



Agenda Item

City Council

Item #: 9.1.

11/10/2020

File #: 20-253

TO: Honorable Mayor and Members of the City Council

THRU: Rick Otto, City Manager

FROM: Gary A. Sheatz, City Attorney
Pamela Coleman, City Clerk

1. SUBJECT

Introduction and First Reading of an Ordinance of the City Council of the City of Orange adding Chapter 2.11 requiring electronic filing of Campaign Statements and Statements of Economic Interests.

2. SUMMARY

California Government Code Section 84615 allows local government agencies to adopt an ordinance that requires an elected officer, candidate, committee, or other person required to file campaign statements to file online or electronically with the City Clerk. The City has entered into an agreement with Netfile, Inc., a vendor approved by the California Secretary of State, to provide an online electronic filing system for campaign disclosure statements and statements of economic interests. The proposed ordinance contains the findings required by Government Code Section 84615 to allow implementation of an electronic filing system.

3. RECOMMENDED ACTION

Introduce and approve Ordinance No. 18-20 for First Reading and set the Second Reading for December 8, 2020.

4. FISCAL IMPACT

There is no fiscal impact for adopting the Orange Municipal Code amendments.

Netfile, Inc. will provide free service through the end of the fiscal year, June 30, 2021. The annual cost of the electronic filing system after June 30, 2021, is \$9,120 for both Campaign Disclosure Statements and Conflict of Interest forms. The cost of this system is offset by the realized benefits of efficiency, transparency, and convenience.

5. STRATEGIC PLAN GOALS

Goal 2: Be a fiscally healthy community

a: Expend fiscal resources responsibly.

Goal 4: Provide outstanding public service

c: Enhance technology to improve public accessibility to information and services.

6. DISCUSSION AND BACKGROUND

On January 1, 2013, Assembly Bill 2452 added Government Code §84615 which 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 received 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 (FPPC) 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.

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 as soon as they are filed. 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 attached proposed ordinance 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 filing;
3. The system must be available free of charge to filers and to the public for viewing files.

As of October 22, 2020, the FPPC has approved electronic filing systems for 48 state agencies, 45 county agencies, 155 city agencies, and 54 special district agencies, including the City of Orange.

The City has entered into an agreement with NetFile, Inc. (Netfile), a vendor approved by the California Secretary of State. Netfile's electronic and paperless filing system is able to accommodate the online filing of several different types of required forms by the FPPC. To facilitate the full transition to electronic filing, Netfile will provide detailed instructions and training to users.

7. ATTACHMENTS

- Ordinance No. 18-20
- NetFile Service Agreement
- FPPC Approval Letter