

**WEST HOLLYWOOD
ETHICS REFORM TASK FORCE
SPECIAL MEETING AGENDA
MONDAY, AUGUST 31, 2015
6:30 P.M.**

**WEST HOLLYWOOD CITY HALL
8300 SANTA MONICA BOULEVARD
COMMUNITY MEETING ROOM – 1ST FLOOR**

1. **CALL TO ORDER** (Joseph Guardarrama)
 - A. Pledge of Allegiance
 - B. Reminder to Speak Clearly into Microphone and to Silence All Mobile Devices
 - C. Roll Call
 - D. Approval of Minutes (August 11, 2015)

2. **RECOMMENDATIONS TO COUNCIL REGARDING CHANGES TO CAMPAIGN FINANCE, LOBBYISTS & GOVERNMENT ETHICS**

PUBLIC COMMENT: This time is set aside for members of the public to address the Task Force on matters related to ethics reform and the City's regulations.

TASK FORCE comments and deliberations

3. **COMMENTS FROM STAFF**

This time is set aside for staff to provide any announcements or updates relevant to the Task Force's business.

4. **ADJOURNMENT** – The Ethics Reform Task Force has completed its business and will adjourn.

***For a compilation of the City's current regulations and laws in this area visit**

<http://www.weho.org/city-hall/boards-commissions/committees-and-task-forces/ethics-reform-task-force>

ETHICS REFORM TASK FORCE MEMBERS: Joseph Guardarrama, Elizabeth Ralston, Robert Stern
STAFF: Melissa Crowder, Assistant City Clerk; Christi Hogin, Assistant City Attorney

If you require special assistance to participate in this meeting (e.g., a signer for the hearing impaired), you must call, or submit your request in writing to the Office of the City Clerk at (323) 848-6356 at least 48 hours prior to the meeting. The City TDD line for the hearing impaired is (323) 848-6496.

Special meeting-related accommodations (e.g., transportation) may be provided upon written request to the Office of the City Clerk at least 48 hours prior to the meeting. For information on public transportation, call 1-323-GO-METRO (323/466-3876) or go to www.mta.net.

This agenda was posted at City Hall, the West Hollywood Library on San Vicente Boulevard, and the West Hollywood Sheriff's Station.

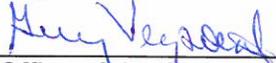
If you would like additional information on any item appearing on this agenda, please contact Melissa Crowder at (323) 848-6356 or via email at mcrowder@weho.org.

AFFIDAVIT OF POSTING

State of California)
County of Los Angeles)
City of West Hollywood)

I declare under penalty of perjury that I am employed by the City of West Hollywood in the Office of the City Clerk and that I posted this agenda on:

Date: **August 26, 2015**

Signature: 
Office of the City Clerk

SUBJECT: **ETHICS REFORM TOPICS OF DISCUSSION**
This staff report provides an analysis of the items that the Task Force has agreed to consider

INITIATED BY: CITY ATTORNEY'S OFFICE

PREPARED BY: CITY ATTORNEY'S OFFICE
Christi Hogin, Assistant City Attorney
Shahiedah Coates, Assistant City Attorney

STATEMENT OF THE SUBJECT:

The Task Force was created by City Council to evaluate the City's laws and regulations pertaining to government ethics and, if warranted, recommend revisions. To that end, the Task Force held meetings on July 11, July 14 and August 11, 2015 to hear the community's concerns and determine which items it will consider making recommendations to the City Council on. This report analyzes the items that the Task Force has decided to consider.

DISCUSSION: The City Council created the Task Force to evaluate the current City laws and regulations pertaining to government ethics and identified four key areas to be addressed by the Task Force: (1) Government Ethics; (2) Campaign Finance; and (3) Lobbyists. The Task Force was previously advised of the scope of the City's authority to enact and enforce rules in each area. The Task Force has decided to discuss potential recommendations to the City Council for reform in the areas listed below.

Ordinances Generally: Nothing in the Political Reform Act prevents the City from imposing additional requirements on any person if the requirements do not prevent the person from complying with the Act. Gov. Code § 81013. If the City Council adopts, amends, or repeals an ordinance or other provision of law affecting campaign contributions and expenditures pursuant to the recommendations of the Task Force, a copy of the action must be filed with the Fair Political Practices Commission ("FPPC"). Gov. Code § 81009.5(a).

1. Electronic Filing of Campaign Finance Statements

The Task Force will consider whether to recommend that the City require campaign finance reports to be filed with the City electronically. Currently, campaign finance reports are submitted directly to the City Clerk's office, which manually reviews filings for errors, requests amendments if the errors are

identified, and prepares correspondence to candidates regarding filings if necessary.

Implementing an electronic filing system would require amending the West Hollywood Municipal Code (WHMC) to require electronic submission of campaign statements, and the City would need to obtain software or engage a vendor to implement electronic filing. The City Clerk has obtained a quote from NetFile, which is used by several cities including the City of Santa Barbara. NetFile is able to accept campaign finance statements (FPPC Forms 410, 460, 461, 465, 470, 496, and 497) and Statements of Economic Interests (Form 700),¹ check submissions for errors, follow up with filers to coordinate amendments and corrections of filed reports (if necessary), generate status updates for the City, and communicate with filers. Additionally, NetFile would host filed reports for public viewing and make any necessary redactions. This service would relieve the City Clerk's office of a significant amount of labor hours, particularly during campaign cycles, ensure that required filings are accurate, and allow the City to free IT resources currently used to host documents that would be stored with NetFile.

NetFile has provided a quote of \$2,750 per quarter to host electronic filing of all campaign finance reports and up to 200 Form 700 filings, which would include setup, ongoing maintenance, ongoing training, ongoing support, and document storage.

2. Independent Expenditure Committee Disclaimers

The Task Force will consider whether to require disclosures of independent expenditure committees ("IECs") appearing on campaign communications to meet certain requirements, including an increase in font size from 10 point to 14 point type, disclosure of the top three contributors, and disclosure of donors that have contributed over \$5,000.

The California Political Reform Act and FPPC Regulations contain minimum disclosure requirements for IECs, including the requirement that committee information appear in no less than 10 point type on the outside of mass mailings, on door hangers, flyers, posters, and oversized campaign buttons and bumper stickers, and in newspaper ads. The attached FPPC IE Disclosure Chart summarizes the minimum disclosure requirements set forth in state law regulations. The City may impose additional disclosure requirements pursuant to Gov. Code § 81013.

¹ Certain public officials are required by state law to file a Statement of Economic Interests (Form 700) disclosing their investments and sources of income, and the City broadened the list of officials required to make these financial disclosures. The City's designated filers and disclosure categories specifying the types of interests to be reported are detailed in the City's conflict of interest policy.

Bob Stern has provided the following disclosure requirements for consideration:

“(a) An advertisement for or against a ballot measure or an independent expenditure for or against a candidate that is a campaign mass mailing or a print advertisement shall include a disclosure area on the largest page of the campaign mass mailing or print advertisement that satisfies all of the following:

(1) The disclosure area shall have a solid white background so as to be easily legible, and shall be in a printed or drawn box on the bottom of the page that is set apart from any other printed matter. All text in the disclosure area shall be black in color.

(2) The text “Ad Paid for by a Committee Whose Top Funders Are:” shall be located at the top of the disclosure area and centered horizontally in the disclosure area. The text shall be in an Arial equivalent type with a type size of at least 12-point for advertisements smaller than 93 square inches and at least 14-point for advertisements that are equal to, or larger than, 93 square inches.

(3) Immediately below the text described in paragraph (2) shall be the names of the three largest contributors of \$1,000 or more to the committee that disseminated the advertisement. The contributors shall each be disclosed on a separate horizontal line, in descending order, beginning with the largest contributor. The name of each of the contributors shall be centered horizontally in the disclosure area. The text shall identify each identifiable contributor in an Arial Narrow equivalent type with a type size of at least 10-point for advertisements smaller than 93 square inches and at least 12-point for advertisements that are equal to, or larger than, 93 square inches.

(4) The text “Paid for by [name of the committee that paid for the advertisement]” shall be located at the bottom of the disclosure area and shall be in an Arial Narrow equivalent type with at least 8-point type size for pages smaller than 8.5 inches and at least 10-point type size for pages that are equal to, or larger than, 8.5 inches by 11 inches.”

For the Task Force’s convenient reference

This is 12-point type

This is 10-point type

This is 14-point type

3. Consolidate Local Election Dates with State Elections

Consolidation of local elections with even-year state and/or federal elections is widely believed to improve voter turnout. The downside of consolidation is that it may result in excessively long ballots; some believe that the local issues may be eclipsed by state and national ones. West Hollywood currently holds its municipal elections in March of odd-numbered years, which is permitted under state law. However, several cities throughout the state have voluntarily rescheduled their local elections from odd-numbered years to even-numbered years concurrent with state elections. California Senate Bill 415 (Hueso) seeks to improve voter turnout

statewide by requiring local elections to be held on the same date as state elections starting on January 1, 2018 in jurisdictions with low voter turnout. The West Hollywood City Council adopted a resolution supporting SB 415 (attached), and the bill was passed by the Legislature on August 17, 2015. As of the date that this report was prepared, SB 415 awaits the Governor's signature. Although the City may be required to consolidate its elections starting in 2018 if SB 415 is signed by the Governor, the City may voluntarily adjust its election schedule sooner.

Absent SB415, the City could seek to consolidate elections with the County of Los Angeles. In addition to the established municipal election dates, currently Elections Code Section 1301(b)(1) states provides for consolidation by consent:

1301. (b) (1) Notwithstanding subdivision (a), a city council may enact an ordinance, pursuant to Division 10 (commencing with Section 10000), requiring its general municipal election to be held on the same day as the statewide direct primary election, the day of the statewide general election, on the day of school district elections as set forth in Section 1302, the first Tuesday after the first Monday of March in each odd-numbered year, or the second Tuesday of April in each year. Any ordinance adopted pursuant to this subdivision shall become operative upon approval by the board of supervisors.

Los Angeles County is currently allowing only a few cities to consolidate their elections with the County's November even-year elections. The County contends that its current voting infrastructure is inadequate for widespread consolidation. The County is conducting a countywide analysis of ballot capacity and voting system issues that may allow County staff to recommend to the Board of Supervisors that consolidation be approved for specific jurisdictions between now and the roll out of the new County voting system. After the new system is in place, the Registrar has indicated the County will be able to accommodate consolidation with even year elections for any city in the County interested in doing so. The current roll out target is 2019, with 2020 as the first year for consolidation. Until the analysis is complete, with County Executive Office approval, the County is unable to determine which jurisdictions could be allowed to consolidate.

If the Council changed its election date to November of even-numbered years, without the County's approval, the elections would be held as "concurrent" elections. This would entail two elections being administered separately on the same day. County election staff members, among others, have expressed concern with concurrent elections, in that they create confusing circumstances for both voters and officials. Additionally, obtaining adequate poll workers is difficult with one election, which would increase exponentially with two elections on the same day.

The Council would need to determine whether to lengthen or shorten the terms of existing Councilmembers or to implement the change with newly elected Councilmembers. Pursuant to Elections Code Section 10403.5(b), no term of office shall be increased or decreased by more than 12 months.

Other cities have presented ballot measures to the voters, asking if the election date should be changed and establishing when the change would take effect. The City Council could place a ballot measure on its March 2016 ballot to submit this matter to the voters. Alternatively, the Council may simply adopt an ordinance changing the City's election date and extending or shortening certain Councilmembers terms.

If the Council adopts an ordinance changing its election day, the ordinance would need to be approved by the Los Angeles County Board of Supervisors. Because the County is unable to accommodate the City on its ballot and has concerns with concurrent elections, this may create an obstacle for the City.

If the Governor signs SB413, the City would change its election date along with other cities.

4. Adopting an Ordinance to Codify City Regulations Regarding Gifts

State rules prohibit public officials and employees from receiving a gift or gifts totaling more than \$460 in a calendar year from certain sources, and requires gifts over \$50 to be reported on the annual Statement of Economic Interests (Form 700). The FPPC periodically adjusts the dollar amount of the gift limit. The City's gift policy is more restrictive.

The City's gift policy (Administrative Regulation No. 102) prohibits City officials and employees from accepting a gift from any person or entity with business before the City unless the gift (i) is edible and can be shared (such as candy); (ii) can be displayed publicly in City Hall (such as flowers and art) and is conveyed to the City Manager immediately upon receipt; or (iii) is turned over to the City Manager immediately upon receipt and used as a raffle prize, the proceeds from which shall be donated to charity or deposited in the City's general fund.

The Task Force indicated an interest in recommending that the City codify its existing gift regulations as an ordinance. The legal difference between a policy and an ordinance is the method of enforcement. Employees may be disciplined for violating City policy and commissioners may be removed from their office for violating City policy. A councilmember may be censured for violating City policy. Violations of City ordinances are punishable as misdemeanors or infractions or the City may impose administrative fines. Placing the restrictions in the Municipal Code would also increase public awareness of the gift restrictions.

5. Lobbyists Must Report Expenditures Exceeding \$1,000

State law does not regulate individuals or entities that lobby City officials and employees; therefore, the City may regulate such activity within the confines of the First Amendment. The City already requires lobbyists to identify themselves when doing business in the City. WHMC Chapter 2.72 defines lobbyists, requires lobbyists to register with the City, and restricts post-employment lobbying of designated employees and officials. Registration requires a lobbyist to provide the City with information specified in WHMC § 2.72.020 either in a written statement or a statement on the record at a public meeting.

The Task Force is considering whether to recommend an additional requirement that City lobbyists report expenditures exceeding \$1,000 to influence legislative or administrative actions would provide more information to the public with respect to how professionals are attempting to influence decisions in the City.

The Task Force expressed interest in the City of Los Angeles' regulation of lobbyists. Along with registering, Los Angeles prohibits lobbyists from the following:

SEC. 48.04 Prohibitions

No lobbyist or lobbying firm subject to the requirements of this Article shall:

- A. Do any act with the purpose and intent of placing any City official under personal obligation to the lobbyist, the lobbying firm, or to the lobbyist's or firm's employer or client.
- B. Fraudulently deceive or attempt to deceive any City official with regard to any material fact pertinent to any pending or proposed municipal legislation.
- C. Cause or influence the introduction of any municipal legislation for the purpose of thereafter being employed or retained to secure its passage or defeat.
- D. Cause any communication to be sent to any City official in the name of any nonexistent person or in the name of any existing person without the consent of such person.
- E. Make or arrange for any payment to a City official, or act as an agent or intermediary in making any such payment by any other person, if the arrangement or the payment would violate any provision of the City's Governmental Ethics Ordinance (Los Angeles Municipal Code Section 49.5.1, et seq.)

History:

Amended by Ord. No. 169916, effective

In addition, Los Angeles requires lobbyists to attend a city lobbying information session, to keep detailed records, and to make public disclosures including the following:

4. The date, amount and description of each activity expense of \$25 or more made by the lobbyist during the reporting period, the name and title of the City official benefiting from the expense, the name and address of the payee, and the client, if any, on whose behalf the expense was made. An activity expense shall be considered to be made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the lobbyist attempted to influence the official on behalf of the client.

5. The total amount of activity expenses made by the lobbyist during the reporting period, whether or not itemized.

6. The name of any elective City officer, candidate for elective City office, or any controlled committee of the officer or candidate to which the lobbyist made contributions of \$100 or more, or which were delivered by the lobbyist, or in connection with which the lobbyist acted as an intermediary during the reporting period, and the date and amount of the contribution.

7. The name of any elective City officer, candidate for elective City office, or any City controlled committee of the officer or candidate for which the lobbyist engaged in any fundraising activity during the reporting period, the date(s) of the activity and the amount of funds the lobbyist knows or has reason to know were raised as a result of the activity.

8. The date and amount of one or more contributions aggregating more than \$1,000 made by the lobbyist at the behest of an elective City officer or candidate for elective City office during the reporting period to any and all controlled committees of any other elective City officer or candidate for elective City office, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.

9. The date, amount and description of one or more donations aggregating \$1,000 or more made by the lobbyist at the behest of an elective City officer or candidate for elective City office during the reporting period to any religious, charitable or other nonprofit organization, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.

10. If, during the quarterly reporting period, the lobbyist provided compensated services, including consulting services, to the campaign of

any candidate for elective City office, or to a campaign for or against any City ballot measure, the name of the candidate, the elective City office sought by the candidate, the ballot number or letter of the ballot measure, the date of the election, the amount of compensation earned for the compensated services, and a description of the nature of the services provided. Such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, whether the compensation was provided directly to the lobbyist or to such business entity.

11. If, during the quarterly reporting period, the lobbyist provided compensated services under contract with the City or with any City agency, including consulting services, the amount of compensation received, the agency for which the services were provided, a description or other identification of the contract and the nature of the services provided. Such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, whether the compensation was provided directly to the lobbyist or to such business entity.

12. Each City agency that the lobbyist attempted to influence.

13. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.

SIDE NOTE: There was some discussion at the Task Force's previous meeting about the extent to which lawyers are subject to lobbyist regulations. Any person, lawyer or otherwise, who is engaged in activity defined as "lobbying" under the ordinance (i.e., employed, retained, or receives economic consideration to communicate with a public official "for the purpose of influencing legislative or administrative action." Gov. Code § 82039(a)(1); WHMC § 2.72.010) is subject to the City's lobbyist ordinance. Lawyers are not a class of individuals exempt *per se* from lobbyist restrictions. Cal. Bus. & Prof. Code § 6009(a) provides: "Notwithstanding any other provision of law, a city, county, or city and county may require attorneys who qualify as lobbyists, as defined by the local jurisdiction, to register and disclose their lobbying activities directed toward the local agencies of those jurisdictions, in the same manner and to the same extent such registration and disclosure is required of nonattorney lobbyists. Any prohibitions against specified activities by lobbyists enacted by a city, county, or city and county shall also apply to attorneys who qualify as lobbyists."

However, lobbyist ordinances do not apply to lawyers engaged in the practice of law and not activities that qualify as lobbying. Lawyers involvement in West Hollywood are predominately on behalf of developers and business license applicants. In both types of matters, there are laws that require exhaustion of

administrative remedies before being able to enforce certain rights in court. This reality makes advising on these types of matters, including advocating a client's position, to constitute the practice of law. Lawyers who are practicing law cannot be made to register as lobbyist. *Baron v. City of Los Angeles*, 2 Cal.3d 535, 544 (1970) (holding that a lobbyist ordinance was preempted by state law regulating the "practice of law" where it defined lobbying so broadly as to encompass activities performed by lawyers unrelated to lobbying as traditionally defined and for which a license to practice law is required). As summarized by the Court of Appeal in an unpublished case, "[*Baron*] held the ordinance could be not be applied to attorneys when they were engaged in activities which can only be performed by a licensed attorney, but was otherwise applicable to lawyers. As an example, the court said an attorney representing a client at a quasi-judicial hearing was exempt, but 'an attorney authorized by a client to appear at hearings considering local legislation *in order to argue for or against the adoption of that legislation* would be within the legitimate thrust of the ordinance.'" *Metropolitan News Co. v. County of Los Angeles*, Not Reported in Cal.Rptr.2d 2002 WL 652051 (April 22, 2002) (holding that a lawyer representing an unsuccessful bidder who attended meetings of the county board of supervisors and submitted speaker cards but did not speak was not engaged in lobbying and therefore not required to register as a lobbyist with the County).

6. Paid Campaign Staff Lobbying Restrictions

The City currently prohibits members of the City Council and their deputies, members of the Planning Commission, department heads, and division managers from engaging in lobbying City officials and employees within one year of leaving office. The Task Force will consider whether to recommend adding paid campaign staff to the list of "designated employees and officials" covered by the one-year post-employment ban. A significant portion of campaign activities are conducted by volunteers, with paid positions limited to campaign treasurers, campaign managers, and legal counsel.

7. Behested Payment Limit and Recusal

Behested payments are payments made at the behest of elected officials to be used for legislative, governmental or charitable purposes. Behested payments present a risk of quid-pro-quo corruption because an official may reward a person (i.e., applicant for a discretionary permit) for making a donation to the official's favorite charity or cause, for instance. State law requires reporting of bested payments solicited by state elected officials totaling \$5,000 or more per calendar year from a single source.

The City may adopt a policy regarding behested payments solicited by City officials, which may address expenditure limits, disclosure requirements, and

conflicts of interest. Placing a cap on behested payments would serve the same goal as campaign contribution limits. The amount should be low enough to deter corruption, but high enough to allow reasonable activities in a transparent environment. Additionally, the City may require officials to disclose behested payments over a certain amount to the City Clerk. Finally, the City may prohibit officials from participating in discretionary decisions affecting individuals who have made a behested payment on behalf of the official within a specific period of time, such as one year, and prohibit City officials from requesting behested payments from an individual for which the official made a discretionary decision within one year preceding the requested payment. The disclosure requirement will assist with enforcement of mandatory recusals.

8. City Sponsored/Hosted Candidate Forums

The Task Force will consider recommending that the City host candidate forums. Candidate forums provide an opportunity for the public to become informed about candidates. During the March 2015 election cycle, a public forum for city council candidates was co-sponsored by the West Hollywood Chamber of Commerce and the League of Women's Voters of Los Angeles Education Fund. Both were held in City Council Chambers at no cost to the sponsoring organization. The integrity and effectiveness of candidate forums entirely depends on the extent to which they are conducted in a fair and impartial manner.

On one hand, City-sponsored candidate forums may provide candidates a low-cost opportunity to communicate their message to the public. However, City-sponsored candidate forums may be perceived as less fair and impartial than forums sponsored by independent organizations. The public is likely to feel that incumbent City Councilmembers have influence over the forum's scheduling, selection of questions, and the public's access to the event. If this perception is strong enough, non-incumbents and/or the public may continue to demand an independent forum in addition to the City-sponsored event. Additionally, any irregularities in the event (even those outside of the City's control) have the potential to negatively affect the public's perception of the City.

The City may be able to increase public awareness of candidates and provide low-cost or free communication in alternative ways that would not compromise the perception of fairness and impartiality of candidate forums. The City already allows its Council Chambers to be used for the event, increasing public access. Additional efforts could include the City making videos of independently-sponsored forums available on the City's website, advertising forums on the City's website, at City Hall, and through other media. These kinds of activities would allow the City to contribute to increasing public access to candidates and forums without compromising the perception of fairness.

9. Archiving Campaign Materials on City Website

The Task Force will consider recommending that the City require submission of a copy of all campaign materials for which at least 200 copies are produced. The goal of this recommendation is to increase public education. However, there are several potential challenges to implementation of this recommendation.

- a. **Enforcement.** This recommendation is triggered by the production of at least 200 copies of campaign material. However, it is almost impossible for the City to know when 200 copies of a piece of campaign literature are produced. If the City receives a complaint from a member of the public regarding compliance with this requirement, the City would need to conduct an investigation. For traditional media, the investigation could be as simple as requesting an invoice from a printer, but an investigation may be complicated if the qualifying material is in a non-traditional format, such as emails or text messages.
- b. **Inconsistency with Sustainability Goals.** Encouraging campaigns to print copies of literature rather than using more sustainable forms of communication is inconsistent with the City's sustainability and innovation goals. Candidates may communicate their messages through radio, television, yard signs, door hangers, flyers, billboards, newspaper ads, buttons, text messages, telephone calls, email blasts, websites, social media webpages and posts, and electronic ads in audio and video format. Campaigns select the forms of media that most effectively communicate their message to a target audience. Creating free publicity for any piece of literature reproduced in 200 copies creates an incentive for campaigns to utilize traditional printed forms of communication over more sustainable and innovative forms.
- c. **Perception of Unfairness.** Candidates would comply with this requirement by voluntarily submitting a copy of campaign material to the City. If some candidates or ballot measures are represented in the City's online archive, but not others, a perception may develop that the City is unfairly giving free publicity to (or endorsing) certain candidates or positions.
- d. **Affiliation with Campaign Content.** Campaign materials may contain misrepresentation of fact, puffery, slander, and outright lies. The City should carefully consider whether it wants to provide a forum for communication of such content, especially since the First Amendment prohibits the City from regulating expressive communication based on content (meaning that the City could not

refuse to post messages that contain misrepresentations, slander, or lies).

- e. IT Resources. As public records, campaign materials archived on the City's website will be subject to the Public Records Act and the City's document retention schedule, which may prohibit deleting the materials for several years, placing additional burdens on the City's IT resources.

10. Increase \$500 Contribution Limit, Including Cost of Living Adjustments

State law authorizes the City to impose limits on campaign contributions. Elections Code § 10202 provides that a "city may, by ordinance, limit campaign contributions in municipal elections." Gov. Code § 81013 authorizes cities to impose "additional requirements" on any person that do not prevent compliance with the Political Reform Act. The City's interest in avoiding corruption outweighs an individual's First Amendment right to make unlimited contributions to a candidate. The contribution limit must be sufficiently high enough that it serves this important interest. The current limit on contributions to a candidate in West Hollywood is \$500.

West Hollywood may increase its contribution limit; however, it is currently on par with most cities in Los Angeles County that limit campaign contributions. According to one February 2015 study, of the 88 cities in Los Angeles County, 56 allow for unlimited contributions to city council candidates and the average contribution limit in the remaining cities is around \$550. Some cities have much higher limits of \$1,000 (including Commerce, Gardena, Glendale, Torrance) and \$1,500 (Downey). The attached infographic prepared by Grassrootslab details campaign contribution limits in Los Angeles County cities.

Campaign contributions typically take one of two forms: they are either made directly to a candidate (or a candidate-controlled committee) or to an IEC. Candidate contribution limits are designed to discourage quid-pro-quo corruption, or "buying" a candidate. A low contribution limit ensures that if a candidate takes office, he or she will not feel indebted to high campaign donors. However, alternative mechanisms are available for donors to support candidates (such as IECs and PACs), which are not subject to contribution limits or disclosure requirements in West Hollywood. Local election campaigns can cost tens of thousands of dollars, and contribution limits that are too low may drive a higher proportion of campaign funds to these "underground" and largely unregulated alternatives. A higher contribution limit would allow a greater proportion of campaign funds to remain transparent. An ideal contribution limit would balance the City's dual desires of deterring corruption and encouraging transparency.

Cost of living adjustments have been incorporated into some cities' campaign contribution limits. For instance, the City of San Diego's campaign contribution limits are tied to the Consumer Price Index. If West Hollywood makes its contribution limits adjust from year to year, the City will need to ensure that the public is adequately notified of changes in the limits.

Attachments:

1. January 22, 2014 NetFile Press Release
2. FPPC IE Disclosure Chart (2014)
3. City Council Resolution supporting SB 415
4. Grassrootslab Infographic Describing Contribution Limits in LA County



Contact: Tom Diebert
HQ Phone: (209) 742-4100
Fresno Phone: (559) 434-2045

FOR IMMEDIATE RELEASE
January 22, 2014

NETFILE SPEEDS TO 55!

NetFile, the industry leader and pioneer in paperless electronic filing and administration systems for Statements of Economic Interests (FPPC Form 700) and Campaign Disclosure (FPPC Forms 450,460,461,465,470,496, and 497) is proud to announce signing a contract with its 55th local government client in CA.

NetFile is the original innovator of hosting these paperless e-filing and administration systems so you do not have to install anything on your servers. NetFile clients don't waste precious IT hardware and labor resources. No need to constantly apply security updates and bug fixes with NetFile. All maintenance is done by NetFile to its servers so you don't have to. Your data is safe and secure being replicated to offsite locations to add redundancy. Both systems have an admin portal, filer portal, kiosk portal, and a public portal. You are also provided with duplicates of these in a test environment at no extra cost.

For the Campaign Disclosure e-filing and administration system, NetFile has no competition. NetFile is the only vendor approved for paperless filing of Campaign Statements in the State of CA. The first ever paperless Campaign Statement was filed January 22, 2013 by a committee in the City of San Diego. Many local government clients have sole sourced this system as a result. All of the benefits of the SEI e-filing and administration system mentioned above also apply to the Campaign system. In addition, the Campaign system also meets the CA Secretary of State standards for electronic filing of disclosure statements so filers using 3rd party software don't have to use the free filer portal to create their data. They simply upload their .cal document created from their 3rd party software.

NetFile is a privately held corporation based in Mariposa, CA and was established in 1998. NetFile is the originator and leader in e-filing and administration systems for both Campaign Disclosure and Statements of Economic Interests. All programming, sales, and support are based in California so all revenue supports local and state economies.

For more information contact Tom Diebert at (559) 434-2045 or diebert@netfile.com .

Statement of Economic Interests Form 700

E-Filing & Admin System

Filing Forms 700 & 800 Series Made Simple and Secure

Make your hard to track paper filing system obsolete with the industry leading provider of an e-filing system for the FPPC Form 700. Don't be fooled by companies with large start up costs and overseas programming. NetFile is the founder and leader of this market space with several thousands of e-filings made over many years and our system has no startup costs at all!

Being an online system, the agency, filer, and the public can access the system 24/7/365. Since this is a shared platform, the system is affordable for even the smallest local government client. NetFile offers around the clock support that is 100% based in California - no need to worry about foreign based support! All revenue stays in CA - not outsourced like the competition!

A sampling of NetFile's system advantages are:

- Several NetFile clients have already been FPPC approved as paperless agencies!
- Easily manage your filer's conflict of interest code
- Multiple levels of administration for admin and department level filing officers
- Database is kept current throughout the year - no more year-end panic!
- Public portal for 800 series form online requirement
- Multiple position filings are fast and efficient with NetFile
- Previous Form 700 Filer data populates new filing (huge time savings)!
- Works with any modern Windows PC, Mac, or Linux system with current browser
- NetFile is 100% based in CA (no outsourcing of work to other countries)

Features

Electronic Filing

Each Form 700 filer can self-register and is issued a unique Filer ID and password. A link from your website starts the filing process. The site is hosted by NetFile but looks just like your site. NetFile servers ensure fast and efficient filings. The submitted filing is validated to stop amendments from happening in the first place. Online video tutorials makes filing easy!

Agency Management Tool

The system acts as your repository of filers. Create the filers in the database just once. Notifications can be sent out via an e-mail blast to all filers or filers by department. Run your filing status report for an up to date filing receipt list. From the report you can see exactly who or who has not filed. This report can be run by department or for your entire database.

Paperless Filings, Paper Filings, or Both!

The system handles all types of filings. You can go entirely paperless, entirely paper based, or a combination of both!



SEI Form 700 E-Filing & Admin System Facts:

FPPC Paperless Approved

Several NetFile clients have been approved as paperless filing agencies by the FPPC. Very simple and easy approval process.

Many Years Proven Success

NetFile's local government clients in California have been using this system for many years. NetFile has numerous County and City clients who make several thousands of filings per year.

No Huge Upfront Costs

You pay a very reasonable ongoing fee. Affordable for most any sized agency.

Staff Support and Training Included in Ongoing Fee

Being a hosted solution, you enjoy a low ongoing cost that includes both staff support and training at no additional cost to you! There is no limit to the amount of staff support or training provided to our clients.

No Long Term Commitment

All our contracts have 30-day out clauses (for any reason)!

Data is Safe and Secure

Backups are made nightly for all of you and your filer's data. The data is sent offsite to multiple locations to ensure the safety and integrity of your data.

No IT Involvement Necessary

All IT has to do is place a link on your website (that's it)!

NetFile Dedication

NetFile has been in business since 1998. Providing e-filing systems and software is all we do! There are no other distractions to keep us from servicing our clients to the fullest extent!

Document Viewing Portal - Public Site

You can choose to have your filers' documents shown over the internet in redacted form with your own redaction specifications. You can even narrow down which filers you would want to show. Public site meets FPPC's mandated 30-day online posting requirements for certain 800 series forms!

Document Viewing Portal - Private Site

The system also comes with a kiosk mode that allows you to show filings in unredacted form but only in your office. That way if someone walks in requesting to view a filing, just point them to one of your computers to search for the filings. They could print to your internal printer if they wanted to purchase a hard copy. No more pulling files and making copies wasting valuable staff time!

NetFile is Number One in California

NetFile is California's first internet based accounting, disclosure, and data management system. Our clients account for over half of all electronic disclosure document filings in the state of California. For our local government platform, there have been several thousand e-filings made for both our SEI Filing and admin system as well as our Campaign Disclosure filing and admin system.

Unparalleled Training and Technical Support

Our business model is based on an ongoing service with no long term contractual commitments from our clients. This guarantees you the best in training and support!

Contact Information:

Company Name: **NetFile**
Address: 2707 Aurora Rd
Mariposa, CA 95338
Phone: (209) 742-4100 (Main Line & Support)
Phone: (559) 434-2045 (Local Government Sales)
Fax: (209) 391-2200
E-mail: sales@netfile.com
website: www.netfile.com

NOTE: NetFile also has an e-filing system for local government for campaign disclosure for the e-filing and admin of FPPC Forms 460, 496, 497 450, 461, 465 and 470.





NetFile Campaign Disclosure Form 460 *E-Filing & Admin System*

Filing FPCC Forms 460, 496, 497, 450, 461, 465 & 470

Make your hard to track paper filing system obsolete with the single source provider of an e-filing system for your Campaign Disclosure forms! You can have your own jurisdiction's e-filing and administration system for your campaign disclosure filings. The system supports both paperless (INDUSTRY EXCLUSIVE!) as well as paper filed documents.

Being an online system, the agency, filer, and the public can access the system 24/7/365. Since this is a shared platform, the system is affordable for even the smallest local government client. NetFile offers around the clock support that is 100% based in California - no need to worry about foreign based programming or support! All revenue stays in California.

NetFile's Campaign Disclosure Form 460 system advantages are:

- Get rid of paper filings with NetFile's exclusive paperless solution!
- System supports paperless, paper, or a combination of these types of filings
- Reduces the amount of time spent on administration
- Internal kiosk mode makes public requests for documents quick and easy
- Public site posts filings automatically in redacted form
- Automatically generate letters (welcome, notification, amendment, late, fine, etc...)
- Validation significantly reduces amount of amendments for filers
- Works with any modern Windows PC, Mac, or Linux system with current browser
- NetFile is 100% based in CA (no outsourcing of work)

Features

Electronic Filing

Filers can input their data as they go or all at one time. Filers can generate drafts for review. A link from your website starts the filing process. The site is hosted by NetFile but looks just like your site. Our servers ensure fast and efficient filings. The submitted filing is validated to help prevent amendments from happening in the first place.

Agency Management Tool

The system acts as your repository of filers. Create the filers in the database just once. Instant notifications to staff when an e-filing has occurred. System also handles paper filed documents. Just redact and upload for public viewing over the internet. You can even show filings by election cycle on the public site. Notification, late, and fine letters can also be automatically generated. Custom letters with your letterhead are also accommodated.

Campaign Disclosure E-filing/Admin Facts:

Paperless is here!

NetFile is the only system available to allow a City or County in CA to get rid of paper filed Campaign Statements.

Many Years Proven Success

NetFile's local government clients in California have been using this system for several years. Don't be fooled by companies claiming to have an e-filing system but all it is doing is barcoding paper filings.

No Setup Fees

You don't have any hidden costs for setting up your agency.

Staff Support and Training Included in Fee

Being a hosted solution, you enjoy a low ongoing cost that includes both staff support and training at no additional cost to you! There is no limit to the amount of staff support or training provided to our clients.

No Long Term Commitment

All our contracts have 30-day out clauses (for any reason)!

Data is Safe and Secure

Backups are made nightly for all of you and your filer's data. The data is sent offsite to multiple locations to ensure the safety and integrity of your data.

No IT Involvement Necessary

All IT has to do is place a link on your website (that's it)!

NetFile Dedication

NetFile has been in business since 1998. Providing e-filing systems and software is all we do! There are no other distractions to keep us from servicing our clients to the fullest extent!

Document Viewing Portal - Public Site

Every e-filed document is automatically posted to the public site in redacted format. The public site includes advanced search features to help the public find the data important to them.

Document Viewing Portal - Private Site

The system also comes with a kiosk mode that allows you to show filings in unredacted form but only in your office. That way if someone walks in requesting to view a filing, just point them to one of your computers to search for the filings. They could print to your internal printer if they wanted to purchase a hard copy. No more pulling files and making copies wasting valuable staff time!

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Fax: (209) 391-2200
E-mail: sales@netfile.com
website: www.netfile.com

NOTE: NetFile also has an e-filing and administration system for local government for Statements of Economic Interests FPPC Form 700 and supports all 800 Series FPPC Forms as well!



THE E-FILING LEADER



Political Advertising Disclaimers

4. Independent Expenditure Ads on Ballot Measures

(by general purpose recipient committees, major donors, and independent expenditure committees)

The disclaimer must include, unless other wise noted: "Paid for by committee name"

Examples:

- "This call was paid for by ABC Trade Association"
- "This ad was paid for by Susan Johnson"

Communication	Manner of Display
All mass mailings (more than 200) (see note)	<ul style="list-style-type: none"> • Committee name/address (on file with Forms 410 or 461) on outside of mailing in no less than 10 pt type/contrasting color
Telephone calls (more than 200) - made by vendors ("robo" calls) or paid individuals	<ul style="list-style-type: none"> • Disclaimer must state the call is "paid for by" committee name • Must be at least 3 seconds at beginning or end of call
Radio	<ul style="list-style-type: none"> • Must be at least 3 seconds either at beginning or end of the ad
Television	<ul style="list-style-type: none"> • Both written & spoken at the beginning or end of ad • Not less than 4 seconds • Size & contrasting color must be legible to the average viewer • <u>Exception</u> - no spoken disclosure required if written statement is shown for at least 5 seconds on a 30 second broadcast or 10 seconds on 60 second broadcast
Electronic Media 1. Websites, blast emails, Facebook posts 2. Ads of limited size (micro bar, button ad, ads limited to 500 characters or less) 3. SMS texts 4. Electronic ads sent in an audio format 5. Electronic ads sent in a video format	1. Disclaimer statement must be in the same font size as majority of text and displayed conspicuously near the ad 2. Ad must provide disclaimer via rollover, link or other connection to website with the disclaimer 3. Include the committee ID number and if technically possible link to the committee's campaign statement on Secretary of State's website 4. Same requirements as for radio ads above 5. Same requirements as for television ads above

Independent Expenditures - Ballot Measures Ads

Communication	Manner of Display
Paid spokesperson - \$5,000 or more	<ul style="list-style-type: none"> • Printed or televised ad: shown continuously in highly visible roman font • Radio broadcast or phone message: spoken in clearly audible format • Both must also include: "spokesperson's name is being paid by this campaign or its donors"
Newspaper ads	<ul style="list-style-type: none"> • 10 pt type in contrasting color • Also check the Elections Code
Yard Signs (more than 200) Billboards	<ul style="list-style-type: none"> • 5% of height of ad in contrasting color
Door hangers, flyers, posters, and oversized campaign buttons and bumper stickers (buttons 10" across or larger and stickers 60 sq. in. or larger) (more than 200)	<ul style="list-style-type: none"> • 10 pt type in contrasting color

Note: Two display rules exist for mass mailings. A mass mailing must have the committee name/address on the outside of an envelope in 6 pt type; while the manner of display for the ad disclaimer requires the committee name in no less than 10 pt type. Often a one-page mailer combines the display rules with both the committee name and address in no less than 10 pt type although the address may be at 6 pt. type.

The information on this chart does not carry the force of law. If there are any discrepancies between the chart and the Act or its corresponding regulations and opinions, the Act and its regulations and opinions will control.

References: [Government Code Sections: 82031, 84305, 84310, 84506, 84507, 84509, 84511.](#)
[Title 2 Regulations: 18225, 18435, 18440, 18450.1, 18450.4, 18450.5.](#)

SUBJECT: A RESOLUTION IN SUPPORT OF SB 415 (HUESO) THE CALIFORNIA VOTER PARTICIPATION RIGHTS ACT.

INITIATED BY: MAYOR LINDSEY HORVATH

COUNCILMEMBER JOHN D'AMICO

(Andi Lovano, Project Development Administrator) 

STATEMENT ON THE SUBJECT:

The City Council will consider adopting a resolution in support of SB 415 (Hueso), the California Voter Participation Rights Act, which would require a local government to hold an election on a statewide election date if holding an election on a non-concurrent date has previously resulted in a significant decrease in voter turnout.

RECOMMENDATIONS:

1. Adopt Resolution No. 15 - 4741 "A RESOLUTION IN SUPPORT OF SB 415 (HUESO) THE CALIFORNIA VOTER PARTICIPATION RIGHTS ACT."
2. Direct staff to send signed copies of the adopted resolution to the offices of Governor Jerry Brown, Assemblymember Richard Bloom, Senator Ben Allen, and other statewide partners as appropriate.

BACKGROUND ANALYSIS:

Local elections in California have had extremely low voter turnouts when they are not consolidated with state and/or federal elections. In its March 2015 election, the City of Los Angeles saw a turnout of about 10%. Other jurisdictions have had single-digit voter turnout rates. A survey of 350 California cities by The Public Policy Institute of California found that moving an election to be synchronized with the even year state elections can result in a 21-36 percent boost in voter turnout for municipal and other local elections.

Senator Ben Hueso (D-San Diego) has introduced SB 415. SB 415, the Voter Participation Rights Act, would prohibit a local government from holding an election on a date other than on a statewide election date if, in doing so previously, the voter turnout resulted in a "significant decrease in voter turnout". "Significant decrease in voter turnout" is defined in the bill as the voter turnout for a regularly scheduled local election is at least 25 percent less than the average voter turnout within that local government for the previous four statewide general elections.

The bill would require the consolidation of elections starting on January 1, 2018. SB 415 will also allow a voter to file an action in Superior Court to enforce the prohibition if the voter is living in a local jurisdiction where the jurisdiction has not complied with the election consolidation law. The provisions of this bill would not apply to special elections.

SB 415 is currently pending in the state Senate for a concurrence vote on amendments that have been adopted in the state Assembly.

West Hollywood currently holds its municipal elections on the first Tuesday after the first Monday in March of each odd-numbered year, which is an established election date under state law. According to the "significant decrease" formula in SB 415, West Hollywood would be required to consolidate its elections with statewide elections conducted by Los Angeles County. The average West Hollywood voter turnout for the last four statewide general elections was about 65%. Twenty-five percent less than the average is 49%. West Hollywood's voter turnout for the most recent local election in March 2015 was 20%, which is below the 49% required. West Hollywood's voter turnout rate from March 2015 is consistent with the last several elections – 2013 was 20%, 2011 was 25%, 2009 was 18%.

Consolidating West Hollywood's elections with Los Angeles County may have a fiscal impact for the city, but it is unknown at this time if the impact would be positive or negative. Currently, the County is unable to provide a cost estimate because the Board of Supervisors' policy is to prohibit consolidation with statewide elections which are held in November of even-numbered years. The City Clerk has requested the County provide a cost estimate for consolidation in odd-numbered years. The reason the County denies such requests is because the current ballot style and voting system have a finite capacity and would have insufficient space to accommodate additional contests and/or measures. The County is currently developing a new voting system that it anticipates would have sufficient capacity to allow for consolidation with other jurisdictions. The new system is expected to be available by 2020.

The City of West Hollywood has taken a very active role in getting the word out about local elections and making voting accessible to all residents who wish to vote. For the special election held in June 2015, the City had an extensive public outreach campaign that included streetlamp pole banners, postcards, print advertising, digital/social media advertising, and a public service announcement featuring YouTube personalities. These efforts have helped West Hollywood's voter turnout remain higher than some other jurisdictions; however, the turnout rate is still much lower in local elections than in state and federal elections. The City supports efforts to increase voter turnout and engage constituents in the election process.

CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD GENERAL PLAN:

This item is consistent with one of the City's Ongoing Strategic Goal of **Actively Participate in Regional Issues**.

Additionally, this item is consistent with West Hollywood General Plan goal:

G-1: Ensure that the community is active and engaged in the decision-making process.”

EVALUATION:

Staff will track the progress of SB 415 as the bill moves through the legislative process.

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

N/A

OFFICE OF PRIMARY RESPONSIBILITY:

City Lobbyist Helyne Meshar.

FISCAL IMPACT:

There is no fiscal impact to support this bill. If adopted, the consolidation of elections may have a fiscal impact on the City. Whether the fiscal impact will be positive or negative is currently unknown.

ATTACHMENT:

Resolution No. 15-_____ “A RESOLUTION IN SUPPORT OF SB 415 (HUESO) THE CALIFORNIA VOTER PARTICIPATION RIGHTS ACT.”

RESOLUTION NO. 15- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
WEST HOLLYWOOD IN SUPPORT OF SB 415 (HUESO)
THE CALIFORNIA VOTER PARTICIPATION RIGHTS ACT

WHEREAS, SB 415, The California Voter Participation Rights Act, was introduced by Senator Ben Hueso (D-San Diego) and would require a local government to hold an election on a statewide election date if holding an election on a non-concurrent date has previously resulted in a significant decrease in voter turnout; and,

WHEREAS, "Significant decrease in voter turnout" is defined in the bill as the voter turnout for a regularly scheduled local election is at least 25 percent less than the average voter turnout within that local government for the previous four statewide general elections; and,

WHEREAS, Local elections in California have had extremely low voter turnouts when they are not consolidated with state and/or federal elections, with some jurisdictions seeing single-digit voter turnout rates; and,

WHEREAS, a survey of California cities found that moving an election to be synchronized with the even-year statewide elections can result in a 21-36 percent boost in voter turnout for municipal and other local elections; and,

WHEREAS, the City of West Hollywood holds its city election on the first Tuesday after the first Monday in March of each odd-numbered year, which is an established election date under state law, but is not concurrent with a statewide election; and,

WHEREAS, According to the "significant decrease" formula in SB 415, West Hollywood would be required to consolidate its elections with statewide elections conducted by Los Angeles County starting in January 2018; and,

WHEREAS, The City of West Hollywood supports efforts to increase voter turnout and engage constituents in the election process; and,

WHEREAS, The City of West Hollywood has taken a very active role in getting the word out about local elections and making voting accessible to all residents who wish to vote; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of West Hollywood hereby supports SB 415 (Hueso) the California Voter Participation Rights Act.

PASSED, APPROVED AND ADOPTED THIS 3rd day of August, 2015.

Lindsey Horvath, Mayor

ATTEST:

Yvonne Quarker, City Clerk

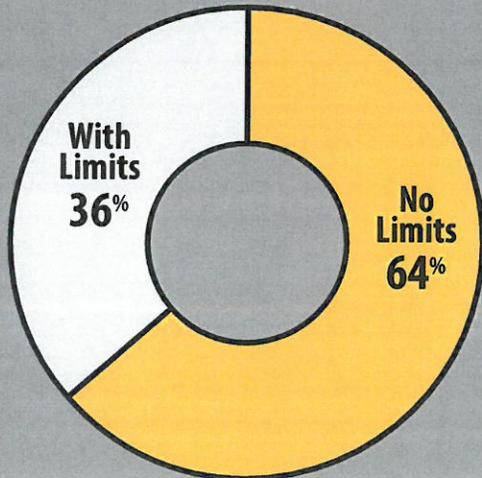
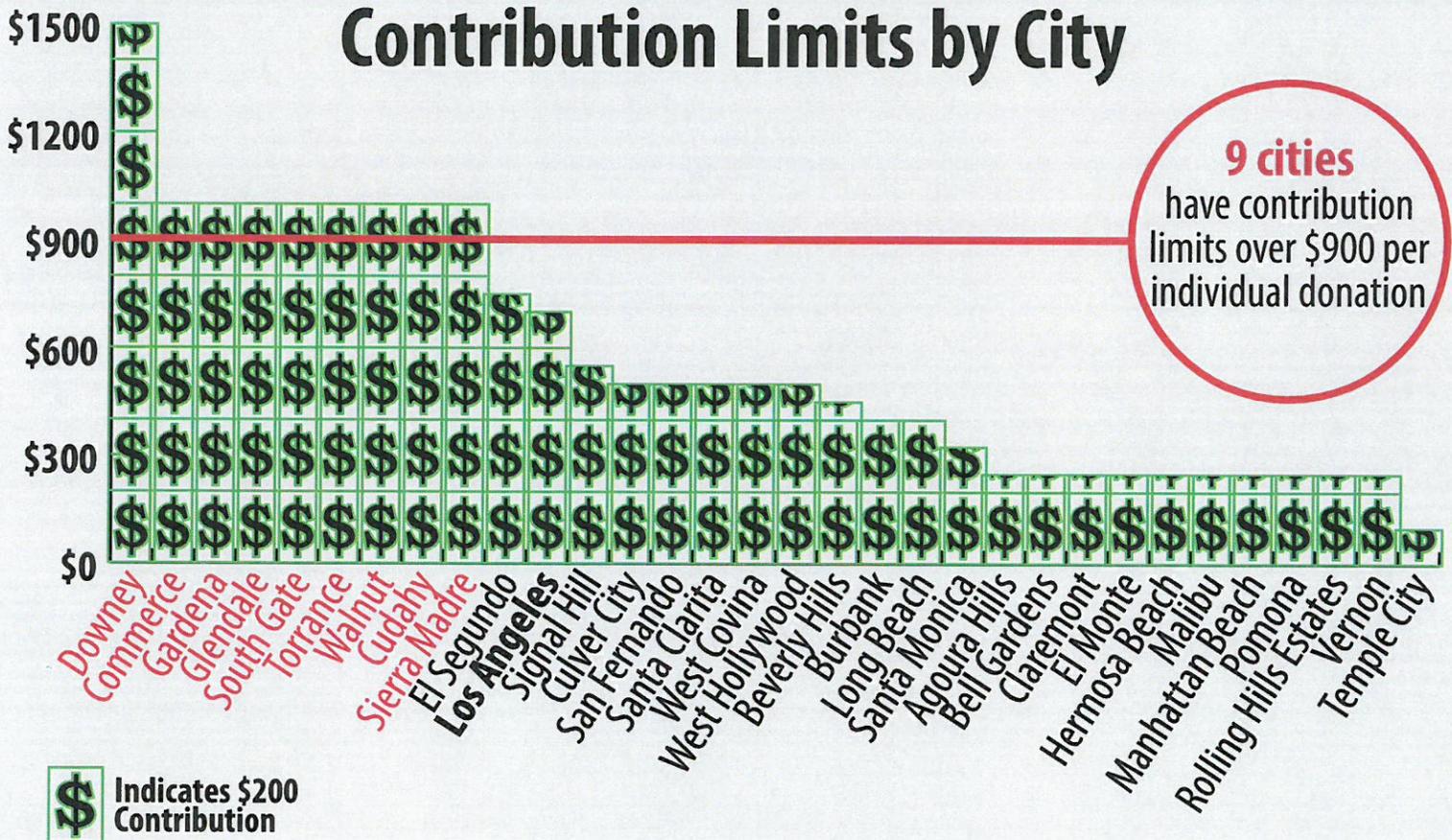
Campaign Contribution Limits

for the **88** cities in Los Angeles County

GrassrootsLab

32 Cities have campaign contribution limits for individual donations to city council candidates

Contribution Limits by City



56 Cities have no campaign contribution limits