DATE: June 8, 2020

SUBJECT

Candidate statement publication fee for City Council candidates who choose not to opt into voluntary campaign expenditure limits but wish to place a statement on the City’s website

RECOMMENDATION

Hold public hearing and adopt a resolution setting the fee of $31.80 for publishing an additional 400-word City Council candidate statement on the City’s website for candidates who do not comply with voluntary expenditure limits but wish to place a statement on the City’s website.

STRATEGIC PLAN GUIDING PRINCIPLE

Excellence in Government Operations

BACKGROUND

In February 2020, the City Council adopted an ordinance (Attachment A) placing mandatory limits on campaign contributions to City Council candidates and setting voluntary overall expenditure limits on campaigns. The ordinance is designed to allow City Council candidates and incumbent City Councilmembers to spend less of their time on fundraising, and more of their time communicating on issues of importance to voters and constituents.

As outlined in the ordinance, City Council candidates may spend $2.25 per resident in the district they are running (Section 2.154(E)) in furtherance of their campaign. Candidates who voluntarily agree to limit campaign expenditures in accordance with the ordinance, and who comply with all aspects of the ordinance, will be allowed to submit a candidate statement to appear on the City’s election webpage, in addition to the statement that will appear in the county voter guide and on the City website. Campaign statements will appear on the website in the form submitted by the candidate without editing, proofreading, or spell checking by the City Clerk.
Any violation of the voluntary expenditure limit by candidates who had agreed to abide by it shall, within seventy-two (72) hours of the City’s knowledge of the violation:

1. Be forwarded to a newspaper of general circulation for publication
2. Be posted on the City’s website
3. Be posted at a reasonably accessible location at City Hall
4. Result in the removal of the 400-word written candidate statement from the City’s website, unless a fee is paid, in which case the statement will then be relocated below statements from candidates that agree to voluntary expenditure limits, in accordance with Section 2.154(D).

City Council candidates who do not agree to voluntary campaign expenditure limits or who otherwise do not qualify for inclusion on the city’s election webpage may have their statement appear below those of candidates who agree to voluntary expenditure limits by tendering a fee to the City Clerk in an amount established by Council resolution.

ANALYSIS

Staff researched neighboring jurisdictions with local campaign finance regulations to inform the establishment of a campaign statement fee for candidates who do not agree to voluntary campaign spending limits. While numerous municipalities have local campaign finance regulations, only one city imposes a fee for publishing candidate statements on their website for violations of the voluntary agreement. The City of Santa Cruz imposes a fee equal to that of the county elections candidate statement fee for candidates who do not comply with voluntary spending limits. An important distinction between the Santa Cruz model and Redwood City is that Santa Cruz publishes only the candidate statement that appears in the county voter guide, which the City pays for on behalf of candidates who comply with the ordinance which justifies the high cost of the fee for violations.

The statement in question for Redwood City is a 400-word statement in addition to the candidate statement that appears in the San Mateo County voter guide, which has historically been published during previous elections on the City’s website free of charge. For this reason, staff does not recommend following the Santa Cruz model for establishing the fee amount.

Fee Recommendation

The fee assessed for publishing a candidate statement on the website may not exceed the cost of providing the service. Minimal staff time will be required to execute the posting of these statements, as candidates are directed to submit statements to the City Clerk via email and statements will be posted without editing or formatting by the City Clerk, in accordance with the ordinance. Once received by the City Clerk, and word count has been verified, the statement is prepared for posting to the City’s website and then sent to the website administrator for final publication. Staff estimates the total time spent providing this service is roughly thirty minutes divided equally between the two staff members involved in the process.
Proposed calculation for campaign statement posting fee:

<table>
<thead>
<tr>
<th>Staff Position</th>
<th>Average hourly rate</th>
<th>15 minutes of staff time (1/4 hourly rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Clerk</td>
<td>$70.36</td>
<td>$17.59</td>
</tr>
<tr>
<td>Management Analyst I</td>
<td>$56.85</td>
<td>$14.21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$31.80</strong></td>
<td></td>
</tr>
</tbody>
</table>

± Average hourly rate derived from the Redwood City Salary Plan (last updated 2/24/20)

Staff recommends assessing a fee of $31.80 for posting a campaign statement on the City’s website for candidates who do not comply with the voluntary expenditure limits but who still wish to have an additional statement published. Staff also recommends updating this fee amount prior to every City Council election based on the most current Redwood City Salary Plan. If adopted, the fee would go into effect on July 1, 2020.

Staff discussed the fee recommendation with the City Council’s Governance Sub-Committee (Council Member Borgens, Vice Mayor Masur and Mayor Howard) on May 14, 2020, and the Sub-Committee supported the proposed fee amount.

**FISCAL IMPACT**

Fees assessed for posting the candidate statement would offset the cost of providing the service of placing candidate statements on the City’s website. The total amount generated would depend on how many City Council candidates choose not to comply with the voluntary campaign expenditure limits but wish to still publish a candidate statement, in addition to the statement published in the county voter guide, on the City’s election webpage.

**ENVIRONMENTAL REVIEW**

This activity is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

**PUBLIC NOTICE**

Public notification was achieved through a Notice of Public Hearing published in the San Mateo Daily Journal newspaper on May 27, 2020 and June 3, 2020 and on the City’s website. Public Notification was also achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.
ALTERNATIVES

The City Council may not adopt the staff recommended fee amount.

ATTACHMENTS

Attachment A – Ordinance 2476
Attachment B – Draft resolution – City Council candidate statement fee

REPORT PREPARED BY:

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(650) 780-7209

APPROVED BY:

Pamela Aguilar, City Clerk
Melissa Stevenson Diaz, City Manager
ORDINANCE NO. 2476

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY ADDING CITY CODE CHAPTER 2, ARTICLE X, RELATING TO CAMPAIGN CONTRIBUTION LIMITS AND VOLUNTARY EXPENDITURE LIMITS

THE COUNCIL OF THE CITY OF REDWOOD CITY DOES ORDAIN AS Follows:

Section 1. The City Council of the City of Redwood City adopts Article X of Chapter 2 of the Redwood City Code as shown in Exhibit A, attached hereto and incorporated by reference. Wording in brackets ([example]) is informational only and is not to be included in the published ordinance.

Section 2. The proposed ordinance is not a project within the meaning of section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that this ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment.

Section 3. This ordinance shall go into effect thirty (30) days after the date of its passage and adoption.
EXHIBIT “A”

[Article X is added to Chapter 2 (Administration) of the City Code to read as follows:]

Article X

Campaign Contribution Limits and Voluntary Expenditure Limits

Section 2.150 Findings and Purpose
Section 2.151 Definitions
Section 2.152 Candidate Campaigns Only
Section 2.153 Contribution Limits and Penalties
Section 2.154 Voluntary Campaign Expenditure Limits and Penalties
Section 2.155 Severability

2.150 FINDINGS AND PURPOSE:

A. The City Council hereby finds that preserving integrity and openness in the political process is a matter of the highest public interest; that the people of the City of Redwood City can be better served through a more informed electorate; that the trust of the people is essential to representative government; and that regulation of campaign contributions is necessary to promote public confidence in government and to protect the integrity of the electoral process.

B. The City Council further finds that regulation of campaign contributions is required because the costs of running political campaigns have reached levels that lead to a public perception that special interests and wealthy individuals may have undue influence on or access to elected officials.

C. It is the policy of the City to promote and encourage broad-based citizen involvement in the financing of election campaigns.

D. The purpose of this article is to minimize the potentially corrupting influence and appearances of corruption caused by excessive contributions and expenditures in campaigns by providing for a reasonable voluntary campaign expenditure limit and mandatory contribution limits for City Council candidates.

E. A further purpose of this article is to limit overall expenditures in campaigns, thereby allowing City Council candidates and incumbent City Councilmembers to spend less of their time on fundraising and more of their time communicating on issues of importance to voters and constituents.

F. This article is also intended to provide impartial and non-coercive incentives that encourage City Council candidates to agree to voluntarily limit campaign expenditures.
2.151 DEFINITIONS:

As used in this article, the words and phrases shall be defined in the same manner as they are defined in the Political Reform Act of 1974 (including any amendments thereto) as found in California Government Code Section 81000 et seq., unless defined otherwise in this section. For the purposes of this article, the terms below are defined as follows:

A. "Candidate" means any individual listed on the ballot for election to any City office, or who otherwise has taken affirmative action to seek election to City office, or who receives a contribution or makes an expenditure, or who gives his or her consent for any other person to receive a contribution or make an expenditure with the purpose of bringing about his or her election to any City office. "Candidate" also means an officeholder in connection with a recall election relating to such officeholder.

B. "Candidate committee" means a committee that is controlled directly or indirectly by a candidate or that acts jointly with a candidate in connection with the making of expenditures.

C. "Contribution" means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent full and adequate consideration is received unless it is clear from the surrounding circumstances that it is not made for political purposes. Except as provided herein, "contribution" includes an expenditure made at the behest of a candidate or candidate committee unless full and adequate consideration is received for making the expenditure.

The term "contribution" does not include a payment made by the occupant of a home or business for costs related to any meeting or fund raising event held in the occupant's home or business; or volunteer personal or professional services or the donation of goods by any individual if the services or goods are donated without any understanding or agreement that they shall be directly or indirectly repaid to him or her.

D. "Individual" means a natural person and shall not include a partnership, corporation, association, firm, business entity, committee, club, or other organization.

E. "Organization" means a partnership, corporation, association, firm, business entity, committee, club, union, or company.

2.152 CANDIDATE CAMPAIGNS ONLY:

The provisions of this article apply to election campaigns for candidates only. The provisions of this article do not apply to any referendum or initiative election.
2.153 CONTRIBUTION LIMITS AND PENALTIES:

A. Contribution Limit Established. For any particular election, including a recall election, no individual or organization shall make, and no candidate, candidate committee, treasurer, or other person acting on behalf of a candidate committee shall solicit or accept from any individual or organization, any contribution that will cause the total amount contributed by such individual or organization to exceed $1,000.

B. Return of Contributions. Any contribution or portion thereof that exceeds the limits in this section shall be returned to the contributor within 72 hours of receipt.

C. Not Applicable to Personal Funds. The limits imposed by this section shall not apply to contribution of a candidate's personal funds to the candidate's own campaign, or to any loan that is personally guaranteed by the candidate or is secured by property owned by the candidate.

D. Penalties.

1. Any person who knowingly or willfully violates any provision of this section is guilty of a misdemeanor. Prosecution for violations of this section must be commenced within four (4) years of the date on which the violation occurred.

2. In addition to other penalties provided by law, a fine of one thousand dollars ($1,000.00) for each violation of this section may be imposed. If evidence of a violation of this section is presented to the City Clerk, the City Clerk shall send written notice to the candidate or committee of the alleged violation and request its correction within three (3) business days of the date on the written notice. If no correction has been made within the allotted time, the candidate or committee shall cease and desist all contributions, expenditures, and campaign communications, and pay the fine set forth above to the General Fund of the City.

3. In addition to other penalties provided by law, the City may bring suit in a court of competent jurisdiction to seek an injunction or other appropriate relief, whether temporary or permanent, to halt any violation of this section. Nothing in this section shall be deemed to restrict a suit for damages on behalf of the City or on behalf of any other person or entity.

2.154 VOLUNTARY CAMPAIGN EXPENDITURE LIMITS AND PENALTIES:

A. Notice to City Clerk. Each candidate for election to the City Council in November 2020, and for each City Council election thereafter, shall, prior to the time he or she files nomination papers with the City Clerk, advise the City Clerk in writing on a form provided by the City whether or not the candidate will opt to voluntarily limit his or her campaign expenditures and fund raising in accordance with the voluntary campaign expenditure limits set forth in this section. The agreement to voluntarily
limit campaign expenditures shall pertain to all expenditures incurred by the candidate or the candidate’s committee in support of his or her candidacy and shall include such expenditures which a candidate or candidate’s committee is required to report pursuant to the California Political Reform Act of 1974, as amended, whether those expenditures are made before or after the filing of nomination papers.

B. Opportunity to Reverse Decision Accepting Expenditure Limit. Within three business days after the deadline to file nomination papers with the City Clerk, a candidate that previously accepted the voluntary campaign expenditure limit will have one opportunity to notify the City Clerk that he or she has decided not to accept the voluntary campaign expenditure limit. The candidate shall thereafter be relieved of abiding by the expenditure limit.

C. Benefits and Incentives.

1. The City Council candidate will receive the benefits and incentives prescribed in subsection (2) when the City Council candidate does all of the following:
   a. Voluntarily agrees to limit campaign expenditures in accordance with this section; and
   b. Thereafter abides by that agreement; and
   c. Forms a controlled campaign committee in accordance with California Government Code Section 84101 (without regard to whether or not the candidate intends to make campaign expenditures in the minimum amount called for by the Political Reform Act of 1974, Chapter 4, Campaign Disclosure); and
   d. Either spends $1,000.00 in support of his or her candidacy or procures 250 signatures of City electors.

2. A City Council candidate who performs each of the acts delineated in subsection (1) shall receive the following benefits and incentives at no cost to themselves or their candidate’s campaign committee:
   a. Candidates who agree to abide by the voluntary campaign expenditure limits shall be identified prominently on the City’s website with a 400-word written statement. The statement will appear exactly as submitted with no editing by staff. A statement that exceeds 400 words will be returned to the candidate who shall be responsible for editing the statement to comply with the 400-word limit and resubmitting the statement. One photograph of the candidate supplied by the candidate shall be allowed as part of the statement.
   i. The candidate’s statement must be submitted electronically to the City Clerk.
ii. The candidate’s statement must conform to candidate statement guidelines provided by the City Clerk and the content shall be consistent with the requirements of Elections Code Section 13307(a)(1).

iii. A disclaimer shall accompany all such website postings that City Council candidate statements have been posted by the City Clerk in the form submitted by the candidate without editing, proofreading, or spell checking by the City Clerk, that the opinions and statements set forth are those of the candidates to whom they are attributed and do not reflect the City’s official positions on issues addressed in the statement, that the candidate’s statement is not a City endorsement of any candidate’s candidacy, that the information is submitted to the voters by the City as a service to assist voters and for informational purposes only, and that the statement is not intended to, and does not, exempt any candidate or statement author from civil or criminal liability for any false, slanderous or libelous statements set forth on the City’s website.

iv. The candidate’s statement may be printed in English and/or other language of the candidate’s choice; however, the City will not provide translation services to the candidate and more than one statement in different languages will not be permitted if cumulatively the statements would exceed 400 words.

v. Candidates may submit one statement at any time prior to the election. The City Clerk will post the statement within five (5) business days following receipt of the statement by the candidate.

vi. Candidates will appear on the website in the alphabetical order drawn by the Secretary of State for the ballot.

vii. The website will clearly identify whether each candidate has agreed to the voluntary expenditure limits.

b. Candidates who agree to abide by the voluntary campaign expenditure limits may so state on their campaign materials, whether tangible or intangible, such as mass mailings, advertisements, and signs. This subsection is set forth for clarity, and is not intended to act as a regulation of campaign materials.

3. In addition to any regular City Council election, the benefits and incentives of this section shall also be available in any recall election.

D. Other City Council Candidate Statements on City’s Website.

City Council candidates who do not agree to voluntary campaign expenditure limits or who otherwise do not qualify for inclusion on the City’s website may appear on the website below candidates that agree to voluntary expenditure limits by tendering a fee to the City Clerk in an amount established by Council resolution.
E. Calculation of Voluntary Campaign Expenditure Limit

1. A candidate for district City Councilmember who voluntarily agrees to expenditure ceilings shall not make qualified expenditures exceeding two dollars and twenty-five cents ($2.25) per resident in the electoral district for each election in which the candidate is seeking elective office. Residency of each electoral district shall be determined by the latest decennial census population figures available for that district. The City Clerk shall publish the expenditure ceiling amounts no later than sixty (60) business days following adoption of this ordinance.

2. Beginning on January 1, 2021, the City Clerk shall in odd-numbered years increase the expenditure ceiling amounts based upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown on the CPI for all items in the San Francisco Bay Area as published by the U.S. Department of Labor, Bureau of Statistics, has increased. The adjustment called for by this section shall be the cost of living adjustment (COLA) computed by reference to the CPI as indexed from a base year that commences in October 2020. The increase shall be rounded to the nearest thousand. The City Clerk shall publish the expenditure ceiling amounts no later than February 1st of each odd-numbered year.

3. The voluntary campaign expenditure limit called for by this section shall include any expenditures made by the candidate or by the candidate’s campaign committee in connection with the preparation and publication of the candidate’s statement of qualifications in the sample ballot pamphlet published in accordance with California Elections Code Section 13307.

4. The following shall not count toward the voluntary campaign expenditure limit:

   a. Filing fees related to the candidacy, including the candidate statement filing fee, fees paid to the Secretary of State to open or maintain a committee, and fees to translate the candidate statement.

   b. Contributions returned by the candidate within thirty (30) days of receipt.

   c. Legal fees and costs incurred in connection with litigation arising out of a campaign for City office.

   d. Non-monetary contributions as defined by the Fair Political Practices Commission.

   e. Post-election party expenses.

   f. Post office box expenses.

F. Penalties. Any violation of this section, including the filing of false reports that entitle the candidate to the benefits conferred by this section, and further including
a candidate not to abiding by the voluntary campaign expenditure limits agreed upon, shall, within seventy-two (72) hours of the City's knowledge of the violation:

1. Be forwarded to a newspaper of general circulation for publication; and
2. Be posted on the City's website, and
3. Be posted at a reasonably accessible location at City Hall; and
4. Result in removal of the 400-word written statement by the candidate that committed the violation from the City's website, unless a fee is paid and the statement relocated in accordance with Section 2.154(D).

2.155 SEVERABILITY:

Each section and provision of this article shall be considered severable and the invalidity of any section or provision of this article shall not affect the validity or enforceability of any other section or provision. The City Council of the City of Redwood City hereby declares that it would have adopted this article and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.
ORDINANCE NO. 2476

At a Joint City Council/Successor Agency Board/Public Financing Authority Meeting thereof held on the 10th day of February 2020 by the following votes:

AYES, and in favor of the passage and adoption of the foregoing ordinance:

AYES: Aguirre, Bain, Borgens, Hale, Howard, Masur and Reddy

NOES: None

ABSENT: None

ABSTAINED: None

RECUSED: None

Diane Howard
Mayor of the City of Redwood City

Attest:

Pamela Aguilar, CMC
City Clerk of Redwood City

I hereby approve the foregoing Ordinance this 11th day of February 2020.

Diane Howard
Mayor of the City of Redwood City
RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY ADOPTING A CANDIDATE STATEMENT FEE

WHEREAS, on February 20, 2020, the City Council of the City of Redwood City (“City”) adopted an ordinance establishing campaign contribution limits and voluntary expenditure limits (the “Ordinance”); and

WHEREAS, under the Ordinance, City Council candidates who agree to voluntary expenditure limits may submit a 400-word written statement for placement on the City’s website; and

WHEREAS, City Council candidates who do not agree to voluntary expenditure limits may still submit a statement to be placed on the City’s website, along with a fee to be established by resolution; and

WHEREAS, it is the general policy of the City to charge for the full costs of services provided by City staff when such services benefit individual users rather than members of the community as a whole; and

WHEREAS, the City Clerk Department has conducted an analysis of the labor costs associated with the fee, in order to ensure that the fee charged reflects the actual costs to the City and the City’s taxpayers in providing those services; and

WHEREAS, a duly-noticed public hearing was held by the City Council on June 8, 2020 regarding the adoption of the proposed Candidate Statement Fee; and

WHEREAS, at least ten (10) days prior to the public hearing, the City made available to the public data indicating the amount of cost, or estimated cost, required to provide the services for which the proposed Candidate Statement Fee will be charged and the revenue sources anticipated to provide the services, including general fund revenues.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDWOOD CITY AS FOLLOWS:

1. The above recitals are accurate, constitute findings in this matter, and are incorporated herein by reference.

2. The amount of the proposed Candidate Statement Fee does not exceed the estimated amount or the reasonable costs required to provide the service for which the fee or service charge is levied.
3. The proposed Candidate Statement Fee, set forth in Exhibit A, attached hereto and incorporated herein by reference, is hereby approved and adopted.

4. Commencing on July 1, 2022 and on July 1 of each even-numbered year thereafter, the proposed Candidate Statement Fee shall be administratively revised based on the most current Redwood City Salary Plan.

5. This activity is not a project under the California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, Section 15378, because it has no potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment.

6. This resolution shall be effective July 1, 2020.

* * * * *
### Exhibit A

**CITY CLERK DEPARTMENT**

<table>
<thead>
<tr>
<th>Services</th>
<th>Existing Fee</th>
<th>Proposed FY20-21 Fees/Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate Statement for City website</td>
<td>Fee</td>
<td>New</td>
</tr>
</tbody>
</table>