



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 17-0410, Version: 1

REPORT TO COUNCIL

SUBJECT

Introduce an Ordinance Mandating Use of Online or Electronic Filing of Campaign Statements and Statements of Economic Interests

BACKGROUND

The Political Reform Act of 1974, the Sunnyvale City Charter, and the Sunnyvale Municipal Code include requirements for elected officers, candidates, committees, or other persons to file campaign finance disclosure statements, statements of economic interests (Fair Political Practices Commission (FPPC) Form 700), and other reports. For many years, the City of Sunnyvale has provided online access to view campaign statements of elected officials, candidates and committees.

In September 2009, the City of Sunnyvale implemented the use of NetFile, Inc., an electronic filing system, to facilitate online filing and posting of campaign statements for elected officials, candidates, committees and other persons who are required to file campaign statements as required by the Political Reform Act. In early 2010, the use of NetFile's services was expanded to include electronic filing of Statements of Economic Interests (SEI), which are filed in accordance with the Political Reform Act and the City's Conflict of Interest Code.

Use of the electronic filing system provides efficiencies for filers and staff, and provides transparency and online access to campaign finance disclosure statements for the public. Use of the e-filing system is encouraged, but until now has been on a voluntary basis. Statements received in paper format only are scanned and posted on NetFile's public portal manually by staff during business hours. Due to the differences between e-filing and paper filing, search results on the public portal vary and require end-users to research campaign statements and data in different ways.

On December 23, 2016, the Secretary of State certified Sunnyvale's use of NetFile, Inc. as the City's approved electronic filing system. With this certification, the City Clerk's office was authorized to discontinue the requirement for all filers to file original, signed, paper statements (whether they used the e-filing system or not). This change simplified the filing procedure for most filers. Additionally, electronic filing enhanced operational efficiencies and improved timeliness of receipt of successful filings.

Government Code Section 84615 requires a local government agency to adopt an ordinance should it choose to mandate the use of online or electronic filing by elected officers, candidates, committees, or other persons required to file statements, reports, or other documents required by Chapter 4 (commencing with Section 84100).

EXISTING POLICY

Council Policy 7.0 Long-term Advocacy Positions - Planning and Management;

A. Elections, (4) Support efforts to achieve the goals of the Political Reform Act of 1974 (reporting conflict of interest statements to the Fair Political Practices Commission) in a more cost-effective way.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental, organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

As mentioned above, electronic filing has until now been voluntary, which has resulted in two different methods of viewing campaign finance disclosure reporting - those filed directly by the filer using the e-filing system, and those filed in paper format which must be scanned and manually posted to the public portal by staff. Some of the benefits to the public in viewing the e-filed information are the timeliness of access, and the ease by which the end-user can export the data to review, sort, filter and search as needed. Paper-filed, scanned documents provide the same information but in a static, snapshot format (i.e. PDF). While both meet the statutory requirements of the Political Reform Act, electronic filing provides improved timeliness and more data functionality for end-users, voters and members of the public seeking to become more informed in their participation in City Elections. The City could provide more standardized and timely search results by requiring mandatory electronic filing of all campaign finance disclosure statements.

Numerous cities and counties have converted to online or electronic campaign financing filing requirements, including regionally Santa Clara County and the cities of Palo Alto, Mountain View, San Jose, and Santa Clara.

To facilitate the full transition to electronic filing, the City Clerk’s Office will continue to provide detailed instructions and one-on-one training.

FISCAL IMPACT

There is no additional expenditure required. The use of an electronic financial disclosure system has been in use for nearly eight years and is included in the operational budget. Approval of the proposed action and subsequent adoption of the ordinance will simply codify the mandatory use of the system by designated filers, while enhancing functionality, improving results and providing user efficiencies.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Introduce an Ordinance to Add Chapter 2.29 (Electronic Filing) to Title 2 (Administration and Personnel) of the Sunnyvale Municipal Code Related to Electronic Filing of Campaign Statements and Statements of Economic Interests (Fair Political Practices Commission Form 700), and Find that the Action is Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15378(b)(5).

2. Introduce an Ordinance with modifications.
3. Do not introduce an Ordinance and make no changes to the requirements for the filing of Campaign Statements and Statements of Economic Interests (Fair Political Practices Commission Form 700).

STAFF RECOMMENDATION

Alternative 1: Introduce an Ordinance to Add Chapter 2.29 (Electronic Filing) to Title 2 (Administration and Personnel) of the Sunnyvale Municipal Code Related to Electronic Filing of Campaign Statements and Statements of Economic Interests (Fair Political Practices Commission Form 700), and Find that the Action is Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15378(b)(5).

Prepared by: Kathleen Franco Simmons, City Clerk

Reviewed by: John Nagel, City Attorney

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Proposed Ordinance to Add Chapter 2.29 (Electronic Filing) to Title 2 (Financial Disclosure Statements)] to Related to Electronic Filing of Campaign Statements and Statements of Economic Interests, and Find that the Action is Exempt from CEQA Pursuant to CEQA Guidelines Section 15378(b)(5)