



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of January 26, 2021

TO: Members of the City Council

SUBMITTED BY: Lori Martin, Administrative Services Director/City Clerk

SUBJECT: Second Reading and Adoption of Ordinance No. 532 Adding Chapter 2-1.06 to Title 2 "Administration" entitled "Electronic Filing of Campaign Disclosure Documents".

RECOMMENDED ACTION: Consider waiving the second reading and adopt Ordinance 532 amending Title 2 of the Hercules Municipal Code by adding Chapter 2-1.06, "Electronic Filing of Campaign Disclosure Documents".

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:

There was no commission or subcommittee review of this item.

FISCAL IMPACT OF RECOMMENDATION:

If the proposed Ordinance is approved by City Council, staff will review options to process the electronic filing of campaign disclosure documents by retaining the services of a third-party vendor who specialize in this type of work. The annual cost for this service/subscription is \$3700 which includes a \$900/year discount if the Campaign Disclosure E-Filing is combined with the Form 700 E-Filing. The cost for just the Campaign Disclosure E-Filing on its own would be \$3400 annually. The annual cost can be accommodated within the adopted City Clerk Department and Information Technology Department budgets for Fiscal Year 2020-21.

DISCUSSION:

The City Council held a public hearing on January 12, 2021 and waived the reading and approved the introduction of Ordinance 532.

Effective January 1, 2021, State Assembly Bill 2151 will require a local government agency to post on its internet website, within 72 hours of the applicable filing deadline, a copy of any specified statement, report, or other document filed with that agency in paper format. This bill will require that the statement, report, or other document be made available for four (4) years from the date of the election associated with the filing. By imposing a new duty on local government agencies, this bill will impose a state-mandated local program.

Government Code Section 84615 authorizes the City to adopt an ordinance that requires elected officers, candidates, and committees to file campaign disclosure documents electronically. City Council action is needed for the adoption of a finding that the electronic filing system will operate securely and not unduly burden filers. In order to comply with the new law, staff recommends that the City Council adopt an ordinance requiring the electronic filing of campaign disclosure documents and statements of economic interests so that these documents can be redacted, as permitted by law, and posted to the City website in a cost-effective manner.

The proposed ordinance requires the electronic filing of campaign disclosure documents and is in compliance with Government Code Section 84615 and AB 2151. However, should the proposed ordinance not be adopted by City Council, City Clerk staff would be required to manually redact campaign disclosure documents and post them onto the City website within 72 hours of filing in order to comply with AB 2151. Because this process can be very labor-intensive and time-sensitive, staff will consider retaining the services of a third-party vendor specializing in this area.

Staff has reached out to Netfile which is company that provides this service to many agencies throughout California and is an FPPC approved vendor and approved system. The City of Hercules currently has approximately 31 filers of the Form 700 which consists of Required 87200 filers as well as Designated filers. The online portal can be accessed from any mobile device or computer, filers can file expanded and or combined statement filings. This system also has the ability to track all Ethics Training and Harassment Training filers and their filings which is a bonus. FPPC does require a \$1000 application filing fee which is paid on the City's behalf by Netfile.

Filing Campaign Disclosure documents and Form 700s electronically where the public has the ability to access these redacted filings 24/7 and promotes the City Council's objective to develop and maintain on-going efforts that increase transparency in city government.

ATTACHMENTS:

1. Ordinance 532
2. AB 2151
3. NetFile Proposal