



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 20-1019, **Version:** 1

Item #: A-5.

CC -Introduction of an Ordinance Amending Title 3 of the Culver City Municipal Code (CCMC) to Add New Chapter 3.11, Electronic Filing, Requiring the Electronic Filing of Campaign Statements and Statements of Economic Interests.

Meeting Date: June 8, 2020

Contact Person/Dept: Jeremy Green, CMC/City Clerk, Administrative Services Department
Phone Number: (310) 253-5851

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☒ No ☐

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☐ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/04/2020);

Department Approval: Serena Wright-Black, Assistant City Manager (06/03/2020)

RECOMMENDATION

Staff recommends the City Council introduce an ordinance amending Title 3 of the Culver City Municipal Code (CCMC) to add new Chapter 3.11, Electronic Filing, requiring electronic filing of Campaign Statements and Statements of Economic Interests.

BACKGROUND/DISCUSSION

On January 1, 2013, Government Code §84615 went into effect, codifying Assembly Bill 2453, and, as amended effective January 1, 2019, allows a local government agency to mandate 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.

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. The system must be available free of charge to filers and the public for viewing filings and must include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury.

The California Fair Political Practices Commission 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 the information in a more accessible and consistent format. The law requires the FPPC to approve all electronic filing systems used by cities. Before a city may begin implementing an all-electronic filing system, the FPPC must review the program to ensure it complies with prescribed security and transparency protocols.

The City Clerk's office accepts filings of two major categories of economic disclosure documents: (1) campaign statements (commonly known as a Form 460) disclosing contributions to local candidate and ballot measure campaigns and (2) statements of economic interests (commonly known as a Form 700) from designated public officials and employees. In most instances, these documents are filed with the City Clerk and the City Clerk forwards copies to the FPPC. If the documents are not filed in a timely fashion, the FPPC imposes penalties on the filers.

There are many advantages to requiring electronic filing of disclosure documents. All FPPC forms are public records. By shifting to an electronic system, the public can directly access campaign statements on the City's website. The system is also beneficial to the end user by providing multiple prompts to ensure timely filing, storing previous statements for user ease, and permitting a single filing for multiple offices.

The proposed Ordinance (Attachment 1) requires all campaign statements and statements of economic interests be filed electronically. The ordinance incorporates the safeguards required by State law, including:

1. The system must ensure the integrity of the data and includes safeguards against efforts to tamper with, manipulate, alter or subvert the data;
2. 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; and
3. The system must be available free of charge to filers and to the public for viewing filings.

As of November 8, 2019, the FPPC has approved electronic filing systems for 34 state agencies, 42 county agencies, 134 city agencies, and 47 special district agencies.

To facilitate the full transition to electronic filing, the City Clerk's Office will continue to provide detailed instructions and one-on-one training. The City Clerk contacted the two vendors that are currently approved by the Secretary of State. The proposed vendor, NetFile, provided the best service and functionality for the same price of a five-year period.

The agreement with NetFile is within the City Manager's purchasing authority. If the City Council moves forward with introducing (and subsequently adopting) the Ordinance, the City will execute the agreement with NetFile.

FISCAL ANALYSIS

The contract with NetFile for the e-filing and administration system for both the campaign and statement of economic interests systems is free of charge for the first year through 6/30/2021 and then will be \$7,200 per year for up to five years. The cost will be funded by the Administrative Services Department budget beginning in Fiscal Year 2021-2022.

ATTACHMENTS

1. 2020-06-08_ATT-Proposed Ordinance

MOTION

That the City Council:

Introduce an ordinance amending Title 3 of the Culver City Municipal Code to add new Chapter 3.11, Electronic Filing, requiring electronic filing of Campaign Statements and Statements of Economic Interests.