



MEMORANDUM

TO: CITY COUNCIL

FROM: KELLY WETMORE, DIRECTOR OF LEGISLATIVE AND INFORMATION SERVICES/CITY CLERK

SUBJECT: CONSIDERATION OF ADOPTION OF AN ORDINANCE RELATED TO ELECTRONIC FILING AND ADMINISTRATION OF FAIR POLITICAL PRACTICES COMMISSION CAMPAIGN DISCLOSURE STATEMENTS AND STATEMENT OF ECONOMIC INTERESTS FORMS

DATE: JULY 28, 2020

SUMMARY OF ACTION:

Adoption of an Ordinance implementing electronic filing and administration of Fair Political Practices Commission (FPPC) campaign disclosure statements and statements of economic interest (Form 700).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is no fiscal impact related to adoption of the Ordinance. Electronic filing will provide significant cost savings by reducing staff time required for the tracking, scanning, redacting, and posting of campaign disclosure statements and the tracking of Form 700 filers. There will be no cost for system set up, implementation and use in FY 2020-21. Beginning in FY 2021-22, the annual cost of the system will be \$3,570 per year for a five-year period and will be funded from the Department's contractual services budget, which includes funds for records management services.

RECOMMENDATION:

It is recommended the City Council adopt an Ordinance adding Chapter 2.06 to Title 2 of the Arroyo Grande Municipal Code relating to electronic filing of campaign statements and statements of economic interests.

BACKGROUND:

At its July 14, 2020 meeting, the City Council introduced an Ordinance, without modification, to add Chapter 2.06 to Title 2 of the Arroyo Grande Municipal Code 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. In addition, the Ordinance will require designated public officials, employees, and consultants to file Statement of Economic Interests (Form 700) electronically.

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ANALYSIS OF ISSUES:

Electronic filing will make it easier for public officials, employees, and consultants, as well as candidates and treasurers, to comply with reporting obligations and will provide the public with information in a more accessible and consistent format. In addition, all manual processes currently completed by staff for paper filed documents would be automated, resulting in a considerable savings of staff time. Electronic filing will also result in less paper being printed and handled, a change consistent with the City's ongoing goal to reduce paper file storage.

The Ordinance is now ready for adoption. The Ordinance shall take effect thirty (30) days from its passage.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt the Ordinance;
2. Modify and re-introduce the Ordinance; or
3. Provide direction to staff.

ADVANTAGES:

Adoption of the proposed Ordinance will enable campaign disclosure and Form 700 statements to be filed electronically, providing more accuracy in filed statements, providing public access to statements through the City's website, providing a single log-in point for filing statements for multiple offices held, and significantly reducing or eliminating paper handling and tracking.

DISADVANTAGES:

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.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

A summary of the Ordinance was published in The Tribune on Wednesday, July 22, 2020, pursuant to State law. The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADDING CHAPTER 2.06 (ELECTRONIC FILING) TO TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO ELECTRONIC FILING OF CAMPAIGN STATEMENTS AND STATEMENTS OF ECONOMIC INTERESTS

WHEREAS, 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 Arroyo Grande intends to enter into an agreement with NetFile, Inc., 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 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 Arroyo Grande desires to amend Title 2 of the Arroyo Grande 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 ARROYO GRANDE DOES ORDAIN AS FOLLOWS:

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

SECTION 2. Chapter 2.06 is hereby added to Title 2 (Administration and Personnel) of the Arroyo Grande Municipal Code to read as follows:

Chapter 2.06 ELECTRONIC FILING

2.06.010 – Electronic filing of campaign statements and statements of economic interests.

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- 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 Sections 2.06.010(a) and 2.06.010(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.

SECTION 3. 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 4. 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 5. A summary of this Ordinance shall be published in a newspaper published and circulated in the City of Arroyo Grande 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

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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.

On motion by _____, seconded by _____, and by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

the foregoing Ordinance was adopted this 28th day of July, 2020.

CAREN RAY RUSSOM, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

BILL ROBESON, ACTING CITY MANAGER

APPROVED AS TO FORM:

TIMOTHY J. CARMEL, CITY ATTORNEY