



Board Agenda Item 7

DATE: January 10, 2017

TO: Board of Supervisors

SUBMITTED BY: Brandi L. Orth, County Clerk/Registrar of Voters

SUBJECT: Ordinance to Amend Title 2, Chapter 2.62 by adding Section 2.62.037 to the Fresno County Elections Ordinance Code to Require Online Filing of Campaign Finance Disclosure Statements

RECOMMENDED ACTIONS:

- 1) Conduct first hearing to amend the Fresno County Ordinance Code, Title 2, Chapter 2.62, by adding Section 2.62.037, relating to Electronic Filing of Campaign Disclosure Statements, waive the reading of the ordinance in its entirety and set second hearing for January 31, 2017.**
- 2) Designate County Counsel to prepare a fair and adequate summary of the proposed ordinance, and direct the Clerk to the Board to post and publish the required summary in accordance with Government Code Section 25124 (b)(1).**

An amendment to Fresno County Ordinance Code, Title 2, Chapter 2.62, by adding Section 2.62.037 Electronic Filing of Campaign Disclosure Statements, is proposed for adoption and detailed in the attached ordinance. The proposed ordinance will allow candidates and committees to file campaign finance disclosure statements online and require online filing when contributions meet or exceed \$5,000. The ordinance will require the Department to amend the current Agreement with SouthTech Systems, Inc. to purchase additional software to allow for online filing of campaign finance disclosure statements. This amendment will be included as a recommended action in the board agenda item for the second reading. The costs associated with the amendment will result in a contract limit increase of \$48,339.58. There is no increase in Net County Cost associated with the recommended action.

ALTERNATIVE ACTIONS:

If the recommended actions are not approved by your Board, candidates for office and committees will not be able to submit campaign finance disclosure statements online, and candidates for office and their committees will not be required to submit online Fair Political Practices Commission (FFPC) forms when contributions meet or exceed \$5,000. If the recommended action is not approved, the Department will continue to manually process FPPC forms for placement on the website, which may increase staff time needed to process FPPC filings.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Sufficient appropriations of \$61,992.51 are included in the FY 2016-17 County Clerk - Elections Org 2850 Adopted Budget. Ongoing annual costs of \$47,765.51 will be included in subsequent requested budgets.

DISCUSSION:

The Board of Supervisors is requested to adopt an ordinance, pursuant to Government Code 84615, adding Electronic Filing of Campaign Disclosure Statements No. 2.62.037. The ordinance will establish an online filing requirement for campaign finance disclosures for County candidates and committees and all other persons required to file with the County Clerk pursuant to State law, when contributions exceed \$5,000. The ordinance will also allow campaign finance disclosures to be filed online regardless of the dollar amount. The ordinance meets all the terms in Government Code 84605, 84606 and 84615 (a)(b)(c)(d)(e)(f)(g)(h)(i)(j), including the necessary Findings stated in Government Code section 84615(a).

In accordance with the Political Reform Act of 1974, the public shall have access to campaign finance disclosure statements from candidates and committees. Prior to the 2004 implementation of an online system, members of the public and interested organizations were required to visit the Registrar of Voters to view and request copies of the statements. In 2004, the Registrar of Voters procured and implemented a campaign finance disclosure system that allowed the office to post online the redacted hardcopy paper statements filed by candidates. During election cycles, the manual redaction of these forms places an additional burden on staff time.

Upon approval by your Board, the Registrar of Voters will begin implementing an electronic filing solution for campaign finance disclosures. An ordinance to require online filing for campaign finance disclosure statements will allow for the following:

- 1) Ensure consistency across multiple political jurisdictions in Fresno County
- 2) Increase greater transparency for the public to track contributions and expenditures
- 3) Increase operational efficiency within the Department
- 4) Provide better customer service for candidates and committees who have retained treasurers using Fair Political Practices Commission compatible application systems.

The Registrar of Voters has determined that the proper threshold to require County candidates or committees or other persons, pursuant to State law, to file campaign finance disclosure statements online should be set at \$5,000 or greater in contributions and/or expenditures. This amount balances the need for public transparency and operational efficiency. Individuals or known committees who meet or exceed this threshold would be required to file their campaign finance statements online until a termination statement, pursuant to the Political Reform Act, is filed with the Registrar of Voters. Individuals or known committees who fall below this threshold can voluntarily file their campaign finance disclosure statement online. Those who voluntarily file online would be subject to filing electronically until a termination statement, in accordance with the Political Reform Act, is filed with the Registrar of Voters. Online filers would not be required to submit paper copies. Candidates, committees or other persons will not be charged a fee to file campaign finance disclosure statements online.

The ordinance will require the Department to purchase an add-on proprietary software program from SouthTech Systems, Inc. to allow for online filing of campaign finance disclosure statements. SouthTech Systems, Inc. specializes in developing eGovernment software solutions that automate manual processes and improve efficiency. SouthTech is listed on the SOS site under: Vendors and Service Providers Approved for Electronic Filing in California (as required by government code).

The Department has a sole source agreement with SouthTech Systems, Inc. that was approved by your Board on April 1, 2014, for software maintenance and technical support services, effective April 15, 2014 through April 14, 2019 (\$196,973.25). The agreement includes software for campaign disclosure filings, marriage licenses, fictitious business names, notary registrations, and Clerk Services cashiering. Approving the ordinance will require a contract amendment to the current Agreement with SouthTech Systems, Inc. to increase the total contract amount by \$48,339.58 from \$196,973.25 to \$245,312.83 effective upon execution through April 14, 2019, to purchase an eCampaign™ software module which enables online processing of Fair Political Practices Commission (FPPC) forms. The proposed amendment with SouthTech Systems, Inc. will be brought to your board at the time of the second reading of the ordinance. The ordinance will take effect thirty (30) days after the second reading.

REFERENCE MATERIAL:

BAI #16, April 4, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

Proposed Elections Ordinance
FPPC Report Statistics

CAO ANALYST:

Ronald Alexander