



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager's Office

MEETING DATE: October 1, 2019

PREPARED BY: Alice Atkins, MMC, City Clerk

AGENDA LOCATION: AR-2

TITLE: Amendment to Title 2 of the Monrovia Municipal Code adding Chapter 2.22 Related to Electronic and Paperless Filing of Campaign Finance Disclosure Statements by Elected Officials, Candidates, or Committees; Introduction and First Reading of Ordinance No. 2019-08

OBJECTIVE: To make the necessary findings and adopt regulations allowing for the electronic and paperless filing of Campaign Finance Disclosure forms

BACKGROUND: Enacted in 2013, Government Code Section 84615 allows local government agencies to require an elected officer, candidate, committee or other person ("committees") to file statements, reports, or other documents online or electronically with its local filing officer. This does not include committees who receive contributions or make expenditures less than two thousand dollars (\$2,000) in a calendar year. This code further authorizes the City Clerk to accept electronic filings in lieu of paper filings.

In order for Monrovia to use and accept electronic campaign filings, the City Council must first adopt an ordinance with required findings approving the use of an electronic system, which includes that the system will operate securely and effectively and will not unduly burden filers. In addition, certain defined criteria must be satisfied by a local government agency, including, among others, that the system be available free of charge to filers, available to the public to view filings, and include procedures for filers to comply with the requirement that they sign statements and reports under penalty of perjury. At this time, according to the Secretary of State website, more than 150 local government agencies and 30 counties throughout California have chosen to enact paperless filing.

On December 4, 2018, the City Council approved an Agreement with NetFile and implementation of an electronic and paperless filing system for both Statement of Economic Interest (Form 700) and Campaign Finance Disclosure forms, with an indication that staff would bring back an ordinance at a later time for City Council consideration. In early 2019, the City Clerk's Office implemented the Form 700 module, with positive feedback from the City's designated filers as to its convenience and ease of use. Staff's recommendation for adoption of an ordinance now is related only to the campaign finance component of the NetFile system.

ANALYSIS: 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.

Although state law authorizes the City to mandate electronic filing, we recognize that such mandate could have a direct effect on those committees or individuals who do not have computer access or familiarity with computer programs. To ensure that the same opportunity to comply with the Political Reform Act is afforded to all committees without unduly burdening any one committee, the City Clerk recommends the Council approve an Opt-In/Out program. In short, to ensure reporting continuity and

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accurate accounting of contributions/expenditures, once a committee chooses to file a report electronically using NetFile, the committee is deemed to have “opted in” and shall be required to file all future statements electronically using the City Clerk’s system. On the other hand, any committee who wishes to continue to paper-file may “opt-out” of the electronic filing system by filing all original statements with the City Clerk. Should a Committee choose to only paper-file, the City Clerk will continue to accept such reports until the committee “opts-in.”

The NetFile system operates securely and effectively without unduly burdening filers, while providing immediate online access to redacted statements. Filers are able to input campaign finance information periodically, or all at once, with the system retaining and aggregating data specific to a campaign, to be used and carried over from one reporting period to the next. Accessibility to online statements can significantly reduce staff time spent on administration of campaign filings and will continue to demonstrate the greatest level of transparency by making reports immediately available to the public via the City’s webpage.

To ensure a smooth transition, and as part of the agreement an implementation of the system, NetFile will partner with the City Clerk’s Office to provide the necessary training and customer service to properly bring the campaign finance module online, as it did with the Form 700 system. The company’s experience and proven track record throughout California is one of the key reasons staff selected the NetFile system and for the City Clerk’s Office to recommend this action to the City Council now. The goal is to achieve 100% participation for active committees, as well as the yet to be determined number of candidates and committees that may be participating in the upcoming 2020 general municipal election.

ENVIRONMENTAL IMPACT: Implementation of the electronic campaign disclosure system is truly a paperless solution, by deeming the electronic copy as the official record, as well as giving greater access to reports without the need to produce hard copies.

FISCAL IMPACT: There is no cost associated with this action. Funding for the NetFile electronic filing system was previously approved by the City Council and is accounted for in the City Clerk’s operating budget.

OPTIONS: The following options are presented for consideration:

1. Make the necessary findings and adopt the proposed Ordinance No. 2019-08 allowing for the electronic and paperless filing of Campaign Finance Disclosure forms
2. Request additional information from staff before taking action
3. Reject the proposed ordinance and continue to require paper filings

RECOMMENDATION: Staff recommends option 1.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to introduce, waive further reading, and read by title only Ordinance No. 2019-08.

ORDINANCE NO. 2019-08

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
MONROVIA, CALIFORNIA, ADDING CHAPTER 2.22 TO THE
MONROVIA MUNICIPAL CODE REGARDING ELECTRONIC
AND PAPER METHODS OF FILING CAMPAIGN FINANCE
DISCLOSURE STATEMENTS**

**THE CITY COUNCIL OF THE CITY OF MONROVIA DOES HEREBY ORDAIN AS
FOLLOWS:**

WHEREAS, California Government Code Section 84615 provides that a legislative body of local government agency may adopt an ordinance that requires an elected offer, candidate, committee, or other person required to file statements, reports or other documents required by Chapter 4 of the Political Reform Act, except those whose contributions and expenditures each total less than two thousand dollars (\$2,000) in a calendar year, to file such statements, reports, or other documents online or electronically with the City Clerk; and

WHEREAS, the City Council expressly finds and determines that NetFile software web-based system, as proposed by the City Clerk, contains multiple safeguards to protect the integrity and security of the data, and will operate securely and effectively and will not unduly burden filers; and

WHEREAS, the software used by NetFile's electronic filing system has been certified by the Secretary of State and meets the requirements set by Government Code Section 84615; and

WHEREAS, the City Clerk and NetFile will operate the electronic filing system in compliance with the requirements of California Government Code Section 84615 and any other applicable laws.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROVIA DOES
HEREBY ORDAIN AS FOLLOWS:**

Section 1. New Chapter 2.22 is added Title 2 Administration and Personnel of the Pasadena Municipal Code to read as follows:

“CHAPTER 2.22 ELECTRONIC FILING OF CAMPAIGN DISCLOSURE INFORMATION

Sections:

- 2.22.010 Required Use of Electronic Filing System.
- 2.22.020 Paper Filing Not Required After Electronic Filing.
- 2.22.030 Filing Options When a Copy Must be Filed With City Clerk.
- 2.22.040 Paper Filing When Cannot File Electronically.
- 2.22.050 Internet Posting of Data.

§ 2.22.010 Required Use of Electronic Filing System.

(A) Except as set forth in subsection B of this Section 2.22.010, any elected officer, candidate, committee other person required to file specified statements, reports, forms, or other documents with the Monrovia City Clerk as required by Chapter 4 (commencing with Section 84100 of Title 9 of the California Government Code, also known as the Political Reform Act), and that has received contributions or made expenditures of \$2,000 or more in a calendar year, may electronically file such statement using the City's online system according to procedures established by the City Clerk. However, to ensure reporting continuity, once a statement, report, form, or other document is filed electronically on behalf of any elected officer, candidate, or committee, all future statements, reports, forms, and other documents filed on behalf of that officer, candidate or committee must be filed electronically.

(B) An elected officer, candidate, committee or other person may choose not to use the electronic filing system by filing all original statements, reports, forms, or other documents in paper format with the City Clerk, until such time as the City Council determines that electronic filing is mandatory for all filers.

§ 2.22.020 Paper Filing Not Required After Electronic Filing. Any elected officer, candidate, committee or other person who has electronically filed a statement, report, form, or other document using the City's online system is not also required to file a copy of that document in a paper format with the City Clerk.

§ 2.22.030 Filing Options When a Copy Must be Filed With City Clerk. In any instance in which an original statement, report, form, or other document must be filed with the Secretary of State or other agency, and a copy of that document is required to be filed with the City Clerk, the filer may electronically file a copy with the City Clerk, or may file in a paper format.

§ 2.22.040 Paper Filing When Cannot File Electronically. If, for technical reasons, the City's system is not capable of accepting a particular type of statement, report, form or other document, an elected officer, candidate, committee or other person shall timely file that document in paper format with the City Clerk.

§ 2.22.050 Internet Posting of Data. The City Clerk shall ensure that the City's system makes all electronically-filed statements, reports, forms, or other documents available on the internet in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt/deadline. The data made available on the internet shall not contain the street name of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed by the filer. The City Clerk's office shall also make a complete, unredacted copy of the statement, report, form, or other document available to the Fair Political Practices Commission for Government Code Section 87200 filers.

§ 2.22.060 Records Retention. The City Clerk's office shall maintain records according to the City's records retention schedule and applicable State law commencing from the date filed, a secured, official version of each online or electronic statement, report, form, or other document, which shall serve as the official version of that record.

§ 2.22.070 Administrative Policies and Procedures. The City Clerk is authorized to adopt such administrative policies and procedures as deemed necessary to implement this Chapter.”

SECTION 2. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be published as required by law.

INTRODUCED this 1st day of October, 2019.

PASSED, APPROVED, AND ADOPTED this 15th day of October 2019.

Tom Adams, Mayor
City of Monrovia

ATTEST:

APPROVED AS TO FORM:

Alice D. Atkins, MMC, City Clerk
City of Monrovia

Craig A. Steele, City Attorney
City of Monrovia