filing of Form 700 by ordinance

to require filers to submit the form electronically to ensure compliance with timely filing and improve accuracy in filed statements.

The law prescribes criteria that must be satisfied by a local government agency to require online or electronic filing of statements, reports, or other documents, which include the following:

- The system must ensure the integrity of the data and include safeguards against efforts to tamper with, manipulate, alter or subvert the data;
- The system must only accept a filing in the standardized record format developed by the Secretary of State and compatible with the Secretary of State's system for receiving an online or electronic filing;
- The system must be available free of charge to filers and to the public for viewing filings.

The City Clerk is the local filing officer for campaign disclosure statements filed by candidates, committees, and officeholders, as well as for statements of economic interest (commonly known as Form 700) filed by designated public officials, employees, and consultants. The Clerk currently receives all campaign disclosure forms and Form 700 from filers in paper format who currently do not file on line with the FPPC and is responsible for the tracking, reviewing, redacting, scanning, storing, and making these documents available to the public for review. In the interest of increased efficiency for filers and staff, decreased paper use, and increased transparency to the public, it is recommended that the City implement electronic filing for campaign disclosure statements and for those filers of Form 700 that do not currently file on line through FPPC such as City Staff, City Consultants, and the Design Review Board.

As mentioned above, all campaign statements and Filers who do not file Form 700's online through FPPC are currently filed with the City Clerk in hard copy. The City has a filers that are required to file an annual Form 700, as well as several Assuming Office and Leaving Office statements throughout the year as designated filers transition in and out of their respective positions.

The City Clerk also accepts campaign statements from candidates, campaign committees and ballot measure committees. Filings are tracked manually and notifications are sent individually to filers through a manual process. Paper filings require manual processes such as scanning, redacting personal information, cursory review for errors and omissions, and maintaining hard copy records. All manual processes completed by the City Clerk would be automated, redacted by the program, resulting in considerable savings of staff time. In addition, the use of an electronic filing system has shown to increase compliance and timely filing, likely due to the automated reminders and messaging programmed into the system. There would also be a decrease in the number of amendments submitted, attributable to system guidance as each section of disclosure forms are completed to ensure information is not omitted.

Some filers may resist converting from filing paper copies of statements to electronic filing due to perceived technical learning curves; however, feedback received from other City Clerks who have implemented electronic filing indicate that after filers receive training and start using the system, there is an increased preference for filing documents electronically.

Granicus is a web-based vendor-hosted application that utilizes "industry best practices" for securing data.

If approved, filers will be provided information/video as to how to file reports electronically (this is similar to the online filing of Form 700 currently being done through the FPPC website for City Filers). Electronic filing would be required upon the effective date of the proposed ordinance. City staff would send out information when the program becomes live and accessible through the City web site.

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, if staff receives public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public hearing comment portion of this item.

PUBLIC NOTICE:

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

FISCAL IMPACT:

Agencies that participate in an e-filing program have several benefits, such as lower administrative costs, more accurate reporting, and an increase in the number of statements filed on time. The cost for hosting this program is \$1161 for the first year; \$1219 for the second year; and \$1280 for the third year. After that the City will evaluate the contract for renewal.

RECOMMENDATION:

That the City Council Receive the Report, Conduct the Public Hearing and Approve Waiving of First Reading and Introduction of Ordinance Related to Electronic Filing and Administration of Fair Political Practices Commission (FPPC) Disclosure Statements and Statements of Economic Interest Forms and Authorize City staff to execute contract with Granicus.

ATTACHMENTS:

Proposed Ordinance

ORDINANCE NUMBER xxxx

An Ordinance of the City Council of the City of Sebastopol Adding Chapter 2.10 (Electronic Filing of Campaign Finance Disclosure and Statements of Economic Interests) to Title 2 (Administration and Personnel) of the City of Sebastopol Municipal Code Relating to Electronic Filing of Campaign Statements and Statements of Economic Interests

WHEREAS, the City of Sebastopol finds that public access to campaign disclosure information is a vital and integral component of a fully informed electorate. Transparency in campaign financing is critical in order to maintain public trust and support of the political process; and

WHEREAS, Since the enactment of the Political Reform Act candidates and committees have complied with filing requirements by filing paper copies of campaign statements and reports. The City of Sebastopol City Clerk's Office has expended a significant amount of staff time to make such paper filings readily available to the public; and

WHEREAS, In July 2012, the California Legislature approved Assembly Bill 2452 which authorizes local jurisdictions to require the filing of campaign statements and reports solely in an electronic format. The Governor approved the legislation on July 13, 2012 and it took effect on January 1, 2013. Government Code Section 84615 currently provides that a local agency may adopt an Ordinance to require an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 of the Political Reform Act (commencing with Section 84100 of the Government Code), except an elected officer, candidate, committee, or other person who receives contributions totaling less than \$2,000 and who makes independent expenditures totaling less than \$2,000 in a calendar year, to file those statements, reports, or other documents online or electronically with the local filing officer; and

WHEREAS, the City of Sebastopol intends to enter into an agreement with Granicus, a vendor approved by the California Secretary of State, to provide an online electronic filing system ("System") for campaign disclosure statements and statements of economic interest forms; and

WHEREAS, the City of Sebastopol finds that by eliminating manual processing of filings, electronic filing requirements will conserve resources and advance the City of Sebastopol's Zero Waste goals, and ensure the public has access to information disclosed in campaign statements and reports in a timelier manner; and

WHEREAS, the System will operate securely and effectively and will not unduly burden filers. Specifically: (1) the System will ensure the integrity of the data and includes safeguards against efforts to tamper with, manipulate, alter, or subvert the data; (2) the System will only accept a filing in the standardized record format developed by the Secretary of State and compatible with the Secretary of State's system for receiving an online or electronic filing; and (3) the System will be available free of charge to filers and to the public for viewing filings; and

WHEREAS, the City of Sebastopol desires to amend Title 2 of the City of Sebastopol Municipal Code (Administration and Personnel) to add a new Chapter relating to electronic filing of campaign and conflict of interest statements.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SEBASTOPOLE DOES ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The purpose of this Ordinance is to require online electronic filing of campaign statements and require online reporting of contributions and independent expenditures regarding elections of

Candidates to the City of Sebastopol offices and the qualification or passage of local ballot measures within the City of Sebastopol as currently required under the Political Reform Act, (commencing with California Government Code Section 84200 et seq.) in order to facilitate review and maximize the availability of this information to the public.

- SECTION 3. This Ordinance is adopted pursuant to California Government Code Section 81013 which authorizes local agencies to impose additional requirements on any person so long as the requirements do not prevent the person from complying with the Political Reform Act.
- SECTION 4. This Ordinance is intended to supplement the Political Reform Act as amended. Unless a word or term is specifically defined in this Ordinance or the contrary is stated or clearly appears from the context, words and terms shall have the same meaning as when they are used in Title 9 of the California Government Code, in which the Political Reform Act is codified, and as supplemented by the Regulations of the Fair Political Practices Commission as set forth in Title 2, Division 6 of the California Code of Regulations (“Regulations”), as well as any amendments to the Act or to the Regulations. If any provision of this Ordinance is held invalid, the terms of the Act and its Regulations control and supersede the terms of this Ordinance to the extent necessary to bring this Ordinance into full compliance therewith.
- SECTION 5. Chapter 2.10 is hereby added to Title 2 (Administration and Personnel) of the City of Sebastopol Municipal Code to read as follows: Chapter 2.10 ELECTRONIC FILING 2.100610 – Electronic filing of campaign statements and statements of economic interests.
- a. Any elected officer, candidate, committee or other person required to file statements, reports or other documents required by Chapter 4 of the Political Reform Act (commencing with Section 84100 of the Government Code), shall file such documents online or electronically with the City Clerk, unless exempt from the requirement to file online pursuant to Government Code section 84615(a) because the elected officer, candidate, committee or other person receives contributions totaling less than two thousand dollars (\$2,000) and makes expenditures totaling less than two thousand dollars (\$2,000) in a calendar year.
 - b. Any person holding a position listed in Government Code Section 82700 or designated in the City’s local conflict of interest code adopted pursuant to Government Code section 83700 shall file any required Statement of Economic Interest reports (Form 700) electronically with the City Clerk.
 - c. Filings set forth in Section 5 (a) and (b) which are filed and received electronically with the City Clerk are not required to also be filed with the City Clerk in paper format. An electronic filing will be the official record of such filing. Filers must sign electronic filings in the system under penalty of perjury.
 - d. In any instance in which an original statement, report or other document must be filed with the California Secretary of State and a copy of that statement, report or other document is required to be filed with the City Clerk, the filer may, but is not required to, file the copy electronically.
 - e. If the City Clerk’s electronic system is not capable of accepting a particular type of statement, report or other document, an elected officer, candidate, committee or other person shall file that document with the City Clerk in an alternative format.
 - f. Once a Candidate or Committee is subject to the electronic filing requirements imposed by this Ordinance, the Candidate or Committee will remain subject to the electronic filing requirements until the Candidate or Committee files a termination statement pursuant to the Political Reform Act.

SECTION 6. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378(b)(5), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is a governmental, organizational or administrative activity that will not result in direct or indirect changes in the environment.

SECTION 7. If any Person violates any provision of this Ordinance, he or she shall be liable to the Filing Officer at a minimum of ten (\$10) dollars per day of violation, in addition to any other legal remedies provided by law. This amount shall be deemed a penalty in accordance with Government Code Section 91013.

SECTION 8. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 9. A summary of this Ordinance shall be published in a newspaper published and circulated in the City of Sebastopol at least five (5) days prior to the City Council meeting at which the proposed Ordinance is to be adopted. A certified copy of the full text of the proposed Ordinance shall be posted in the office of the City Clerk. Within fifteen (15) days after adoption of the Ordinance, the summary with the names of those City Council members voting for and against the Ordinance shall be published again, and the City Clerk shall post a certified copy of the full text of such adopted Ordinance.

SECTION 6. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage.

APPROVED FOR WAIVING OF FIRST READING AND INTRODUCTION OF ORDINANCE at the Regular City Council Meeting of February 16, 2021.

SCHEDULED FOR SECOND READING AND ADOPTION OF ORDINANCE at the March 2, 2021 Regular City Council Meeting.

The above and foregoing Introduction of Ordinance approved at a meeting by the City Council on the 2nd day of February, 2021, following a roll call vote:

VOTE:
Ayes:
Noes:
Absent:
Abstain:

Mayor Una Glass

ATTEST: _____
Mary Gourley, City Clerk, MMC

APPROVED AS TO FORM: _____
Larry McLaughlin, City Attorney