

COUNCIL COMMITTEE MINUTES

Concurrent Special Committee Meetings of the Sacramento City Council, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento and the Parking Authority of the City of Sacramento.

COMMITTEE NAME: Law and Legislation

MEETING DATE: March 16, 1989

MEETING TIME: 4:00 p.m.

LOCATION: 915 I STREET, 2ND FLOOR, COUNCIL CHAMBER

VOTING RECORD LEGEND

MOV: MOVED	ABST: ABSTAIN
SEC: SECOND	ABS: ABSENT
M — MAYOR RUDIN	D5 — SERNA
D1 — SHORE	D6 — MUELLER
D2 — FERRIS	D7 — KASTANIS
D3 — POPE	D8 — ROBIE
D4 — CHINN	

I HEREBY CALL Special Meetings of the Sacramento City Council, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento, and Parking Authority of the City of Sacramento to be conducted concurrently with the Council committee meetings listed below, which are incorporated herein by reference. The Special Meetings are called to permit Members who are not on the listed committees to attend the meetings and participate in the discussions. In the event five (5) or more members of the City Council are present at a Committee meeting, only those items listed on the agenda can be acted on or discussed.

The meeting was called to order at 4:08 p.m. by Chairman Terry Kastanis.

PRESENT: Committeemembers Kastanis, Mueller, Shore and Pope.*
GUEST: Councilmember Serna.

*Committeemember Pope arrived at 4:28 p.m.

1. Ordinance adding Article II to Section 62 of the Sacramento City Code, relating to contributor statements (anti-laundering).

RECOMMENDATION OF STAFF: REVIEW AND MAKE RECOMMENDATIONS TO COUNCIL.

COMMITTEE ACTION: RECOMMENDED APPROVAL AND FORWARD TO COUNCIL.

VOTING RECORD: MOVED: Shore; SECONDED: Mueller
AYES: Shore, Kastanis, Mueller
NOES: Pope

MINUTES:

Richard Archibald, Deputy City Attorney, was present to discuss this item. He explained the changes which had been requested at last month's meeting, and stated that this provides disclosure by all persons who appear on a check or other means of payment of \$100.00 or more to a candidate.

ITEM CONTINUED ON FOLLOWING PAGE.

COMMITTEE ACTION SHEET

1. CONTINUED FROM PREVIOUS PAGE.

Anne Mason, Acting City Clerk, presented a cost analysis to the Committee (copy attached). She explained the options available to the City Clerk's office to implement the provisions of the new ordinance:

- (1) File the statements but not look at them. This would not be expensive to the City.
- (2) File the statements, with a 10% audit. This is called a compliance audit, and will cost approximately \$15,500.00 for a part-time Clerk III and \$2,500.00 for the audit.
- (3) File the statements, with a full compliance audit. This would require a full-time employee at a cost of \$31,000.00 and a cost of about \$25,000.00 for the audit.

Ms. Mason suggested that the above options could be considered and a full report brought back to the Budget and Finance Committee at a later date.

Joe Serna brought up at this time the fact that by changing from odd-numbered years to even-numbered years for City elections, the City could get more revenue. He asked that the City Attorney's office check into this matter and get back to the Committee on it. City Attorney Jim Jackson stated that his office will get it back in time for September, and that if passed, it would be effective for the 1992 election. It was also requested that the City Attorney's office come back to the Committee with the public financing of campaigns matter discussed at a previous meeting.

Kastanis stated that he is in favor of going with option one -- only filing the statements. He asked Ms. Mason what would happen, however, if the statements were challenged. Ms. Mason replied that the Clerk's office would then have to do an audit. Kastanis asked if the District Attorney would then have to enforce. This began a lengthy discussion as to the matter of enforcement.

Shore suggested that he would like to see any violations considered a misdemeanor rather than an infraction, as he feels it would be easier to enforce. City Attorney Jim Jackson explained that with an infraction, the violation is a fine only, with no jail sentence; also, the fine is usually a lower amount. Shore said that after a certain number of repeat violations, the infraction becomes a misdemeanor. City Attorney Jackson agreed that the District Attorney is usually more willing to prosecute an infraction rather than a misdemeanor. Also, as Shore pointed out, when the violation involves actual "laundering", this becomes a separate issue.

ITEM CONTINUED ON FOLLOWING PAGE.

COMMITTEE ACTION SHEET

1. CONTINUED FROM PREVIOUS PAGE.

Serna made the statement that if the Council should decide against passing this ordinance, he is going to do it anyway in his own campaign. He also expressed the fact that he doesn't care what kind of penalty is imposed; the ordinance is written so that the burden falls on the contributor rather than the candidate.

*Councilmember Pope arrived at 4:28 p.m.

There was a question as to who the violation would be against when it came to enforcement. Ms. Mason stated that the ordinance needs to make it clear whether it is the candidate or the candidate's treasurer. Attorney Archibald stated that the ordinance provides that it is the person who makes the deposit.

Shore moved to support the ordinance adding Article II to Section 62 of the Sacramento City Code, relating to contributor statements (anti-laundering), with the following modifications: (1) make it effective July 1, for the fiscal year; (2) go with the option of a 10% audit by the City Clerk's office; and (3) make any violation of this ordinance an infraction rather than a misdemeanor. Mueller seconded the motion, and Kastanis concurred. Pope voted against support of this ordinance. This will now be brought to the full Council with the Committee's 3-1 vote for support.

2. AB 14 (Kelly) relating to the motor vehicle fuel tax.

RECOMMENDATION OF STAFF: RECOMMEND SUPPORT.

COMMITTEE ACTION: CONTINUED TO APRIL 20, 1989.

MINUTES:

Bob Lee, Deputy Director of Public Works, Engineering Services, was present to discuss this bill. He stated that there are several bills along this line coming up, and that he would like to bring this back to the Committee at a later date. He asked that the Committee let his staff analyze most of these bills and come back in about three to four weeks. This was agreed, and no action was taken at this time.

COMMITTEE ACTION SHEET

3. Assembly Constitutional Amendment 23 (Johnson) relating to the extension of provisions of Proposition 62 to charter cities.

RECOMMENDATION OF STAFF: RECOMMEND OPPOSITION.

COMMITTEE ACTION: OPPOSED.

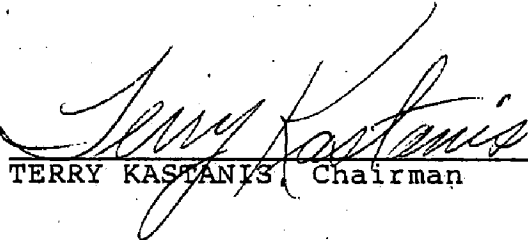
VOTING RECORD: MOVED: Pope; SECONDED: Mueller
AYES: Unanimous

MINUTES:

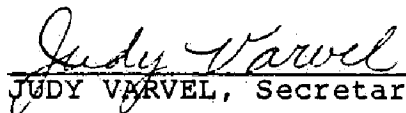
There was very little discussion on this item. Pope moved to support ACA 23; Mueller seconded, and it was unanimously supported.

The meeting was adjourned at 4:35 p.m.

* * * * *


TERRY KASTANIS, Chairman

ATTEST:


JUDY VARVEL, Secretary

RECEIVED

MAR 15 1989

CITY ATTORNEY

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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 

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

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.