



①

OFFICE OF THE
CITY CLERK

SPECIALIZED SERVICES

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 301
915 I STREET
SACRAMENTO, CA
95814-2671

916-449-8200

TO: LAW AND LEGISLATION COMMITTEE
COUNCILMAN JOE SERNA

DATE: March 13, 1989
REF. NO: #89-021

FROM: ANNE MASON
ACTING CITY CLERK *Am*

SUBJECT: COSTS OF VARIOUS PROCESSING OPTIONS FOR CAMPAIGN FUND ANTI-LAUNDERING ORDINANCE

BACKGROUND

During the discussion of the proposed Anti-Laundering Ordinance that occurred at the Law and Legislation Committee meeting held on February 16, 1989, the Committee requested a report from our Office on the costs of implementing the proposed Ordinance.

The cost estimates presented below were based on statistics drawn from existing Campaign Statement filings. That information is summarized on Attachment "A".

FINANCIAL DATA

There would be three basic cost components for the implementation of the Ordinance: equipment and supplies; personnel time for design and implementation; and personnel time for continued operation.

Equipment and Supplies: \$775

One (1)M lateral file cabinet	\$425
Printed forms (6500 ea.)	320
Incidental Supplies	50

Design / Implementation: \$425

City Clerk (8 hrs.)	\$235
Admin. Asst. II (8 hrs.)	145
Typist Clerk III (4 hrs.)	45

Continued Operation Options:

A) Filing Only Option: \$-0-

(No additional cost; filed with Campaign Statements;
no processing)

B) 10% Audit Option: \$18,000

TC III position (.5 FTE)	\$15,500
Compliance Audit	2,500

C) Full Audit Option: \$56,000

TC III position (1.0 FTE)	\$31,000
Compliance Audit	25,000

POLICY CONSIDERATIONS

1) There will be avenues of abuse open even with the implementation of the Ordinance. Contributors could still write sequential checks for \$99.00 and avoid completion of the form. From the City's experience, it appears unlikely that the District Attorney's Office would prosecute any violations, which makes the cost-effectiveness of the audit options questionable.

2) The large volume of records stored in this Office is forcing us to deal with the issue of adequate permanent storage for documents. The storage of the records for this program makes it imperative that the City of Sacramento change the way it currently stores documents. Very limited space is available for adding more file cabinets; we must begin planning for a more efficient and secure method of document storage, such as optical disk.

3) If an audit option is selected, staff requests that a full financial analysis be prepared and presented to the Budget and Finance Committee. The figures presented are indicative of the magnitude of the cost of the program.

MBE/WBE EFFORTS

MBE/WBE issues will be the responsibility of the General Services Department during the procurement of the filing cabinet, supplies and printed forms.

RECOMMENDATIONS

- 1) If this measure is adopted, this Office will require equipment and supplies for the design and implementation procedure as well as a decision on which mode of operation is preferred (audit modes vs. filing without processing).
- 2) Consideration must be given to the space required to file the new forms.
- 3) If an audit option is selected, a financial analysis will be prepared and presented to the Budget and Finance Committee.

Respectfully Submitted,



Anne Mason
Acting City Clerk

cc: Rich Archibald
Betty Masuoka
Doc Wisham

Attachment A

Anti-Laundering Ordinance

STATISTICS USED FOR COST ESTIMATES

Mayoral Election: 4 "long form" candidates
1 "short form" candidate

District Elections: 7 "long form" candidates
7 "short form" candidates

800 contributions over \$100 per long-form candidate in Mayoral Election.
270 contributions over \$100 per long-form candidate in District Election.
5 contributions over \$100 per short-form candidate in either type of election.

Mayoral Election: total of 3,200 forms filed.

District Elections: total of 1,925 forms filed.