

City of Sacramento  
**Ethics Commission Report**  
915 I Street Sacramento, CA 95814  
www.cityofsacramento.org

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**File ID:** 2026-00884

4/27/2026

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**History of the Fair Political Practices Commission Contract for Administration, Implementation, and Enforcement of Sacramento City Code Chapter 2.13 (Campaign Contribution Limits Code)**

File ID: 2026-00884

**Location:** Citywide

**Recommendation:** Receive and file.

**Contact:** Mindy Cuppy, MMC, City Clerk, (916) 808-5442, mcuppy@cityofsacramento.org, Office of the City Clerk

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-March 21, 2017 City Council Staff Report
- 3-March 2018 Contract with the Fair Political Practices Commission
- 4-2019 Local Jurisdiction Contract Template
- 5-August 26, 2019 Commission Staff Report: Review of FPPC Agreement
- 6-August 24, 2020 Commission Staff Report: Audits of June 2018 Election

**Description/Analysis**

**Issue Detail:** On March 21, 2017, the City Council adopted Ordinance No. 2017-0027 adding chapter 2.13 (Campaign Contribution Limits Code) to the Sacramento City Code. Among other things, chapter 2.13 authorizes the City Council to approve an agreement between the City and the California Fair Political Practices Commission (FPPC). This staff report recommended that the city enter into a contract with the FPPC to provide enforcement of the ordinance along with training and advise letters. The City and the FPPC entered into such an agreement in April 2018 (City Agreement No. 2018-0550) and that contract expired on December 31, 2019.

The FPPC's services under the initial agreement was limited to auditing, enforcement, advice, education and training, and legal review related to chapter 2.13. During the term of the agreement the FPPC created a webpage dedicated to the City's campaign-finance rules, appeared before the

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Commission, and in April 2020 completed audits of seven candidate committees that were active during the June 2018 election.

The total amount of services rendered during the term of the contract was \$40,717 (\$9,062 in 2018, and \$31,655 in 2019). The City of Sacramento, pursuant to the contract, expended \$110,000 in floor payments.

On August 15, 2019, the FPPC adopted a Local Jurisdiction Contract Template. The template FPPC's "floor" compensation under the agreement was \$55,000 a year with total compensation capped at \$300,000.

On August 26, 2019 the Sacramento Ethics Commission received a staff report to review the agreement with the Fair Political Practices Commission. Sacramento City Code section 2.112.030 provides that the Commission has the power and duty, every two years, to review any agreement the City has with the FPPC "for the purpose of reporting to the council on the [agreement's] efficacy." The Commission may also make recommendations to the City Council regarding renewal of the agreement.

On August 24, 2020 the Sacramento Ethics Commission received a staff report regarding the results of the June 2018 Election. There were seven candidate committees that reached the threshold for auditing (\$2,000 in contributions or expenditures). The FPPC initiated these audits in early 2019 and completed them between January and April 2020.

There is currently no contract with the FPPC in place. Staff's attempt to negotiate with the FPPC to lower the floor or to pay only for services rendered was unsuccessful. Staff analysis of the efficacy of the contract could not justify the taxpayer expense.

**Policy Considerations:**

**Economic Impacts:** Not applicable.

**Environmental Considerations:** California Environmental Quality Act (CEQA): The proposed action is not a project under CEQA because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines §15378(b)(5).)

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Not applicable.

**Financial Considerations:** Not applicable.

**Local Business Enterprise (LBE):** Not applicable.



## City Council Report

915 I Street, 1<sup>st</sup> Floor  
Sacramento, CA 95814

[www.cityofsacramento.org](http://www.cityofsacramento.org)

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**File ID:** 2017-00468

March 21, 2017

**Discussion Item 27**

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**Title:** Ordinances Amending the City Code: 1) Relating to Implementation of the Transparent Government and Public Engagement Framework (Sunshine Ordinance); 2) Establishing a Code of Ethics; 3) Establishing an Ethics Commission; and 4) Relating to Campaign Contribution Limitations (Passed for Publication 03/14/2017; Published 03/17/2017)

**Location:** Citywide

**Recommendation:**

- 1) Pass an Ordinance Naming Title 4 and adding Chapter 4.04 to the City of Sacramento Code Related to Transparent Government and Public Engagement (Sunshine Ordinance);
- 2) Pass an Ordinance adding Chapter 4.02 to the Sacramento City Code establishing a Code of Ethics;
- 3) Pass a) an Ordinance adding Chapter 2.112 to the Sacramento City Code, establishing an Ethics Commission; and b) a Resolution adding a 1.0 FTE Compliance Officer position to the City Clerk's Office and authorizing the Department of Finance to make the necessary budgetary transfers associated with the implementation of this program; and
- 4) Pass an Ordinance amending Title 2 of the City Code related to Chapter 2.13 Campaign Contribution Limitations.

**Contact:** Shirley Concolino, MMC, City Clerk (916) 808-5442, Office of the City Clerk

**Presenter:** Shirley Concolino, MMC, City Clerk (916) 808-5442, Office of the City Clerk

**Attachments:**

1A-Description/Analysis for Transparent Government and Public Engagement (Sunshine Ordinance)

1B-Sunshine Ordinance

2A-Description/Analysis for Ethics Code

2B-Ethics Code Ordinance

3A-Description/Analysis for Ethics Commission

3B-Ethics Commission Ordinance

3C-Resolution

4A-Description/Analysis for Campaign Finance

4B-Campaign Finance Ordinance

## **Description/Analysis - Transparent Government and Public Engagement (Sunshine Ordinance)**

**Issue Detail:** This report was initially heard by the City Council at their January 5, 2017 meeting. In addition to supporting the recommendations of the Law and Legislation Committee, the City Council directed that amendments raised at the Law & Legislation Committee meeting including requiring City Council Ad Hoc Committee meetings to be public meetings, require Council members to announce a behest earlier than 30 days if voting on issues relative to the payor and requiring that all city business should be conducted on city servers be included in the ordinance. They also directed the City Clerk to include in the annual update of the Council Rules of Procedure a proposed process for Councilmembers to publish proposed amendments to ordinances prior to the Council hearing of an ordinance. Those changes were incorporated and approved by Council on January 24, 2017.

Council also directed staff to bring the Sunshine Ordinance back to Council along with the remaining Good Governance Framework items including a Code of Ethics, amendments to the City's Campaign Finance Ordinance and an ordinance establishing an Ethics Commission.

### **Background**

On September 15, 2015, the City Council approved the recommendations presented by the Ad Hoc Committee resulting in adoption of the Framework of Recommendations for Good Governance and direction to the City Clerk to work with the City Attorney on the identified items.

Adoption of the Sunshine Ordinance is one of the remaining items to be implemented from the approved Frame for Good Governance.

This ordinance was passed for publication by the City Council on March 14, 2017.

**Policy Considerations:** The recommendations in this report are consistent with the City Council direction at their meeting of January 5, 2017.

**Financial Considerations:** None at this time.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** Not applicable.

**Sustainability:** Not applicable.

**Commission/Committee Action:** The Law and Legislation Committee reviewed the proposed ordinance at their September 13, 2016 Committee meeting. They voted to forward the

ordinance to full Council for discussion and adoption. (The attached ordinance is a structural modification of the ordinance approved by the committee, for better concept organization; no changes have been made to the substantive provisions.)

At the September meeting, representatives from Common Cause and the League of Women Voters requested the following key amendments to the ordinance, which were not adopted by the committee:

- Require City Council Ad Hoc Committee meetings to be public meetings
- Require Council to announce a behest earlier than 30 days if voting on issues relative to the payor
- All city business should be conducted on city servers

**Rationale for Recommendation:** This “Sunshine Ordinance” formalizes the City’s current practices and incorporates best practices from other cities to improve transparency and compliance, and encourage public engagement.

**Local Business Enterprise (LBE):** Not applicable.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE NAMING TITLE 4  
AND ADDING CHAPTER 4.04 TO THE SACRAMENTO CITY CODE  
RELATING TO TRANSPARENT GOVERNMENT AND PUBLIC ENGAGEMENT

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. Findings and Purpose.

- A. The Ralph M. Brown Act (Government Code section 54950 et seq., the “Brown Act”) provides for public access and participation in meetings of California legislative bodies.
- B. Section 30 of the Sacramento City Charter provides that the city council shall determine its own rules and order of business.
- C. The Maddy Act (Government Code section 54970 et seq.) mandates active and transparent recruitment of citizens to serve on local advisory boards, commissions, and committees.
- D. The California Public Records Act (Government Code section 6250 et seq.) provides the public with timely access to public records.
- E. The Political Reform Act, specifically Government Code section 87300, requires the City of Sacramento adopt a conflict of interest code that designates positions required to file Statements of Economic Interests (Form 700) and assigns disclosure categories specifying the types of interests to be reported.
- F. Section 33 of the Sacramento City Charter provides that “the city council shall require the city clerk to keep a permanent public record of its proceedings showing all action considered and taken, motions and records, the text of ordinances and resolutions introduced or adopted and all amendments thereto proposed or adopted, and the vote of each council member regarding any matter before the city council or any committee thereof.”
- G. Section 71 of the Sacramento City Charter provides, in part, that the city clerk shall be responsible for the official records of the city and that the city council may prescribe additional duties of the city clerk.

- H. This ordinance is intended to enhance the public's ability to participate in the city's decision-making process and have access to public information and records.

## SECTION 2.

Title 4 of the Sacramento City Code is hereby entitled "Ethics and Open Government."

## SECTION 3.

Chapter 4.04 is added to the Sacramento City Code to read as follows:

### Chapter 4.04 TRANSPARENT GOVERNMENT AND PUBLIC ENGAGEMENT

#### 4.04.010 Short title.

This chapter shall be known and may be cited as the "Sacramento Sunshine Ordinance."

#### 4.04.020 Minimum posting of council agenda materials.

- A. The city clerk shall post the agenda of each regular or adjourned regular meeting of a city legislative body (as that term is defined in Government Code section 54952) at least 120 hours in advance of the meeting in a location that is freely accessible to members of the public as required by the Ralph M. Brown Act.
- B. All agreements requiring council approval must be posted on the city's website and be made available to the public prior to council action unless determined otherwise by the city attorney.
- C. Unless waived by two-thirds vote of council, all labor agreements and all agreements greater than \$1,000,000 must be posted on the city's website and be made available to the public at least 10 days prior to council action.

#### 4.04.030 Records of city council actions.

- A. The city clerk shall, within a reasonable time and for each city legislative body (as that term is defined in Government Code section 54952), provide public access to all meeting records, including agendas, reports and supplemental material, action minutes, proposed and adopted ordinances, proposed and adopted resolutions, and other meeting correspondence.

- B. Whenever practicable, the city clerk shall stream live video and audio to the city's website for city legislative body meetings and archive them for access from the city's website.
- C. The requirements in this section are in addition to the requirements in the Ralph M. Brown Act and the Council Rules of Procedure.

4.04.040 Ad hoc committees.

- A. Council ad hoc committees shall be considered city legislative bodies subject to the Ralph M. Brown Act.
- B. The chair of a council ad hoc committee shall provide an oral report at the first council meeting following an ad hoc committee meeting.
- B. The city clerk shall place an item on the council agenda, including a written report, when a council ad hoc committee is dissolved.

4.04.050 Public records access.

- A. The city clerk shall identify and publish a catalog of public records that are available on the city's website and accessible in the online records library.
- B. The city's chief information officer shall publish data sets to the city's open data portal according to the city's published open data policy.
- C. The city clerk shall annually report to council the metrics of California Public Records Act requests and responses.

4.04.060 Website publication of city information.

- A. Boards and commissions. In addition to the requirements of the Maddy Act (Government Code section 54970 et seq.), the city clerk shall publish to the city's website information about each city board and commission, including the current roster and vacancy information, and shall provide easy access to apply for any vacant seat.
- B. Regional organizations and joint powers authority appointments. The city clerk shall publish to the city's website each January the approved appointments of councilmembers to regional organizations and joint powers authorities.

- C. Citywide policies and procedures. The city clerk shall publish and update all approved citywide policies and procedures to the city's website.
- D. Records management policy and retention schedule. The city clerk shall publish annually to the city's website the city's records management policy, including the city's records retention schedule.
- E. Campaign disclosures. The city clerk shall publish to the city's campaign statement public web portal campaign contributions and expenditures, campaign statements filed by candidates and committees, and committee filing history by election.
- F. Statement of Economic Interests - Form 700. The city clerk shall publish to the city's conflict of interest public web portal completed forms for filers identified in the city's conflict of interest code.

#### 4.04.070 Policy training.

- A. Records management policy and retention schedule.
  - 1. Each elective official, appointed officer, and department director shall be responsible for designating the city staff within their respective control who must complete training on the city's record management policy and retention schedule.
  - 2. Every odd-numbered year, designated staff shall complete training on the city's records management policy and retention schedule.
  - 3. The city clerk shall be responsible for developing the records management training program and requirements. The training must include training on state law requirements and the city's record management policy and retention schedule.
- B. Social media policy training.
  - 1. Each elective official, appointed officer, and department director shall be responsible for designating the city staff within their respective control who must complete training on the city's social media policy.
  - 2. Every even-numbered year, designated staff shall complete training on the city's social media policy.

3. The city clerk shall be responsible for developing the social media policy training program and requirements, which must include training on the city's social media policy.

4.04.080 Reporting of behests.

- A. Notwithstanding the 30 days afforded elected officials under the Political Reform Act (California Government Code section 82015) to file behested payment reports, city elected officials shall file behested payment reports within five business days following the date on which the payment or payments requiring such reports are made.
- B. If the payor of a reportable behested payment will materially benefit from a decision of the city council that occurs before the filing deadline set forth in subsection A, the elected officer shall also announce the behested payment – including the identity of the payor, the amount, and the identity of the payee – at the council meeting before voting on the matter.
- C. An elected official's obligations under this section arise upon actual knowledge of the payee's receipt of the behested payment.

4.04.090 Use of city resources for conducting city business.

- A. The city shall provide every employee a city email address.
- B. No city employee shall use electronic communication for the conduct of city business unless each electronic communication regarding city business is simultaneously copied to, or promptly thereafter forwarded to, their city email address.
- C. When asked by the city's record manager, or other authorized person, for potential disclosure in response to a request under the California Public Records Act, city employees shall produce to the city's record manager, or other authorized person, all city-business-related electronic communications stored on that person's private device or private electronic communication account.
- D. Definitions. As used in this section:
  1. The term "employee" means elected official, officer, and employee.
  2. The term "private" means not owned, controlled, or managed by the city.

3. The term "electronic communication" means electronic mail (email) and other electronic messaging systems that are used for purposes of communicating between individuals. By way of example only, texts and instant messages are electronic communications.

4.04.100 Annual review of Sunshine Ordinance and policies.

- A. Sunshine Ordinance. Each January, the city clerk shall report to the city council on the operation of this chapter, and make appropriate recommendations for the amendment of this chapter. Nothing in this section precludes additional reviews and reports on this chapter throughout the year.
- B. Social media policy. The city's records manager shall review and update the city's social media policy at least annually.
- C. Records management policy. The city clerk shall review and update the city's records management policy, including the city's records retention schedule, at least annually.

4.04.110 Violations.

The violation of any provision of this chapter is not a misdemeanor or infraction. Violations may be reported to the office of compliance for investigation and appropriate action.

## **Description/Analysis – Code of Ethics**

**Issue Detail:** At their January 5, 2017 City Council meeting, the Council directed that the issue of a Code of Ethics be scheduled for discussion by the Law and Legislation Committee and an ordinance be brought back for consideration by the full City Council in mid-February.

**Background:** On September 15, 2015 the City Council approved the recommendations presented by the Ad Hoc Committee resulting in adoption of the Framework of Recommendations for Good Governance and direction to the City Clerk to work with the City Attorney on the identified items.

On January 5, 2017 the City Council directed that the remaining items from the adopted Framework be scheduled for discussion by the Law and Legislation Committee for implementation which included the Code of Ethics, an Ethics Commission Ordinance and updates to the current Campaign Contribution Limitations ordinance.

This ordinance was passed for publication by the City Council on March 14, 2017.

**Policy Considerations:** The recommendations in this report are consistent with the City Council direction to implement the remaining recommendations from the approved Framework for Good Governance in a cost effective manner.

**Financial Considerations:** Not applicable.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** Not applicable.

**Sustainability:** Not applicable.

### **Commission/Committee Action:**

At their January 24, 2017 the Law and Legislation Committee meeting, the Committee discussed details of a Code of Ethics and provided direction to as follows

Specific direction from the Committee included:

- Add Nepotism Policy and Whistler Blower Protection Policy to Code of Ethics
- Interest in adding the City's Code on Lobbyist Registration to the Code of Ethics

The Code of Ethics will apply to all city employees including elected officials, charter and council appointed officers.

At their February 14, 2017 the Law & Legislation Committee reviewed a draft Ethics Code Ordinance and provided the following direction:

- City Code on Lobbyist Registration is included
- Add more specific language on the requirement for use of use of city resources for conducting city business
- Direct that compliance of the City's Nepotism Policy be included during contract negotiations with Local 522 Firefighters Union

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE ADDING CHAPTER 4.02

TO THE SACRAMENTO CITY CODE RELATED TO A CODE OF ETHICS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. Findings and Purpose.

- A. The purpose of city government is to serve the public.
- B. Section 30 of the Sacramento City Charter provides that the city council shall determine its own rules and order of business.
- C. Assembly Bill 1234 and its implementing regulations require that compensated officials of the city's legislative bodies (as that term is defined in Government Code section 54952) receive ethics training.
- D. Assembly Bills 1825 and 1661 collectively mandate sexual harassment training for any city employee who performs supervisory functions, as well as elected officials.
- E. The Political Reform Act (Government Code section 81000 et seq.) and its implementing regulations cover, among other things, campaign disclosure; campaign contribution limits; lobbyist filings; conflicts of interest; auditing; enforcement; honoraria, gifts, and travel; and campaign documents.
- F. Government Code section 87300 requires the city to adopt a conflict of interest code that designates positions required to file Statements of Economic Interests (Form 700) and assigns disclosure categories specifying the types of interests to be reported.
- G. This ordinance is intended to identify a Code of Ethics for city officials, appointed officers, and city employees.

SECTION 2.

Chapter 4.02 is added to the Sacramento City Code to read as follows:

CHAPTER 4.02

CODE OF ETHICS

4.02.010 Short title.

This chapter shall be known and may be cited as the "Sacramento Code of Ethics."

4.02.020 Definitions.

For purposes of this chapter, the following definition applies:

"City employee" means any elected official, appointee to a board or commission, employee, or citizen volunteer authorized to act on behalf of the city.

4.02.030 Public trust.

- A. City employees shall treat their office or position as a public trust.
- B. The city's powers and resources shall be used for the benefit of the public rather than any city employee's personal benefit.

4.02.040 Accountability.

- A. All adopted or approved citywide policies and procedures, including the Council Rules of Procedure, will be published to the city's website.
- B. All city employee certification of completion information for required training will be published on the city's website.

4.02.050 Nepotism policy.

City employees shall comply with the citywide nepotism policy adopted or approved by city council resolution.

4.02.060 Whistleblower protection policy.

City employees shall comply with the citywide whistleblower protection policy adopted or approved by city council resolution.

4.02.070 Mandatory ethics training.

- A. The city clerk shall provide ethics training material, as required by California Assembly Bill 1234 ("AB1234"), to all newly elected and appointed city officials within 30 days of that official taking office.
- B. The city clerk shall provide AB 1234 ethics training material to all incumbent officials at least every two years.
- C. The city clerk shall regularly publish to the city's website the status of AB1234 ethics training for all elected and appointed officials.

4.02.080 Mandatory sexual harassment training.

- A. The city clerk shall provide sexual harassment training material, as required by California Assembly Bills 1825 and 1661, to all newly elected officials, appointed officials, and city employees within 30 days of taking office or becoming a city employee or volunteer.
- B. The city clerk shall provide sexual harassment training material to all newly elected officials, appointed officials, and city employees at least every two years.
- C. The city clerk shall regularly publish to the city's website the status of sexual harassment training for all city employees.

4.02.090 Political Reform Act and regulations.

- A. All city employees shall follow the Political Reform Act and Fair Political Practices Commission regulations issued thereunder, as applicable.
- B. Candidates for city elective office shall not solicit personal funds from city employees for their campaigns or committees.
- C. The city clerk shall publish to the city's website all filings of city employees required by the Political Reform Act and Fair Political Practices Commission.

4.02.100 Annual review of the Code of Ethics.

Each January, the City Clerk shall report to the city council on the operation of this chapter, and make appropriate recommendations for the amendment of this chapter. Nothing in this section precludes additional reviews and reports on this chapter throughout the year.

4.02.110 Violations.

Except for knowing and willful violations of section 4.02.050 and section 4.02.060, the violation of any provision of this chapter is not a misdemeanor or infraction. Violations may be reported to the office of compliance for investigation and appropriate action.

Adopted by the City of Sacramento City Council on \_\_\_\_\_ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Passed for Publication:

Published:

Effective:

## **Description/Analysis – Ethics Commission**

**Issue Detail:** At their January 5, 2017 City Council meeting, the Council directed that the issue of an Ethics Program and Ethics Commission be scheduled for discussion by the Law and Legislation Committee and an ordinance be brought back for consideration by the full City Council in mid-February.

**Background:** On September 15, 2015 the City Council approved the recommendations presented by the Ad Hoc Committee resulting in adoption of the Framework of Recommendations for Good Governance and direction to the City Clerk to work with the City Attorney on the identified items.

On January 5, 2017, the City Council directed that the remaining items from the adopted Framework be scheduled for discussion by the Law and Legislation Committee for implementation which included the Ethics Code, an Ethics Commission Ordinance and updates to the current Campaign Contribution Limitations ordinance.

This ordinance was passed for publication by the City Council on March 14, 2017.

**Policy Considerations:** The recommendations in this report are consistent with the City Council direction to implement the remaining recommendations from the approved Framework for Good Governance in a cost-effective manner.

**Financial Considerations:** The estimated cost of the proposed Ethics Program including the operations of the Ethics Commission and Compliance Officer position is \$350,000. Funding of \$100,000 was included in the FY2016/17 Midyear Budget for any expenses associated with this program in the current fiscal year. The ongoing costs of this program will be included the FY2017/18 Proposed Budget. Key to full implementation of a robust program within this budget is establishing a clear scope for the program and jurisdiction for the Ethics Commission.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** Not applicable.

**Sustainability:** Not applicable.

**Commission/Committee Action:** At their January 24, 2017 the Law and Legislation Committee meeting, the Committee discussed details of an Ethics Program and provided direction to assist in drafting an ordinance to establish an Ethics Commission.

Specific direction from the Committee included:

- Not to exceed a budget of \$350,000

- Focus on compliance training, education and monitoring
- Use of cost efficient methods to carryout program including: a Compliance Officer; a contract with State of California Fair Political Practices Commission to provide services to review and enforce complaints related to campaigns and behests as well as to provide clarification of campaign finance terms; and a contracted investigator to work with the Ethic Commission
- Ethics Commission jurisdiction applies to City Elected Officials, Charter Officers, City Appointed Boards & Commissions and Council appointed positions of City Auditor, City Independent Budget Analyst and City Public Safety Accountability Officer

At their February 14, 2017, the Law & Legislation Committee reviewed a draft Ethics Commission Ordinance and provided the following additional direction:

- If the contract with the FPPC for administrative enforcement of the City's campaign and behests does not occur this responsibility will default to the Ethics Commission
- Work with Common Cause, League of Women Voters and LULAC Lorenzo Patino Council No. 2862 to incorporate additional requested changes into draft ordinance including: input on retention and termination of outside contract ethics evaluator; give Ethics Commission authority to review and recommend to the Council changes to city laws concerning ethics, campaign finance, open government and lobbying; give the Commission a maximum fining authority; allow the Commission to adopt its own procedural regulations with the assistance of the City Attorney; and reduce the pre- and post-service restrictions on Ethics Commissioners applicants.
- The Committee did not support the Ethics Commission determining that certain violations of the Ethics Code constitute a misdemeanor.

Following is an Overview of the Ethics Program and its components including details on the Ethics Commission incorporated in the ordinance:

The goal of the Ethics Program is to achieve the greatest level of compliance to City codes and policies as well as applicable State law by elected officials and all city employees through training and compliance monitoring. An Oversight component will provide for investigation of complaints and enforcement of penalties when appropriate.

The proposed Ethics Program has the components of Compliance, Investigation and Oversight.

Details of scope and responsibilities for each component are below:

**Office of Compliance** (1.0 FTE Compliance Officer)

*Training*

- Provide and coordinate training relative to compliance with the Code of Ethics, Sunshine Ordinance and other city policies. Bring in outside experts (e.g. FPPC) as appropriate to assure an effective training program.
- Develop custom training programs for specific groups including City appointed Boards and Commissions, Charter Officers and Department Heads.

### *Monitoring*

- Monitor compliance with required training (e.g. Sexual Harassment) as well as required reporting (e.g. Annual Form 700).
- Coordinate with City's Equal Employment Opportunity Office to identify joint training opportunities.

### *Administrative*

- Administer intake of complaints through logging and tracking. Transmit complaints to Ethics Evaluator/Investigator Contractor for screening.
- Coordinate with City Auditor on applicable whistle blower hotline complaints.
- Provide support to Ethics Commission.
- In coordination with the City Auditor and Independent Budget Analyst, provide an annual report to City Council with program metrics for training, compliance and effectiveness.

## **Complaint Review/Investigation** (Outside contracts)

### **Ethics Evaluator/Investigator**

- Reviews complaints under the purview of the Ethics Commission
- Recommends those that warrant further investigation to Ethics Commission
- Conducts investigation and recommends appropriate penalties/action to Ethics Commission

### **Contract with State of California Fair Political Practices Commission**

- Review and enforcement of campaign and behest related complaints
- Provide clarification of campaign finance terms (advice letters)

## **ETHICS COMMISSION**

### *Scope*

- As recommended by Ethics Evaluator, review and, as determined by the Commission, investigate complaints based on violations of Code of Ethics, Sunshine Ordinance, Chapter 3 (Conduct of Members) of Council Rules of Procedure, Chapter 2.15 Lobbyist Registration and Reporting Code
- Does not self-initiate complaints

- Jurisdiction: City Elected Officials, Charter Officers, City Boards & Commissions and Council appointed positions of City Auditor, City Independent Budget Analyst and City Public Safety Accountability Officer

#### *Membership*

- 5 Commissioners; 2 at-large/3 with background in law, ethics, local government or similar experience
- Require similar qualifications and post-service restrictions as were required of Redistricting Commissioners
- Applications reviewed and recommendation made by Council P&PE Committee to Mayor with confirmation by full Council
- Staggered 4-year terms/2 term limit consistent with other city boards and commissions
- Required to file annual conflict of interest disclosure and disclosure forms when selected for appointment consistent with other city boards and commissions

#### *Administrative*

- Support provided by Compliance Officer
- Provide input on selection and retention of Ethics Evaluator contractor
- Work closely with Ethics Evaluator to develop a recommended schedule of penalties for various infractions. Submit to Council for approval.
- Minimum of one training per year on ethics
- Provide input on annual list of outside legal contractors that City Attorney will use to assist City Attorney's Office in investigations
- Submit an annual report on activities of the Commission to the Council
- Every 2 years review and provide input on efficacy of FPPC contract

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE ADDING CHAPTER 2.112 TO THE SACRAMENTO CITY CODE, ESTABLISHING AN  
ETHICS COMMISSION

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. Findings and Purpose.

- A. A government ethics program begins with clear guidelines on the peoples' expectations of city officials in the conduct of city business. These guidelines are found in the city code and in adopted citywide policies. And an effective ethics program includes a training and education component. That is currently achieved through training opportunities across various departments and offices, and will be enhanced by the proposed addition of a compliance office within the city clerk's office. But a comprehensive government ethics program must also include a means to review and ensure compliance with the city code and city policies.
- B. The existence of an ethics commission will help city officials achieve the greatest level of compliance with city codes and city policies, by acting as a body that reviews, investigates, and consider complaints alleging violations of various city ethics program components.

SECTION 2.

Chapter 2.112 is added to the Sacramento City Code to read as follows:

CHAPTER 2.112

ETHICS COMMISSION

2.112.010 Commission established.

The Sacramento ethics commission is hereby established.

2.112.020 Purpose of commission.

The purpose of the commission is to review and consider complaints against elected and appointed city officials, as further described in section 2.112.030, to ensure those city officials are conforming their conduct to the city's laws and policies.

2.112.030 Powers and duties of commission.

A. Subject to subsections B and C below, the commission has the power and duty to do the following:

1. Review, investigate, and consider complaints alleging violations of:
  - (a) Section 35 of the Sacramento City Charter ("Limitation on future employment");
  - (b) Chapter 1.20 ("Code of Fair Campaign Practices");
  - (c) Chapter 2.13 ("Campaign Contribution Limitations") and chapter 2.14 ("Campaign Spending Limits and Public Campaign Financing"), if the city has not contracted with the Fair Political Practices Commission for enforcement of those chapters;
  - (d) Chapter 2.15 ("Lobbyist Registration and Reporting Code");
  - (e) Chapter 2.16 ("Conflict of Interest");
  - (f) Chapter 4.02 ("Code of Ethics")
  - (g) Chapter 4.08 ("Sunshine Ordinance"); and
  - (h) Chapter 3 ("Conduct of Members") and Rule 6.E ("Closed Sessions") of the Council Rules of Procedure.
2. Enforce administrative penalties for violations of provisions covered in subsection A.1 above, in accordance with the policy adopted pursuant to section 2.112.030.C.6. Penalties for each violation may not exceed the greater of (i) \$5000, or (ii) in the case of campaign contributions, three times the amount that the violator failed to report properly or unlawfully contributed or accepted.
3. At least annually, report to the city council regarding the activities of the commission, with recommendations, if any, regarding the subjects of its purview as described in subsection A.1.
4. Every two years, review any contract the city has with the Fair Political Practices Commission, for the purpose of reporting to the council on the contract's efficacy. The commission may also make recommendations regarding renewal of the contract.

5. Provide annual input to the city attorney on the list of law firms used by the city attorney to conduct investigations of sexual harassment claims against city officials.

6. Provide input on the initial selection of an evaluator under subsection C.4; make recommendations for subsequent contracts with an evaluator; and make recommendations regarding the retention or replacement of an evaluator.

7. Act as the screening panel for selection of independent redistricting commission candidates, as provided in article XII of the Sacramento City Charter.

B. The commission's authority under subsection A extends only to city elected officials, candidates for city elected office, independent expenditure committees, members of boards and commissions, the city manager, the city clerk, the city attorney, the city treasurer, the city auditor, the independent budget analyst, and the public safety accountability officer.

C. Complaint, Investigation, and Hearing Procedure.

1. In consultation with the city attorney, the commission shall adopt regulations and procedures for investigations and hearings to be conducted by the commission.

2. The commission's review, investigation, and consideration of complaints shall be in accordance with its adopted regulations and procedures.

3. A complaint filed with the commission may be investigated only if the complaint identifies the specific alleged violation which forms the basis for the complaint and contains sufficient facts to warrant a formal investigation.

4. The council shall cause to be retained an independent and neutral evaluator to review and investigate complaints and to make recommendations to the commission.

5. Notwithstanding anything else in this code, complaints, investigative files, and information contained therein shall be considered confidential to the maximum extent under the law, and shall not be disclosed to any person other than a respondent or respondent's representative, the city attorney or district attorney, a court, a law enforcement agency, designees of the foregoing, or otherwise as necessary to the conduct of an investigation.

6. The commission shall adopt a policy setting forth its standards for imposing penalties and exercising enforcement discretion. The evaluator shall follow that policy when making recommendations to the commission.

2.112.040 Appointment of members and qualification.

A. Appointment. The commission consists of five members. Members of the commission shall be nominated by the personnel and public employees committee and appointed by the mayor with the concurrence of a majority of the city council.

B. Qualifications.

1. Commission members shall be residents of the city. Three members shall have a background in law, ethics, local government, or similar experience.

2. The following persons are not eligible to be a commissioner:

a. A person who – or whose spouse, registered domestic partner, or child – has contributed to a candidate for city elective office, in a single city election cycle in either of the last two city election cycles preceding their date of application to be on the commission, more than 50 percent of the allowable amount for a councilmember candidate.

b. A person who – or whose spouse, registered domestic partner, or child – is or has been, within the two years immediately preceding their date of application to be on the commission, any of the following:

(i) A paid employee of the city;

(ii) A registered city lobbyist, or someone who was required to be a registered city lobbyist; or

(iii) An appointee of any local or state elected official.

c. A person who – or whose spouse, registered domestic partner, parent, sibling, or child – has been, within four years immediately preceding their date of application to be on the commission, any of the following:

(i) Elected to, or a candidate for, city elective office;

(ii) An employee of, or paid consultant or contractor to, a campaign for city elective office; or

(iii) A paid employee of, a consultant to, or someone under contract with any city elected official.

3. A commissioner shall be ineligible, during service on the commission and for a period of four years thereafter, to hold city elective office. A commissioner shall be ineligible, during services on the commission and for a period of one year thereafter, to be appointed to another city commission, to serve as paid staff for or as a paid consultant to any city elected official, to receive a non-competitively bid contract with the city, or to register as a city lobbyist.

4. While on the commission, a commissioner shall not contribute to or participate in any candidate campaign for city elective office.

C. Training. Each commissioner must receive a minimum of one training session per year on ethics, the subjects listed in section 2.112.030.A.1, and the citywide policies identified by city council resolution under section 4.02.040.A.

#### 2.112.050 Term of office – Vacancy.

A. Except as provided in this section for the length of the terms of the initial appointees, members of the commission shall serve a term of four years. A member shall hold office until his or her successor has been appointed.

B. Terms shall be staggered. The terms of the initial appointees to the seats designated 1, 3, and 5 shall expire two years from the date of their initial appointment, with the remaining two seats having a term expiring four years from the date of initial appointment. Thereafter, all members shall be appointed to serve four-year terms.

C. No member shall serve more than two consecutive terms. The terms established for the initial appointees constitute a full term for the purpose of calculating the two consecutive term limit.

D. If a vacancy occurs during the term of any member, a successor to serve the unexpired term shall be appointed in accordance with the requirements set forth in section 2.112.040. A successor appointed to complete an unexpired term may be eligible to serve up to two consecutive terms in addition to the unexpired term in accordance with section 2.40.120.

2.112.060 Conflict of interest and financial disclosure statements.

The provisions of article III of chapter 2.16 governing conflicts of interest of board and commission members shall apply to members of the commission. In addition, all appointees to the commission are required to file statements disclosing financial interests pursuant to a conflict of interest code adopted for the commission.

2.112.070 Chairperson and organization of the commission.

At its first meeting, and annually thereafter, the commission shall elect a commission chairperson and vice chairperson from among the members. The chairperson and vice chairperson shall hold office at the pleasure of the commission. When there is a vacancy in the office of chairperson or vice chairperson, the commission shall fill that office from among the members. The commission may adopt rules and procedures for the conduct of its business and may do any other things necessary or proper to carry out its functions, which may include the formation of one or more committees. Staff support to the commission shall be provided by the city clerk's office, and one or more city employees that may be designated by the city manager.

2.112.080 Commission meetings.

The commission shall establish for itself a regular meeting schedule, with a minimum of two meetings per year. The meetings shall be noticed and held in accordance with the provisions of the Ralph M. Brown Act (California Government Code section 54950 et seq.). The commission has the authority to notice and hold special meetings in the manner specified by the Ralph M. Brown Act.

2.112.090 Quorum – Voting.

The quorum required for the commission to conduct business is three members. The affirmative vote of a majority of the members present and eligible to vote is necessary to approve any item, except that a minimum of three affirmative votes is necessary to impose a monetary penalty.

2.112.100 Compensation.

Pursuant to City Charter section 29, the compensation commission shall establish the compensation that members of the commission receive for attending commission meetings.

2.112.110 General requirements.

Unless specifically provided otherwise in this chapter, the general requirements set forth in chapter 2.40, governing the appointment of board and commission members, attendance at board and commission meetings, voting, term limits, and removal, apply to the commission. A member is subject to removal for good cause, neglect of duty, or misconduct as provided in City Charter section 232.

SECTION 3.

Section 2.40.030 of the Sacramento City Code is amended to read as follows:

2.40.030 Applicability.

The provisions of this article shall apply to persons recommended to the mayor by the personnel and public employees committee as appointees for positions on the city council and the following boards and commissions:

Administration, Investment and Fiscal Management Board of the City Retirement System

Board of Plumbing Examiners

Civil Service Board

Construction Code Board of Appeals

Ethics Commission

Housing Code Advisory and Appeals Board

Old Sacramento Variance Appeals Board

Parks and Recreation Commission (Two Seats)

Planning and Design Commission (Four Seats)

Preservation Commission

Retirement Hearing Commission

Sacramento City Public Facilities Financing Corporation

Utilities Rate Advisory Commission

Adopted by the City of Sacramento City Council on \_\_\_\_\_ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Passed for Publication:

Published:

Effective:

**RESOLUTION NO. 2017-**

Adopted by the Sacramento City Council

March 21, 2017

**APPROVING THE ALLOCATION OF ONE (1) FTE FOR COMPLIANCE OFFICER**

**BACKGROUND**

- A. On January 5, 2017, the City Council adopted the Framework of Recommendations for Good Governance program which included a Code of Ethics, Ethics Commission and a Compliance Officer.
- B. On February 7, 2017, City Council approved the Fiscal Year 2016/17 Midyear Budget Report including funding to add a position and establish an Ethics/Compliance Office.
- C. On March 21, 2017, City Council approved an ordinance establishing an Ethics Commission.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager is authorized to add a 1.0 FTE Compliance Officer position to the City Clerk's Office.

## **Description/Analysis – Campaign Contribution Limitations**

**Issue Detail:** At their January 5, 2017 City Council meeting, the Council directed that the issue of updating the City’s Campaign Finance Ordinance be scheduled for discussion by the Law and Legislation Committee and revisions to the ordinance be brought back for consideration by the full City Council in mid-February.

**Background:** On September 15, 2015 the City Council approved the recommendations presented by the Ad Hoc Committee resulting in adoption of the Framework of Recommendations for Good Governance and direction to the City Clerk to work with the City Attorney on the identified items.

On January 5, 2017, the City Council directed that the remaining items from the adopted Framework be scheduled for discussion by the Law and Legislation Committee for implementation which included the Code of Ethics, an Ethics Commission Ordinance and updates to the current Campaign Contribution Limitations ordinance.

This ordinance was passed for publication by the City Council on March 14, 2017.

**Policy Considerations:** The recommendations in this report are consistent with the City Council direction to implement the remaining recommendations from the approved Framework for Good Governance in a cost-effective manner.

**Financial Considerations:** No additional costs are anticipated by revisions of this ordinance.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** Not applicable.

**Sustainability:** Not applicable.

### **Commission/Committee Action:**

At their January 24 Law and Legislation Committee meeting, the Committee discussed an approach to amending Title 2, Chapter 2.13 Campaign Contribution Limitations as one of the remaining actions under the Framework for City Transparency and Good Governance.

Specific direction from the Committee for amending the current ordinance included:

- Clarification of off-year contributions and aggregation
- Inclusion of the Political Reform Act
- Identify opportunities to align City language with that of the State

At their February 14, 2017, the Law & Legislation Committee reviewed and approved amendments to the Campaign Limitations Ordinance recommended by staff to simplify the ordinance and align it where possible with the State's language. The Committee also approved the concept of contracting with the FPPC to provide enforcement of the ordinance along with training and advise letters. The FPPC may also recommend additional changes to the ordinance in the future.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 2.13 OF THE SACRAMENTO CITY CODE, RELATING TO CAMPAIGN CONTRIBUTION LIMITATIONS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

- A. Subsection H is added to Section 2.13.020 of the Sacramento City Code to read as follows:

H. The city is committed to ensuring that campaign contribution limitations are monitored and enforced to compel compliance.

- B. Except as provided in subsection A above, Section 2.13.020 of the Sacramento City Code remains unchanged and in full effect.

SECTION 2.

- A. The definition of "Political Reform Act" in Section 2.13.040 of the Sacramento City Code is amended to read as follows:

"Political Reform Act" or "Act" means the Political Reform Act of 1974, California Government Code section 81000 et seq., and the Regulations promulgated under the Act.

- B. Except as provided in subsection A above, Section 2.13.040 of the Sacramento City Code remains unchanged and in full effect.

SECTION 3.

- A. Subsection A of Section 2.13.050 of the Sacramento City Code is amended to read as follows:

A. Councilmembers. Contributions to candidates for the office of city councilmember shall be subject to the following limitations in addition to any limitations established by the Political Reform Act:

1. Contributions by Persons. No person shall make, and no candidate for the office of city councilmember, or a controlled committee of such candidate, or person acting by or on behalf of such candidate or such candidate's controlled committee shall accept, any contribution that would cause the total amount contributed by that person to the candidate, or to the candidate's controlled committee, to exceed \$1,650 in any of the following periods: a primary election period; a general election period; or a special election period. If the Political Reform Act establishes a lower limit for special elections, the lower limit applies.

2. Contributions by Large Political Committees. No large political committee shall make, and no candidate for the office of city council member, or a controlled committee of such controlled committee, or person acting by or on behalf of such candidate or such candidate's controlled committee shall accept, any contribution that would cause the total amount contributed by that large political committee to the candidate, or to the candidate's controlled committee, to exceed \$5,600 in any of the following periods: a primary election period; a general election period; or a special election period. If the Political Reform Act establishes a lower limit for special elections, the lower limit applies.

B. Subsection B of Section 2.13.050 of the Sacramento City Code is amended to read as follows:

B. Mayor. Contributions to candidates for the office of mayor shall be subject to the following limitations in addition to any limitations established by the Political Reform Act:

1. Contributions by Persons. No person shall make, and no candidate for the office of mayor, or a controlled committee of such candidate, or person acting by or on behalf of such candidate or such candidate's controlled committee, shall accept into the candidate's campaign contribution account, any contribution that would cause the total amount contributed by that person to the candidate, or to the candidate's controlled committee to exceed \$3,350 in any of the following periods: a primary election period; a general election period; or a special election period. If the Political Reform Act establishes a lower limit for special elections, the lower limit applies.

2. Contributions by Large Political Committees. No large political committee shall make, and no candidate for the office of mayor, or a controlled committee of the candidate or such candidate's controlled committee, or person acting by or on behalf of such candidate or such candidate's controlled committee shall accept, any contribution which would cause the total amount contributed by that large political committee to the candidate, or to the candidate's controlled committee, to exceed \$11,150 in any of the following periods: a primary election period; a general election period; or a special election period. If the Political Reform Act establishes a lower limit for special elections, the lower limit applies.

- C. Except as provided in subsections A and B above, Section 2.13.050 of the Sacramento City Code remains unchanged and in full effect.

SECTION 4.

- A. Subsection C of Section 2.13.060 of the Sacramento City Code is amended to read as follows:

- C. Notwithstanding the provisions of Section 2.13.180, a candidate shall not be deemed to be in violation of this section if he or she accepts a contribution from a person or persons that exceeds the contribution limits set forth in Section 2.13.050 because of the aggregation of contributions pursuant to subsections A and B of this section. It is the intent of this section to make contributors, and not candidates, liable for violations of this section occurring as a result of the applicability of the aggregation rules set forth in subsections A and B of this section, except where there is sufficient proof that the candidate had knowledge that the contributions must be aggregated.

- B. Except as provided in subsection A above, Section 2.13.060 of the Sacramento City Code remains unchanged and in full effect.

SECTION 5.

Section 2.13.065 of the Sacramento City Code is amended to read as follows:

- A. Candidate for City Council Position. A candidate or controlled committee of a candidate for a city council position other than mayor shall provide the following written notice:

NOTICE

Chapter 2.13 of the Sacramento City Code limits the amounts that a contributor may give to a candidate for a City Council position for a primary, general or special election. Generally, a contributor other than a large political committee may not give more than \$1,650 to a candidate for a City Council position for a primary, general or special election, while a large political committee may not give more than \$5600 to a candidate for City Council for a primary, general or special election. Chapter 2.13 contains certain other rules that may affect the amounts that an individual contributor may give. Please read Chapter 2.13 before making a contribution to my campaign.

B. Candidate for Mayoral Position. A candidate or controlled committee of a candidate for mayor shall provide the following written notice:

#### NOTICE

Chapter 2.13 of the Sacramento City Code limits the amounts that a contributor may give to a candidate for Mayor for a primary, general or special election. Generally, a contributor other than a large committee may not give more than \$3,350 to a candidate for Mayor for a primary, general or special election, while a large political committee may not give more than \$11,150 to a candidate for Mayor for a primary, general or special election. Chapter 2.13 contains certain other rules that may affect the amounts that an individual contributor may give. Please read Chapter 2.13 before making a contribution to my campaign.

#### SECTION 6.

A. Subsection A of Section 2.13.080 of the Sacramento City Code is amended to read as follows:

A. Aggregate Limits.

1. Except as provided in subsection (A)(2) of this section, the following aggregate off-election year contribution limits apply:

a. No councilmember or candidate for the city office of councilmember shall accept contributions totaling more than \$27,850 in any single off-election year.

b. No mayor or candidate for the city office of mayor shall accept contributions totaling more than \$55,750 in any single off-election year.

B. Except as provided in subsection A above, Section 2.13.080 of the Sacramento City Code remains unchanged and in full effect.

#### SECTION 5.

A. Subsection E of Section 2.13.085 of the Sacramento City Code is amended to read as follows:

E. No person (other than the officer or candidate) shall make, and no legal expense fund committee for an elective city officer or candidate for elective city office shall

solicit or accept, contributions from any person to a legal defense fund totaling more than \$1,100.

- B. Except as provided in subsection A above, Section 2.13.085 of the Sacramento City Code remains unchanged and in full effect.

#### SECTION 6.

Section 2.13.110 of the Sacramento City Code is deleted.

#### SECTION 7.

- A. Section 2.13.130 of the Sacramento City Code is amended to read as follows:
  - A. Whenever any elected city officer, candidate or committee is required to file California Form 460 under the Political Reform Act and Regulations with the city clerk, the information reported shall include information per election to date.
  - B. Whenever any elected city officer, candidate or committee is required to file a campaign statement under the Political Reform Act or the Regulations with the city clerk, the elected officer, candidate, or committee shall file at the same time a copy of the statement in an electronic format prescribed by the city clerk, provided that the clerk has prescribed the format at least 60 days before the statement is due. If no format has been prescribed in a timely manner, the elected city officer, a candidate or committee shall file the statement in a format suitable for electronic scanning. The provisions of this subsection shall apply only to persons or combinations of persons who qualify as a committee under Section 82013 of the Political Reform Act.
- B. Except as provided in subsection A above, Section 2.13.130 of the Sacramento City Code remains unchanged and in full effect.

#### SECTION 8.

- A. Section 2.13.150 of the Sacramento City Code is amended to read as follows:

Any person or organization who makes independent expenditures of more than \$5,000 in support of or in opposition to any candidate for city office shall notify the city clerk, the candidate who is the subject of the expenditure, and all other candidates of such expenditure or expenditures by email, guaranteed overnight mail through the United

States Postal Service or equivalent private delivery service, or personal delivery within 24 hours. Such notification shall be made each time this threshold of five thousand dollars \$5,000 is met. For purposes of this section, expenditures made during the primary and general election periods shall be accumulated and notice shall be given each time the \$5,000 threshold is reached, regardless of whether \$5,000 is spent in a single election period.

- B. Except as provided in subsection A above, Section 2.13.150 of the Sacramento City Code remains unchanged and in full effect.

#### SECTION 9.

- A. Subsection C is added to Section 2.13.160 of the Sacramento City Code to read as follows:

- C. The disclosures required by subsections A and B must be in compliance with Government Code sections 84506.5 and 84507, and any Regulations related to those sections.

- B. Except as provided in subsection A above, Section 2.13.160 of the Sacramento City Code remains unchanged and in full effect.

SECTION 10.

Section 2.13.170 of the Sacramento City Code is amended to read as follows:

The requirements of this chapter are in addition to the requirements of the Political Reform Act applicable to city candidates. Nothing in this article shall be deemed to exempt any person from complying with applicable provisions of any other laws of this state, including the Political Reform Act.

SECTION 11.

Section 2.13.195 is added to the Sacramento City Code to read as follows:

2.13.195 Authority for Fair Political Practices Commission to enforce chapter.

The city council may approve or authorize a contract between the city and the California Fair Political Practices Commission for the Fair Political Practices Commission to enforce this chapter.

Adopted by the City of Sacramento City Council on \_\_\_\_\_ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

Passed for Publication:

Published:

Effective:

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
AND  
CITY OF SACRAMENTO  
CAMPAIGN LAW ENFORCEMENT AGREEMENT**

This agreement is made and entered into this 23rd day of February 2018, by and between the State of California, acting by and through the Fair Political Practices Commission, (hereinafter referred to as the "FPPC") and the City of Sacramento (hereinafter referred to as the "City").

WHEREAS, the City has determined that it is in the best interest of the City to retain the services of the FPPC to provide for the administration, implementation, and enforcement of campaign laws under Sacramento City Code, Chapter 2.13 "Campaign Contribution Limitations" (hereafter, "Chapter 2.13").

WHEREAS, the FPPC has the special skills, knowledge, experience, and expertise in the enforcement and interpretation of campaign laws necessary to effectively advise, assist, litigate, and otherwise represent the City on such matters.

WHEREAS, the FPPC is agreeable to providing for the enforcement and interpretation of campaign laws under the provisions of Chapter 2.13.

WHEREAS, the FPPC's administration, implementation, and enforcement of campaign laws under the provisions of the Chapter 2.13 is expressly authorized by California Government Code Section 83123.7.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. The FPPC agrees to provide the City campaign law enforcement and interpretation services for the impartial, effective administration, implementation, and enforcement of the Chapter 2.13 as dictated in paragraph 2.
2. Campaign Law Enforcement Services.

A. Auditing

The FPPC agrees to audit each candidate and his or her controlled committee for elective City office for whom it is determined that \$2,000 or more in contributions have been received or \$2,000 in expenditures have been made, whether by the candidate or a committee or committees controlled by the candidate or primarily supporting his or her candidacy. Audit periods will be determined by the FPPC to ensure comprehensive audit findings, and may include beginning audit periods beyond the date of the contract.



B. Enforcement

The FPPC agrees to serve as the civil and administrative prosecutor for violations of Chapter 2.13. The FPPC, at its sole discretion, may investigate possible violations and may commence civil and administrative actions in accordance with Title 9 of the Government Code and with Title 2, Division 3, Part 1, Chapter 5 (commencing with Section 11500) of the Government Code.

C. Advice, Education and Training

The FPPC may, in its sole discretion, provide written and/or verbal assistance to candidates for elected City offices and potential contributors in a City election regarding the provisions of Chapter 2.13 upon the request of the candidates, potential contributors, or their representatives

At least once an election cycle, the FPPC will provide an in-person seminar to review relevant process, procedures and rules for City candidates.

D. Legal Review

The FPPC may, in its sole discretion upon request from the City Attorney, conduct a legal review of Chapter 2.13, to determine its compliance with the Political Reform Act or to make recommendations for amendments. Additionally, pursuant to Government Code section 83123.7(c), the City Council will consult with the FPPC before amending Chapter 2.13.

3. The term of this Agreement is March 1, 2018, through December 31, 2019. **Services shall commence on the beginning of this term. No services shall begin before that time.**
4. The City agrees to provide the FPPC with a resolution, motion, order, or ordinance of the governing body, which authorizes execution of this Agreement, and indicating the individual who is authorized to sign the Agreement on behalf of the City.
5. The Contract Coordinators for this Agreement shall be:

Fair Political Practices Commission  
Erin V. Peth, Executive Director  
1102 Q Street, Suite 3000  
Sacramento, CA 95811

Sacramento City  
Matthew Ruyak, Assistant City Attorney  
915 I Street, New City Hall, 4<sup>th</sup> Floor  
Sacramento, CA 95814

6. In consideration for the above services, the City agrees to pay the FPPC \$55,000, due and payable on the execution of the agreement and at the beginning of each year of the contract term as the “floor” payment for services provided. The FPPC shall track the hours of its employees at the rates provided in sections 7 and 8 below, and shall bill those hours against the \$55,000 “floor.” The FPPC shall bill the City at the stated rates for the cost of any work exceeding the \$55,000 “floor.”
7. Pursuant to section 6, for services provided that exceed the “floor” amount, the City agrees to reimburse the FPPC upon receipt of an itemized invoice. The hourly rates used will be those established by the California Attorney General’s Office, pursuant to Government Code Section 11044, and set forth in the State Budget Letter (Price Letter) and detailed below. The City agrees to pay an increased hourly rate if these set rates, or the State reimbursement rates, are increased. It is understood by both parties that no advance written notification is necessary prior to implementing the increased rates.

<u>Classification</u>	<u>Rate per hour</u>
Attorney	\$170
Paralegal	\$120
Investigator	\$120
Program Specialist (Auditor)	\$99
Political Reform Consultant (Research Analyst)	\$99

8. Other Costs and Expenses

Ordinary costs and expenses:

The FPPC shall bill its actual costs for ordinary costs and expenses directly related to the services provided. Ordinary costs and expenses shall be limited to:

1. Court fees, including filing, judicial officer, deposition, transcript and process serving fees.
2. Travel, lodging, and meals pursuant to State reimbursement rates as necessary for FPPC employees.
3. Telephone charges, postage, photocopying/document reproduction costs, and damage to property repaired or replaced at State expense.

Extraordinary costs and expenses:

The FPPC shall bill its actual costs for extraordinary costs and expenses only upon prior approval by the City Attorney. Extraordinary costs and expenses include, but are not limited to:

1. Fees for third-party consultants, investigators, and experts including their travel, lodging, and meals.

2. Travel, lodging, and meals for witnesses.

Non-reimbursable costs and expenses: The FPPC shall not bill for non-reimbursable costs and expenses which include:

1. Rent, utilities, or computer equipment (including legal research services Westlaw or Lexis).
  2. Charges for time spent to provide necessary information for monthly billing statements, State audits, or billing inquiries.
  3. Charges for work performed for extraordinary costs and expenses not authorized by the City Attorney.
9. The FPPC shall provide quarterly billing statements for work performed under this contract. Initial authority is extended for \$100,000 of work (including the \$55,000 “floor” and up to \$45,000 of billed work) performed during the first year of the contract (date of full execution through December 31, 2018). For each year of the contract, after \$100,000 is worked/billed, additional approval shall be required by the City Manager of the City of Sacramento.
  10. Except for extraordinary costs and expenses, no advance notification is necessary for services provided within the initial authority for \$100,000 for each year of the contract.
  11. The total amount of this Agreement shall not exceed \$300,000. Services shall not be provided exceeding the original estimated hours or the total amount of this Agreement unless advance notification is provided and the additional costs are mutually agreed upon in writing.
  12. In the event this contract is cancelled or not renewed, the FPPC will provide an estimate of remaining hours necessary to complete audits already in progress to be billed at the hourly rate, and the audits may be completed upon mutual agreement.
  13. The FPPC shall provide the City with an itemized invoice detailing all FPPC costs for the administration, implementation and enforcement of Chapter 2.13 under this Agreement.
  14. Quarterly itemized invoices will be submitted to:

City of Sacramento, at the following emails:

apinvoices@cityofsacramento.org  
MCuppy@cityofsacramento.org

The City agrees to pay the FPPC within thirty (30) days of the invoice date.

15. AUDIT

The City agrees that the State of California, including the Department of General Services, the Bureau of State Audits, or their designated representative, shall have the right to review and to copy all records and supporting documentation pertaining to the performance of this Agreement.

The City agrees to maintain records and supporting documentation for possible audit for a minimum of three (3) years after the final payment, unless a longer period of retention is stipulated.

The City agrees to allow auditors access to records and supporting documentation during normal business hours and to allow interviews of any employees who might reasonably have information related to the records.

The City agrees that the State of California has the same right to audit records and to interview staff in any subcontract related to the performance of this Agreement. (Government Code Section 8546.7.)

16. DISPUTES

Any dispute concerning a question of fact arising under the terms of this Agreement not disposed of within a reasonable period of time (ten days) by the parties normally responsible for the administration of this Agreement shall be brought to the attention of the Contract Coordinators for joint resolution.

17. INDEMNIFICATION

City: Pursuant to Government Code Section 895.4 and except as provided below, the City agrees to indemnify, defend (with counsel approved by the FPPC General Counsel), and hold harmless the FPPC and its authorized officers, employees, agents, and volunteers from any and all claim, actions, losses, damages, and liability arising out of the performance of this Agreement, or from the enforcement or interpretation of any provision of Chapter 2.13, from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the FPPC on account of any claim except where such indemnification is prohibited by law.

FPPC: The FPPC shall indemnify, hold harmless, and defend the City and its authorized officers, employees, agency, and volunteers from any and all claims, actions losses, damages and liability arising from the FPPC's negligence or willful misconduct relating to obligations under this Agreement.

18. AMENDMENT


This Agreement may be amended by written mutual consent of the parties.

19. CANCELLATION

This Agreement may be canceled by either party at any time.

Under cancellation by either party to this Agreement, the City agrees to pay for all services provided to that date, unless the services required the City's prior approval and such approval was not granted prior to the cancellation date.

Fair Political Practices Commission  
Erin V. Peth, Executive Director



Handwritten signature of Erin V. Peth in blue ink, written over a horizontal line.

City of Sacramento  
Mindy Cuppy, City Clerk



Handwritten signature of Mindy Cuppy in blue ink, written over a horizontal line.

APPROVED AS TO FORM



Handwritten signature of the City Attorney in blue ink, written over a horizontal line.

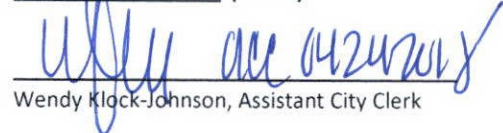
City Attorney

4-20-18

Date Signed

Attested on:

\_\_\_\_\_ (date)



Handwritten signature of Wendy Klock-Johnson in blue ink, written over a horizontal line.

Wendy Klock-Johnson, Assistant City Clerk

**STATE OF CALIFORNIA**  
**FAIR POLITICAL PRACTICES COMMISSION**  
**AND**

---

**CAMPAIGN LAW ENFORCEMENT AGREEMENT**

This agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and between the State of California, acting by and through the Fair Political Practices Commission, (“FPPC”) and the \_\_\_\_\_ (“Local Agency”).

**Background**

The Local Agency determined it is in its best interest to retain the services of the FPPC to provide for the enforcement and interpretation of campaign laws under the provisions of the Local Agency campaign ordinance (“Local Ordinance”), governing the elective Local Agency offices, as set forth with specificity in Exhibit D, Items 1 and 2.

The FPPC has the special skills, knowledge, experience, and expertise in the enforcement and interpretation of campaign laws necessary to effectively advise, investigate, audit, and otherwise assist the Local Agency on such matters. The FPPC’s enforcement and interpretation of campaign laws under the provisions of the Local Ordinance is expressly authorized by California Government Code Section 83123.6.

The parties agree as follows:

**Terms and Conditions**

**Exhibit A: Scope of Services**

1. The FPPC agrees to provide the Local Agency with campaign law services for the impartial, effective administration, implementation, and enforcement of the Local Ordinance as dictated in paragraph 2.
2. Campaign Law Enforcement Services.

**Auditing**

i. The FPPC will perform audits and investigations for each candidate, and his or her controlled committee, for elective Local Agency office for whom \$2,000 or more in contributions were received or \$2,000 in expenditures were made, whether by the candidate, a committee(s) controlled by the candidate, or committee primarily supporting the candidate.

ii. The audit or investigation will cover all required campaign statements and for the primary and general election, or runoff, or special election for the following election time periods: January 1, 20\_\_ through December 31, 20\_\_. The audits may extend to include any transaction in connection with the election being audited or investigated. It will not include any statements or reports previously audited under Title 9 of the Government Code, Chapter 10, Sections 90001 or 90003.

iii. The FPPC will follow audit guidelines and standards as required under Government Code Section 90007.

**Enforcement**

The FPPC agrees to serve as the civil and administrative prosecutor for violations of the Local Ordinance. The FPPC, at its sole discretion, may investigate possible violations and may commence civil and/or administrative actions in accordance with Title 9 of the Government Code, and Title 2, Division 3, Part 1, Chapter 5 (Administrative Adjudication), Sections 11500, et seq., of the Government Code.

**Campaign Compliance Assistance**

The FPPC agrees to provide written and/or verbal assistance to candidates for elected Local Agency offices, and potential contributors in a Local Agency election, regarding the Local Ordinance upon the request of the candidate or potential contributor.

**Campaign Compliance Training**

At least once per election cycle, the FPPC will provide an in-person seminar to review relevant process, procedures and rules for Local Agency electoral candidates.

**Legal Review**

Upon notification and request by the Local Agency, the FPPC will review any proposed changes to the Local Ordinance for compliance with the Political Reform Act prior to adoption by the Local Agency. (Required under Government Code Section 83123.6. subdivisions (b) and (c).)

**Education and Training**

The FPPC will provide an initial training workshop to the Local Agency regarding the conflict of interest provisions and/or Form 700 requirements under the Political Reform Act, as it applies to the Local Agency and its officials, employees, candidates for elected Local Agency offices, and/or lobbyists. (The Political Reform Act initial training workshop is not a charged service.)

3. The term of this Agreement is the two-year election cycle period: January 1, 20\_\_ through December 31, 20\_\_. Services will commence on the beginning of this term, and for the elections held during this term, as indicated in paragraph (2)(A), above. Due to the nature of audits and investigations, some services may necessarily occur on dates after the stated election cycles. Services from prior contract will continue as previously determined until completed.
4. The Local Agency agrees to provide the FPPC with a resolution, motion, order, or ordinance of the governing body, which authorizes execution of this Agreement, and indicating the individual who is authorized to sign the Agreement on behalf of the Local Agency.
5. The Local Agency must consult with the FPPC prior to adopting or amending the Local Ordinance. The Local Ordinance must comply with Title 9 of the Government Code. (Government Code Section 83123.6, subdivision (b) and (c).)
6. The Contract Coordinators for this Agreement are:

<u>Fair Political Practices Commission</u>	<u>[Local Agency]</u>
Thomas Jones, Executive Director	<u>[Name and Title]</u>
1102 Q Street, Suite 3000	<u>[Mailing address]</u>
Sacramento, CA 95814	
916-322-5660	<u>[Phone]</u>
<a href="mailto:tjones@fppc.ca.gov">tjones@fppc.ca.gov</a>	<u>[Email]</u>

Communications regarding this Agreement will be addressed to the Contract Coordinators unless otherwise indicated in the Agreement. Each party will update the contact information for the Contract Coordinator within 30 days of any changes.

**Exhibit B: Budget Details and Payment Provisions**

1. Full Cost Recovery Agreement.

In accordance with the state full cost recovery policy, the Local Agency agrees to reimburse the FPPC for its full direct and its indirect costs incurred in performing the services. The full cost of goods or services includes all costs attributable directly to the activity plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided. (State Administrative Manual, Section 8752.). If the Local Agency terminates the agreement, it agrees to pay the FPPC for any other expenditures reasonably made by the FPPC in anticipation of services to be rendered pursuant to this Agreement (Gov. Code Section 83123.6 (d)(2))

2. Invoicing and Payment.

The FPPC will provide the Local Agency with an itemized quarterly invoice detailing all FPPC service hours and costs for the administration, implementation, and enforcement of the Local Ordinance under this Agreement, along with any billing statement for payments due under the Agreement.

Quarterly itemized invoices and billing statements will be submitted to:

[Local Agency]  
[Local Agency Office/Title/Address]

The Local Agency agrees to pay the FPPC within thirty (30) days of the date of each quarterly invoice and billing statement.

3. Advance Payment.

A. The Local Agency agrees to pay an advance payment of [\$55,000 or adjusted amount] to the FPPC for costs to be incurred in performance of this Agreement. The Local Agency agrees to make this advance payment at the beginning of each year of the contract term.

B. Except for extraordinary costs and expenses, no advance notification is necessary for services provided for each year of the contract. The FPPC will track its expenditures made in anticipation of services to be rendered, and its services provided, and will bill first to the advance payment. Upon depletion of the advance payment, the Local Agency will pay additional reimbursement sums, if any, upon receipt of a billing statement from the FPPC.

4. Rates and Costs for Services.

A. Budget Detail.

The FPPC will bill for its services at the rates set forth below. These rates include the FPPC's direct and indirect costs related to these positions.

<u>Classification</u>	<u>Rate per hour</u>
Attorney	\$170.00
Paralegal	\$120.00
Investigator	\$125.00
Program Specialist (Auditor)	\$ 99.00
Political Reform Consultant (Research Analyst)	\$ 99.00
Executive/Supervisory Staff	\$190.00
Administrative Staff	\$ 99.00

*The rates reflect the Attorney General's Office, Bulletin 17-09, and the Department of General Services Price Book, 2018-19. The Executive/Supervisory Staff and Administrative Staff rates are calculated using comparable rates from the Price Book and internal calculations in compliance with the state full cost recovery policy.*

**B. Necessary Changes to Rates.**

In the event that the state hourly rates increase, or the state reimbursement rates increase, the Local Agency agrees to pay the appropriate increased rate applied as of the effective date of the rate increase. It is understood by both parties that no advance written notification is necessary prior to implementing the increased rates. In the event that the FPPC determines that the above hourly rates do not result in a full cost recovery for services provided in accordance with state policy, it will notify the Contract Coordinator for the Local Agency and retroactively apply the appropriate rates, after consultation with the Local Agency, to ensure the FPPC maintains the required full cost recovery.

**C. Ordinary and Extraordinary Costs and Expenses.**

The FPPC will bill its actual costs for ordinary costs and expenses directly related to the services provided. Ordinary costs and expenses are limited to:

1. Court fees, including filing fees, judicial officer fees, deposition fees, transcript fees, and process serving fees.
2. Administrative fees, including administrative officer fees, administrative law judge fees, hearing fees, transcript fees, and process serving fees.
3. Travel, lodging, and meals pursuant to state reimbursement rates as necessary for FPPC officers, employees, contractors, agents, and volunteers.
4. Telephone charges, postage, photocopying/document reproduction costs, and damage to property repaired or replaced at state expense.
5. Research service fees necessary to perform services.

**D. Prior Approval Required.**

The FPPC will bill its actual costs for extraordinary costs and expenses only upon prior approval by the Local Agency Counsel. Extraordinary costs and expenses include, but are not limited to:

1. Fees for third-party consultants, investigators, and experts including their travel, lodging, and meals.

2. Travel, lodging, and meals for witnesses.

5. Total Cost of the Agreement.

The parties anticipate that the total amount of this Agreement will not exceed [\$400,000 or adjusted amount], with an estimated budget of [\$200,000 or adjusted amount] per year. In the event this contract is canceled or is not renewed, the FPPC will provide an estimate of remaining hours necessary to complete the services already in progress, or required by this Agreement, to be billed at the hourly rate, and the services may be completed upon mutual agreement.

**Exhibit C: General Terms and Conditions**

1. APPROVAL. This Agreement is of no force or effect until signed by both parties. In addition, pursuant to Government Code Section 83123.6, subdivision (d), the FPPC may approve this Agreement at the earliest of 90 days after its submission to the Department of General Services (“DGS”), or after receiving DGS’s written review, whichever occurs first.
2. STATE AUDIT OF THIS AGREEMENT. The Local Agency agrees that the State of California, including but not limited to, the Department of General Services, the Bureau of State Audits, or their designated representative, shall have the right to review and to copy all records and supporting documentation pertaining to the performance of this Agreement. The Local Agency agrees to maintain records and supporting documentation for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated by the parties or required by the Bureau of State Audits. The Local Agency agrees to allow the auditor(s) access to records and supporting documentation during normal business hours and to allow interviews of any employees who might reasonably have information related to the records. Furthermore, the Local Agency agrees that the State of California has the same right to audit records and interview staff in any subcontract related to the performance of this Agreement. (Government Code Section 8546.7.) The FPPC will not bill the Local Agency for its time or costs related to a State Audit by the Department of General Services, Bureau of State Audits.
3. DISPUTES. Any dispute concerning a question of fact arising under the terms of this Agreement that is not disposed within a reasonable period of time (ten days) by the parties normally responsible for the administration of this Agreement shall be brought to the attention of the Contract Coordinators for joint resolution. The parties shall continue their responsibilities during any dispute.
4. INDEMNIFICATION. Pursuant to Government Code Section 895.4 and except as provided below, the Local Agency agrees to indemnify, defend (with counsel approved by the FPPC General Counsel), and hold harmless the FPPC and its authorized officers, employees, contractors, agents, and volunteers from any and all claims, actions, losses,

damages, and liability arising out of the performance of this Agreement, or from the enforcement or interpretation of any provision of the Local Ordinance, from any cause whatsoever, including the acts, errors, or omissions of any person and for any costs or expenses incurred by the FPPC on account of any claim except where such indemnification is prohibited by law.

The FPPC shall indemnify, hold harmless, and defend the Local Agency and its authorized officers, employees, contractors, agents, and volunteers from any and all claims, actions, losses, damages, and liability arising from the FPPC's sole negligence or willful misconduct relating to obligations under this Agreement.

5. AMENDMENT. This Agreement may be amended by written mutual consent of the parties. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
6. CANCELLATION. This Agreement may be canceled by either party, at any time, by ordinance or resolution and with an effective date of 90 days after notice is provided by the cancelling party, or other mutually agreed upon date. Notice of the cancellation shall be provided to the Contract Coordinators. In the event this Agreement is canceled by the Local Agency, the FPPC may require the Local Agency to pay for services rendered and any other expenditures reasonably made by the FPPC in anticipation of services to be rendered pursuant to the Agreement.
7. REPORT TO THE LEGISLATURE. Within thirty (30) of receipt of a written request by the FPPC, the Local Agency will provide the FPPC with items necessary for its report to the Legislature pursuant to Section 83213.6, subdivision (h), including its estimated annual cost savings, annual performance metrics, and relevant public comments submitted to the Local Agency.

#### **Exhibit D: Special Terms**

##### 1. Local Ordinance.

The Local Ordinance subject to this Agreement consists of the following, with any noticed subsequent amendments pursuant to Exhibit A, item 5:

[Name and citation to title, division, chapter, and sections (as necessary), sample: Local Agency Ordinance, Title 1, Government and Administration, Division 2, Chapter 43, Campaign Finance Reform.]

##### 2. Local Agency Elective Offices.

The Local Agency elective offices subject to the Local Ordinance and this Agreement are:

[sample: Supervisor

Auditor-Controller/Treasurer/Tax Collector  
District Attorney  
Sheriff/Coroner/Public Administrator  
Local Agency Superintendent of Schools  
Local Agency Assessor-Recorder-Local Agency Clerk]

Fair Political Practices Commission  
Thomas Jones, Executive Director

Local Agency  
[Name, Title ex: Mayor/Chair of  
Council/Board of Supervisors]

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Date:

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Date:



## Ethics Commission Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

[www.cityofsacramento.org](http://www.cityofsacramento.org)

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**File ID:** 2019-01250

August 26, 2019

**Discussion Item 03**

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**Title:** Review of Agreement with the Fair Political Practices Commission for Administration, Implementation, and Enforcement of Sacramento City Code Chapter 2.13 (Campaign Contribution Limits Code)

**Location:** Citywide

**Recommendation:** Review and comment on the efficacy of the City's agreement with the Fair Political Practices Commission and make recommendations regarding the renewal of the agreement.

**Contact:** Mindy Cuppy, MMC, City Clerk, (916) 808-5442, Office of the City Clerk

**Presenter:** Mindy Cuppy, MMC, City Clerk, (916) 808-5442, Office of the City Clerk

**Attachments:**

1-Description/Analysis

2-March 2018 Contract with the Fair Political Practices Commission

3-Local Jurisdiction Contract Template

**Description/Analysis**

**Issue Detail:** On March 21, 2017, the City Council adopted Ordinance No. 2017-0027 adding chapter 2.13 (Campaign Contribution Limits Code) to the Sacramento City Code. Among other things, chapter 2.13 authorizes the City Council to approve an agreement between the City and the California Fair Political Practices Commission (the “FPPC”) under which the FPPC enforces the chapter. The City and the FPPC entered into such an agreement in April 2018 (City Agreement No. 2018-0550); it expires on December 31, 2019.

The FPPC’s “floor” compensation under the agreement is \$55,000 a year. The FPPC tracks the hours its employees work, using specified hourly rates, and bills the City for any work that exceeds the annual floor, with total compensation capped at \$300,000. To date, the FPPC’s compensation under the agreement has not exceeded the floor.

The FPPC’s services under the agreement are limited to auditing, enforcement, advice, education and training, and legal review related to chapter 2.13. While the agreement has been in effect, the FPPC created a webpage dedicated to the City’s campaign-finance rules, appeared before the Commission, and begun audits of seven candidate committees that were active during the June 2018 election.

In 2018, the FPPC provided billing statements to the City for services received in 2018 totaling \$9,062, allocated as follows:

Legal.....	46%
Executive .....	20%
Enforcement.....	18%
Education .....	4%
IT .....	10%
Education .....	4%
Administration.....	2%

From January through June 2019, the FPPC provided billing statements to the City of Sacramento totaling \$31,655 for services in 2019 related exclusively to enforcement.

Sacramento City Code section 2.112.030 provides that the Commission has the power and duty, every two years, to review any agreement the City has with the FPPC “for the purpose of reporting to the council on the [agreement’s] efficacy.” The Commission may also make recommendations to the City Council regarding renewal of the agreement.

On August 15, 2019, the FPPC adopted a Local Jurisdiction Contract Template, a copy of which is attached for review. The current agreement with the FPPC is also attached.

**Policy Considerations:** The recommendation in this report is consistent with Sacramento City Code section 2.13.195 and supports the City's commitment to the integrity of the electoral process and to compliance with campaign contribution limitations.

**Economic Impacts:** None.

**Environmental Considerations:** None.

**Sustainability:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Chapter 2.13 (Campaign Contribution Limits Code) was enacted to ensure that campaign contribution limitations are monitored and enforced. Renewing the agreement with the FPPC will help accomplish these purposes.

**Financial Considerations:** This is a two-year agreement. The annual not-to-exceed amount is \$100,000 (\$55,000 floor and up to \$45,000 of billed work annually) with total compensation capped at \$200,000. Sufficient funding exists in the City Clerk's operating budget for the first year of the agreement. Funding for the second year will be approved only if sufficient funding is available in the approved budget for that year.

**Local Business Enterprise (LBE):** Not applicable.

**STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
AND  
CITY OF SACRAMENTO  
CAMPAIGN LAW ENFORCEMENT AGREEMENT**

This agreement is made and entered into this 23rd day of February 2018, by and between the State of California, acting by and through the Fair Political Practices Commission, (hereinafter referred to as the "FPPC") and the City of Sacramento (hereinafter referred to as the "City").

WHEREAS, the City has determined that it is in the best interest of the City to retain the services of the FPPC to provide for the administration, implementation, and enforcement of campaign laws under Sacramento City Code, Chapter 2.13 "Campaign Contribution Limitations" (hereafter, "Chapter 2.13").

WHEREAS, the FPPC has the special skills, knowledge, experience, and expertise in the enforcement and interpretation of campaign laws necessary to effectively advise, assist, litigate, and otherwise represent the City on such matters.

WHEREAS, the FPPC is agreeable to providing for the enforcement and interpretation of campaign laws under the provisions of Chapter 2.13.

WHEREAS, the FPPC's administration, implementation, and enforcement of campaign laws under the provisions of the Chapter 2.13 is expressly authorized by California Government Code Section 83123.7.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. The FPPC agrees to provide the City campaign law enforcement and interpretation services for the impartial, effective administration, implementation, and enforcement of the Chapter 2.13 as dictated in paragraph 2.

2. Campaign Law Enforcement Services.

A. Auditing

The FPPC agrees to audit each candidate and his or her controlled committee for elective City office for whom it is determined that \$2,000 or more in contributions have been received or \$2,000 in expenditures have been made, whether by the candidate or a committee or committees controlled by the candidate or primarily supporting his or her candidacy. Audit periods will be determined by the FPPC to ensure comprehensive audit findings, and may include beginning audit periods beyond the date of the contract.



B. Enforcement

The FPPC agrees to serve as the civil and administrative prosecutor for violations of Chapter 2.13. The FPPC, at its sole discretion, may investigate possible violations and may commence civil and administrative actions in accordance with Title 9 of the Government Code and with Title 2, Division 3, Part 1, Chapter 5 (commencing with Section 11500) of the Government Code.

C. Advice, Education and Training

The FPPC may, in its sole discretion, provide written and/or verbal assistance to candidates for elected City offices and potential contributors in a City election regarding the provisions of Chapter 2.13 upon the request of the candidates, potential contributors, or their representatives

At least once an election cycle, the FPPC will provide an in-person seminar to review relevant process, procedures and rules for City candidates.

D. Legal Review

The FPPC may, in its sole discretion upon request from the City Attorney, conduct a legal review of Chapter 2.13, to determine its compliance with the Political Reform Act or to make recommendations for amendments. Additionally, pursuant to Government Code section 83123.7(c), the City Council will consult with the FPPC before amending Chapter 2.13.

3. The term of this Agreement is March 1, 2018, through December 31, 2019. **Services shall commence on the beginning of this term. No services shall begin before that time.**
4. The City agrees to provide the FPPC with a resolution, motion, order, or ordinance of the governing body, which authorizes execution of this Agreement, and indicating the individual who is authorized to sign the Agreement on behalf of the City.
5. The Contract Coordinators for this Agreement shall be:

Fair Political Practices Commission  
Erin V. Peth, Executive Director  
1102 Q Street, Suite 3000  
Sacramento, CA 95811

Sacramento City  
Matthew Ruyak, Assistant City Attorney  
915 I Street, New City Hall, 4<sup>th</sup> Floor  
Sacramento, CA 95814

6. In consideration for the above services, the City agrees to pay the FPPC \$55,000, due and payable on the execution of the agreement and at the beginning of each year of the contract term as the “floor” payment for services provided. The FPPC shall track the hours of its employees at the rates provided in sections 7 and 8 below, and shall bill those hours against the \$55,000 “floor.” The FPPC shall bill the City at the stated rates for the cost of any work exceeding the \$55,000 “floor.”
7. Pursuant to section 6, for services provided that exceed the “floor” amount, the City agrees to reimburse the FPPC upon receipt of an itemized invoice. The hourly rates used will be those established by the California Attorney General’s Office, pursuant to Government Code Section 11044, and set forth in the State Budget Letter (Price Letter) and detailed below. The City agrees to pay an increased hourly rate if these set rates, or the State reimbursement rates, are increased. It is understood by both parties that no advance written notification is necessary prior to implementing the increased rates.

<u>Classification</u>	<u>Rate per hour</u>
Attorney	\$170
Paralegal	\$120
Investigator	\$120
Program Specialist (Auditor)	\$99
Political Reform Consultant (Research Analyst)	\$99

8. Other Costs and Expenses

Ordinary costs and expenses:

The FPPC shall bill its actual costs for ordinary costs and expenses directly related to the services provided. Ordinary costs and expenses shall be limited to:

1. Court fees, including filing, judicial officer, deposition, transcript and process serving fees.
2. Travel, lodging, and meals pursuant to State reimbursement rates as necessary for FPPC employees.
3. Telephone charges, postage, photocopying/document reproduction costs, and damage to property repaired or replaced at State expense.

Extraordinary costs and expenses:

The FPPC shall bill its actual costs for extraordinary costs and expenses only upon prior approval by the City Attorney. Extraordinary costs and expenses include, but are not limited to:

1. Fees for third-party consultants, investigators, and experts including their travel, lodging, and meals.

2. Travel, lodging, and meals for witnesses.

Non-reimbursable costs and expenses: The FPPC shall not bill for non-reimbursable costs and expenses which include:

1. Rent, utilities, or computer equipment (including legal research services Westlaw or Lexis).
  2. Charges for time spent to provide necessary information for monthly billing statements, State audits, or billing inquiries.
  3. Charges for work performed for extraordinary costs and expenses not authorized by the City Attorney.
9. The FPPC shall provide quarterly billing statements for work performed under this contract. Initial authority is extended for \$100,000 of work (including the \$55,000 “floor” and up to \$45,000 of billed work) performed during the first year of the contract (date of full execution through December 31, 2018). For each year of the contract, after \$100,000 is worked/billed, additional approval shall be required by the City Manager of the City of Sacramento.
  10. Except for extraordinary costs and expenses, no advance notification is necessary for services provided within the initial authority for \$100,000 for each year of the contract.
  11. The total amount of this Agreement shall not exceed \$300,000. Services shall not be provided exceeding the original estimated hours or the total amount of this Agreement unless advance notification is provided and the additional costs are mutually agreed upon in writing.
  12. In the event this contract is cancelled or not renewed, the FPPC will provide an estimate of remaining hours necessary to complete audits already in progress to be billed at the hourly rate, and the audits may be completed upon mutual agreement.
  13. The FPPC shall provide the City with an itemized invoice detailing all FPPC costs for the administration, implementation and enforcement of Chapter 2.13 under this Agreement.
  14. Quarterly itemized invoices will be submitted to:

City of Sacramento, at the following emails:

apinvoices@cityofsacramento.org  
MCuppy@cityofsacramento.org

The City agrees to pay the FPPC within thirty (30) days of the invoice date.

15. AUDIT

The City agrees that the State of California, including the Department of General Services, the Bureau of State Audits, or their designated representative, shall have the right to review and to copy all records and supporting documentation pertaining to the performance of this Agreement.

The City agrees to maintain records and supporting documentation for possible audit for a minimum of three (3) years after the final payment, unless a longer period of retention is stipulated.

The City agrees to allow auditors access to records and supporting documentation during normal business hours and to allow interviews of any employees who might reasonably have information related to the records.

The City agrees that the State of California has the same right to audit records and to interview staff in any subcontract related to the performance of this Agreement. (Government Code Section 8546.7.)

16. DISPUTES

Any dispute concerning a question of fact arising under the terms of this Agreement not disposed of within a reasonable period of time (ten days) by the parties normally responsible for the administration of this Agreement shall be brought to the attention of the Contract Coordinators for joint resolution.

17. INDEMNIFICATION

City: Pursuant to Government Code Section 895.4 and except as provided below, the City agrees to indemnify, defend (with counsel approved by the FPPC General Counsel), and hold harmless the FPPC and its authorized officers, employees, agents, and volunteers from any and all claim, actions, losses, damages, and liability arising out of the performance of this Agreement, or from the enforcement or interpretation of any provision of Chapter 2.13, from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the FPPC on account of any claim except where such indemnification is prohibited by law.

FPPC: The FPPC shall indemnify, hold harmless, and defend the City and its authorized officers, employees, agency, and volunteers from any and all claims, actions losses, damages and liability arising from the FPPC's negligence or willful misconduct relating to obligations under this Agreement.

18. AMENDMENT

This Agreement may be amended by written mutual consent of the parties.

19. CANCELLATION

This Agreement may be canceled by either party at any time.

Under cancellation by either party to this Agreement, the City agrees to pay for all services provided to that date, unless the services required the City's prior approval and such approval was not granted prior to the cancellation date.

Fair Political Practices Commission  
Erin V. Peth, Executive Director



City of Sacramento  
Mindy Cuppy, City Clerk



APPROVED AS TO FORM



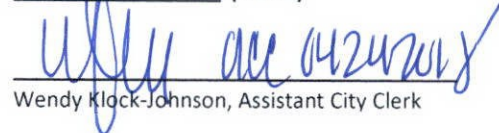
City Attorney

4-20-18

Date Signed

Attested on:

\_\_\_\_\_ (date)



Wendy Klock-Johnson, Assistant City Clerk

**STATE OF CALIFORNIA**  
**FAIR POLITICAL PRACTICES COMMISSION**  
**AND**

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**CAMPAIGN LAW ENFORCEMENT AGREEMENT**

This agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, by and between the State of California, acting by and through the Fair Political Practices Commission, (“FPPC”) and the \_\_\_\_\_ (“Local Agency”).

**Background**

The Local Agency determined it is in its best interest to retain the services of the FPPC to provide for the enforcement and interpretation of campaign laws under the provisions of the Local Agency campaign ordinance (“Local Ordinance”), governing the elective Local Agency offices, as set forth with specificity in Exhibit D, Items 1 and 2.

The FPPC has the special skills, knowledge, experience, and expertise in the enforcement and interpretation of campaign laws necessary to effectively advise, investigate, audit, and otherwise assist the Local Agency on such matters. The FPPC’s enforcement and interpretation of campaign laws under the provisions of the Local Ordinance is expressly authorized by California Government Code Section 83123.6.

The parties agree as follows:

**Terms and Conditions**

**Exhibit A: Scope of Services**

1. The FPPC agrees to provide the Local Agency with campaign law services for the impartial, effective administration, implementation, and enforcement of the Local Ordinance as dictated in paragraph 2.
2. Campaign Law Enforcement Services.

**Auditing**

i. The FPPC will perform audits and investigations for each candidate, and his or her controlled committee, for elective Local Agency office for whom \$2,000 or more in contributions were received or \$2,000 in expenditures were made, whether by the candidate, a committee(s) controlled by the candidate, or committee primarily supporting the candidate.

ii. The audit or investigation will cover all required campaign statements and for the primary and general election, or runoff, or special election for the following election time periods: January 1, 20\_\_ through December 31, 20\_\_. The audits may extend to include any transaction in connection with the election being audited or investigated. It will not include any statements or reports previously audited under Title 9 of the Government Code, Chapter 10, Sections 90001 or 90003.

iii. The FPPC will follow audit guidelines and standards as required under Government Code Section 90007.

**Enforcement**

The FPPC agrees to serve as the civil and administrative prosecutor for violations of the Local Ordinance. The FPPC, at its sole discretion, may investigate possible violations and may commence civil and/or administrative actions in accordance with Title 9 of the Government Code, and Title 2, Division 3, Part 1, Chapter 5 (Administrative Adjudication), Sections 11500, et seq., of the Government Code.

**Campaign Compliance Assistance**

The FPPC agrees to provide written and/or verbal assistance to candidates for elected Local Agency offices, and potential contributors in a Local Agency election, regarding the Local Ordinance upon the request of the candidate or potential contributor.

**Campaign Compliance Training**

At least once per election cycle, the FPPC will provide an in-person seminar to review relevant process, procedures and rules for Local Agency electoral candidates.

**Legal Review**

Upon notification and request by the Local Agency, the FPPC will review any proposed changes to the Local Ordinance for compliance with the Political Reform Act prior to adoption by the Local Agency. (Required under Government Code Section 83123.6. subdivisions (b) and (c).)

**Education and Training**

The FPPC will provide an initial training workshop to the Local Agency regarding the conflict of interest provisions and/or Form 700 requirements under the Political Reform Act, as it applies to the Local Agency and its officials, employees, candidates for elected Local Agency offices, and/or lobbyists. (The Political Reform Act initial training workshop is not a charged service.)

3. The term of this Agreement is the two-year election cycle period: January 1, 20\_\_ through December 31, 20\_\_. Services will commence on the beginning of this term, and for the elections held during this term, as indicated in paragraph (2)(A), above. Due to the nature of audits and investigations, some services may necessarily occur on dates after the stated election cycles. Services from prior contract will continue as previously determined until completed.
4. The Local Agency agrees to provide the FPPC with a resolution, motion, order, or ordinance of the governing body, which authorizes execution of this Agreement, and indicating the individual who is authorized to sign the Agreement on behalf of the Local Agency.
5. The Local Agency must consult with the FPPC prior to adopting or amending the Local Ordinance. The Local Ordinance must comply with Title 9 of the Government Code. (Government Code Section 83123.6, subdivision (b) and (c).)
6. The Contract Coordinators for this Agreement are:

Fair Political Practices Commission

[Local Agency]

Thomas Jones, Executive Director  
 1102 Q Street, Suite 3000  
 Sacramento, CA 95814  
 916-322-5660  
[tjones@fppc.ca.gov](mailto:tjones@fppc.ca.gov)

[Name and Title]  
[Mailing address]  
[Phone]  
[Email]

Communications regarding this Agreement will be addressed to the Contract Coordinators unless otherwise indicated in the Agreement. Each party will update the contact information for the Contract Coordinator within 30 days of any changes.

**Exhibit B: Budget Details and Payment Provisions**

1. Full Cost Recovery Agreement.

In accordance with the state full cost recovery policy, the Local Agency agrees to reimburse the FPPC for its full direct and its indirect costs incurred in performing the services. The full cost of goods or services includes all costs attributable directly to the activity plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided. (State Administrative Manual, Section 8752.). If the Local Agency terminates the agreement, it agrees to pay the FPPC for any other expenditures reasonably made by the FPPC in anticipation of services to be rendered pursuant to this Agreement (Gov. Code Section 83123.6 (d)(2))

2. Invoicing and Payment.

The FPPC will provide the Local Agency with an itemized quarterly invoice detailing all FPPC service hours and costs for the administration, implementation, and enforcement of the Local Ordinance under this Agreement, along with any billing statement for payments due under the Agreement.

Quarterly itemized invoices and billing statements will be submitted to:

[Local Agency]  
[Local Agency Office/Title/Address]

The Local Agency agrees to pay the FPPC within thirty (30) days of the date of each quarterly invoice and billing statement.

3. Advance Payment.

A. The Local Agency agrees to pay an advance payment of [\$55,000 or adjusted amount] to the FPPC for costs to be incurred in performance of this Agreement. The Local Agency agrees to make this advance payment at the beginning of each year of the contract term.

B. Except for extraordinary costs and expenses, no advance notification is necessary for services provided for each year of the contract. The FPPC will track its expenditures made in anticipation of services to be rendered, and its services provided, and will bill first to the advance payment. Upon depletion of the advance payment, the Local Agency will pay additional reimbursement sums, if any, upon receipt of a billing statement from the FPPC.

4. Rates and Costs for Services.

A. Budget Detail.

The FPPC will bill for its services at the rates set forth below. These rates include the FPPC's direct and indirect costs related to these positions.

<u>Classification</u>	<u>Rate per hour</u>
Attorney	\$170.00
Paralegal	\$120.00
Investigator	\$125.00
Program Specialist (Auditor)	\$ 99.00
Political Reform Consultant (Research Analyst)	\$ 99.00
Executive/Supervisory Staff	\$190.00
Administrative Staff	\$ 99.00

*The rates reflect the Attorney General's Office, Bulletin 17-09, and the Department of General Services Price Book, 2018-19. The Executive/Supervisory Staff and Administrative Staff rates are calculated using comparable rates from the Price Book and internal calculations in compliance with the state full cost recovery policy.*

**B. Necessary Changes to Rates.**

In the event that the state hourly rates increase, or the state reimbursement rates increase, the Local Agency agrees to pay the appropriate increased rate applied as of the effective date of the rate increase. It is understood by both parties that no advance written notification is necessary prior to implementing the increased rates. In the event that the FPPC determines that the above hourly rates do not result in a full cost recovery for services provided in accordance with state policy, it will notify the Contract Coordinator for the Local Agency and retroactively apply the appropriate rates, after consultation with the Local Agency, to ensure the FPPC maintains the required full cost recovery.

**C. Ordinary and Extraordinary Costs and Expenses.**

The FPPC will bill its actual costs for ordinary costs and expenses directly related to the services provided. Ordinary costs and expenses are limited to:

1. Court fees, including filing fees, judicial officer fees, deposition fees, transcript fees, and process serving fees.
2. Administrative fees, including administrative officer fees, administrative law judge fees, hearing fees, transcript fees, and process serving fees.
3. Travel, lodging, and meals pursuant to state reimbursement rates as necessary for FPPC officers, employees, contractors, agents, and volunteers.
4. Telephone charges, postage, photocopying/document reproduction costs, and damage to property repaired or replaced at state expense.
5. Research service fees necessary to perform services.

**D. Prior Approval Required.**

The FPPC will bill its actual costs for extraordinary costs and expenses only upon prior approval by the Local Agency Counsel. Extraordinary costs and expenses include, but are not limited to:

1. Fees for third-party consultants, investigators, and experts including their travel, lodging, and meals.

2. Travel, lodging, and meals for witnesses.

5. Total Cost of the Agreement.

The parties anticipate that the total amount of this Agreement will not exceed [\$400,000 or adjusted amount], with an estimated budget of [\$200,000 or adjusted amount] per year. In the event this contract is canceled or is not renewed, the FPPC will provide an estimate of remaining hours necessary to complete the services already in progress, or required by this Agreement, to be billed at the hourly rate, and the services may be completed upon mutual agreement.

**Exhibit C: General Terms and Conditions**

1. APPROVAL. This Agreement is of no force or effect until signed by both parties. In addition, pursuant to Government Code Section 83123.6, subdivision (d), the FPPC may approve this Agreement at the earliest of 90 days after its submission to the Department of General Services (“DGS”), or after receiving DGS’s written review, whichever occurs first.
2. STATE AUDIT OF THIS AGREEMENT. The Local Agency agrees that the State of California, including but not limited to, the Department of General Services, the Bureau of State Audits, or their designated representative, shall have the right to review and to copy all records and supporting documentation pertaining to the performance of this Agreement. The Local Agency agrees to maintain records and supporting documentation for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated by the parties or required by the Bureau of State Audits. The Local Agency agrees to allow the auditor(s) access to records and supporting documentation during normal business hours and to allow interviews of any employees who might reasonably have information related to the records. Furthermore, the Local Agency agrees that the State of California has the same right to audit records and interview staff in any subcontract related to the performance of this Agreement. (Government Code Section 8546.7.) The FPPC will not bill the Local Agency for its time or costs related to a State Audit by the Department of General Services, Bureau of State Audits.
3. DISPUTES. Any dispute concerning a question of fact arising under the terms of this Agreement that is not disposed within a reasonable period of time (ten days) by the parties normally responsible for the administration of this Agreement shall be brought to the attention of the Contract Coordinators for joint resolution. The parties shall continue their responsibilities during any dispute.
4. INDEMNIFICATION. Pursuant to Government Code Section 895.4 and except as provided below, the Local Agency agrees to indemnify, defend (with counsel approved by the FPPC General Counsel), and hold harmless the FPPC and its authorized officers, employees, contractors, agents, and volunteers from any and all claims, actions, losses,

damages, and liability arising out of the performance of this Agreement, or from the enforcement or interpretation of any provision of the Local Ordinance, from any cause whatsoever, including the acts, errors, or omissions of any person and for any costs or expenses incurred by the FPPC on account of any claim except where such indemnification is prohibited by law.

The FPPC shall indemnify, hold harmless, and defend the Local Agency and its authorized officers, employees, contractors, agents, and volunteers from any and all claims, actions, losses, damages, and liability arising from the FPPC's sole negligence or willful misconduct relating to obligations under this Agreement.

5. AMENDMENT. This Agreement may be amended by written mutual consent of the parties. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
6. CANCELLATION. This Agreement may be canceled by either party, at any time, by ordinance or resolution and with an effective date of 90 days after notice is provided by the cancelling party, or other mutually agreed upon date. Notice of the cancellation shall be provided to the Contract Coordinators. In the event this Agreement is canceled by the Local Agency, the FPPC may require the Local Agency to pay for services rendered and any other expenditures reasonably made by the FPPC in anticipation of services to be rendered pursuant to the Agreement.
7. REPORT TO THE LEGISLATURE. Within thirty (30) of receipt of a written request by the FPPC, the Local Agency will provide the FPPC with items necessary for its report to the Legislature pursuant to Section 83213.6, subdivision (h), including its estimated annual cost savings, annual performance metrics, and relevant public comments submitted to the Local Agency.

#### **Exhibit D: Special Terms**

##### 1. Local Ordinance.

The Local Ordinance subject to this Agreement consists of the following, with any noticed subsequent amendments pursuant to Exhibit A, item 5:

[Name and citation to title, division, chapter, and sections (as necessary), sample: Local Agency Ordinance, Title 1, Government and Administration, Division 2, Chapter 43, Campaign Finance Reform.]

##### 2. Local Agency Elective Offices.

The Local Agency elective offices subject to the Local Ordinance and this Agreement are:

[sample: Supervisor

Auditor-Controller/Treasurer/Tax Collector  
District Attorney  
Sheriff/Coroner/Public Administrator  
Local Agency Superintendent of Schools  
Local Agency Assessor-Recorder-Local Agency Clerk]

Fair Political Practices Commission  
Thomas Jones, Executive Director

Local Agency  
[Name, Title ex: Mayor/Chair of  
Council/Board of Supervisors]

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Date:

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Date:



## **Ethics Commission Report**

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

[www.cityofsacramento.org](http://www.cityofsacramento.org)

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**File ID:** 2020-00872

August 24, 2020

**Consent Item 04**

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**Title:** State of California Fair Political Practices Commission Audit Findings of Campaign Committees from the June 2018 Election

**Location:** Citywide

**Recommendation:** Receive and file.

**Contact:** Mindy Cuppy, MMC, City Clerk, (916) 808-5442, Office of the City Clerk.

**Presenter:** None.

**Attachments:**

1-Description/Analysis

2-Consolidated Audit Reports

## Description/Analysis

**Issue Detail:** Under City Agreement No. 2018-0550, the City retained the State of California Fair Political Practices Commission (FPPC) to administer, implement, and enforce the City's Campaign Contribution Limits Code, set forth in Sacramento City Code chapter 2.13. Under this agreement, the FPPC audited each candidate for elective City office (and the candidate's controlled committee) for whom \$2,000 in expenditures were made, whether by the candidate or by a committee or committees controlled by the candidate or primarily supporting his or her candidacy. The following committees were audited:

- Angelique Ashby for City Council 2014 ID# 1328332
- Angelique Ashby for City Council 2018 ID# 1368431
- Gabriell Garcia for City Council 2018 ID#1403045
- Jeff Harris for City Council 2018 ID# 1381344
- Jeff Harris, Harris for City Council 2014 ID# 1360063
- Rick Jennings for City Council 2014 ID# 1359899
- Rick Jennings for City Council 2018 ID# 1367862
- Schenirer for City Council 2018 ID# 1367864
- Committee to Elect Tamika L'Ecluse for City Council 2018 ID# 1399491
- Tristan Brown for City Council 2018 ID#1398051

In all 10 audits, the FPPC opinion concluded as follows:

“The filers, in our opinion, have substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 8100 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.”

**Policy Considerations:** None.

**Economic Impacts:** None.

**Environmental Considerations:** None.

**Sustainability:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** This report provides an update on the audit results conducted for the June 2018 election.

**Financial Considerations:** The agreement obligated the City to pay the FPPC a minimum of \$110,000 to audit the 10 committees (\$55,000 for each year). In comparison, the FPPC's actual billable hours totaled only \$9,062 in 2018 and \$31,655.25 in 2019.

**Local Business Enterprise (LBE):** None.



**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Angelique Ashby  
Angelique Ashby for City Council 2014 (ID# 1328332)  
2121 Natomas Crossing #264  
Sacramento, CA 95834

January 1, 2017 through June 30, 2018

**TREASURER**

Angelique Ashby

**ASSISTANT TREASURER:**

Shawnda Deane  
Deane & Company  
1787 Tribute Road, Suite K  
Sacramento, CA 95815

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$0
Total Expenditures:	\$19,642

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee was controlled by Sacramento City Council Member, District 1, Angelique Ashby. Ms. Ashby was re-elected in the Primary Election held on June 5, 2018. The committee terminated effective April 1, 2019.

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers, in our opinion, have substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement.  
Adopted this 14<sup>th</sup> day of February 2020.



**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Angelique Ashby  
Angelique Ashby for City Council 2018 (ID#1368431)  
2121 Natomas Crossing #264  
Sacramento, CA 95834

January 1, 2017 through June 30, 2018

**TREASURER:**

Angelique Ashby

**ASSISTANT TREASURER:**

Shawnda Deane  
1787 Tribute Road, Suite K  
Sacramento, CA 95815

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$113,958
Total Expenditures:	\$20,054

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee is controlled by Sacramento City Council Member, District 1, Angelique Ashby. Ms. Ashby was re-elected in the Primary Election held on June 5, 2018.

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers, in our opinion, have substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement.  
Adopted this 14<sup>th</sup> day of February 2020.



**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Gabriell Garcia  
Gabriell Garcia for City Council 2018 (ID#1403045)  
5429 Madison Avenue  
Sacramento, CA 95841

January 1, 2018 through June 30, 2018

**TREASURER:**

Denise Lewis  
River City Business Services  
5429 Madison Avenue  
Sacramento, CA 95841

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$7,424
Total Expenditures:	\$7,997

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee is controlled by Gabriell Garcia, a candidate for Sacramento City Council, District 1, in the Primary Election held on June 5, 2018.

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers have, in our opinion, substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement.  
Adopted this 10<sup>th</sup> day of January 2020.



**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**AUDIT REPORT:**

Jeff Harris  
Jeff Harris for City Council 2014 (1360063)  
5429 Madison Avenue  
Sacramento, CA 95841

January 1, 2015 through April 13, 2016

**TREASURER**

Rita Copeland  
River City Business Services  
5429 Madison Avenue  
Sacramento, CA 95841

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$6,396
Total Expenditures:	\$6,046

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee was controlled by City Council Member, District 3, Jeff Harris. Mr. Harris was re-elected in the Primary Election held on June 5, 2018. The Committee terminated effective April 13, 2016.

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers, in our opinion, have substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement.  
Adopted this 19th day of February 2020.



**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Jeff Harris  
Jeff Harris for City Council 2018 (1381344)  
5308 Callister Avenue  
Sacramento, CA 95819

January 1, 2015 to June 30, 2018

**TREASURER:**

Rita Copeland  
River City Business Services  
5429 Madison Avenue  
Sacramento, CA 95841

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$89,996
Total Expenditures:	\$49,622

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee is controlled by City Council Member, District 3, Jeff Harris. Mr. Harris was re-elected in Primary Election held on June 5, 2018.

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers, in our opinion, have substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement. Adopted this 19<sup>th</sup> day of February 2020.



**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Rick Jennings  
Rick Jennings for City Council 2014 (ID#1359899)  
6499 Park Riviera Way  
Sacramento, CA 95831

January 1, 2015 through December 31, 2016

**TREASURER:**

Shawnda Deane  
Deane & Company  
1787 Tribute Rd. Suite K  
Sacramento, CA 95815

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$11,095
Total Expenditures:	\$ 6,750

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee was controlled by Sacramento City Council Member, District 7, Rick Jennings. Mr. Jennings was re-elected in the Primary Election held on June 5, 2018. The Committee terminated effective December 31, 2016.

### **AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

### **SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

### **OPINION:**

Except as indicated in this audit report, the filers have, in our opinion, substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

### **CONTRIBUTIONS RECEIVED**

Contributions received of \$100 or more, transferred from the Rick Jennings for City Council 2018 Committee to the Rick Jennings for City Council 2014 Committee totaling \$3,151, were not itemized on the Form 460 Semi-annual Statement filed for the period ending December 31, 2016. Instead, the transferred contributions of \$3,151 were disclosed as unitemized contributions received on the Form 460 Semi-annual Statement for the period ending December 31, 2016. An amended Form 460 Semi-annual Statement for the period ending December 31, 2016, was filed on December 10, 2019, to correct and itemize the transferred contributions of \$3,151.

#### Reference Exhibit A

Ms. Deane stated that due to a data entry issue in their NetFile database, all of the contributions for the allocation transfer did not itemize and only those transferred contributions for the current report period ended up itemizing on the report. It was an unintentional error and the process is being corrected so that it does not happen in the future.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement.  
Adopted this 21<sup>st</sup> day of February 2020.

**EXHIBIT A-MONETARY CONTRIBUTIONS RECEIVED TRANSFERRED AND NOT  
ITEMIZED ON THE SEMI-ANNUAL STATEMENT FILED FOR THE PERIOD  
ENDING DECEMBER 31, 2016**

<u>Date of Contribution</u>	<u>Contributor</u>	<u>Amount</u>
08/18/2014	Patricia Aguiar	\$ 250
09/02/2014	D & S Development, Inc.	300
10/09/2014	American Sikh PAC (ID #1347741)	501
10/18/2014	Encore McKinley Village, LLC	1,600
11/18/2014	Mo Capital Nursery	<u>500</u>
	Total	\$ 3,151



**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Rick Jennings  
Rick Jennings for City Council 2018 (ID#1367862)  
6499 Park Riviera Way  
Sacramento, CA 95831

January 1, 2015 through June 30, 2018

**TREASURER:**

Shawnda Deane  
Deane & Company  
1787 Tribute Rd. Suite K  
Sacramento, CA 95815

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$159,983
Total Expenditures:	\$163,286

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee was controlled by Sacramento City Council Member, District 7, Rick Jennings. Mr. Jennings was re-elected in the Primary Election held on June 5, 2018. The Committee terminated effective October 2, 2019.

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers have, in our opinion, substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement.  
Adopted this 21<sup>st</sup> day of February 2020.



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**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Jay Schenirer  
Schenirer for City Council 2018 (1367864)  
1787 Tribute Road, Suite K  
Sacramento, CA 95815

January 1, 2014 through June 30, 2018

**TREASURER:**

Jay Schenirer

**ASSISTANT TREASURER:**

Shawnda Deane  
Deane & Company  
1787 Tribute Road, Suite K  
Sacramento, CA 95815

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$193,323
Total Expenditures:	\$173,018

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee was controlled by Jay Schenirer, Sacramento City Council Member, District 5. Mr. Schenirer was re-elected in the Primary Election held on June 5, 2018. The Committee terminated effective October 18, 2019.

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers have, in our opinion, substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement.  
Adopted this 15<sup>th</sup> of April 2020.



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**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Tamika L'Ecluse  
Committee to Elect Tamika L'Ecluse for City Council 2018 (1399491)  
2200-B Douglas Blvd., Ste. 140  
Roseville, CA 95661

January 1, 2017 through September 30, 2018

**TREASURERS:**

Chelsea Johnson  
CJ & Associates, Inc.  
2200-B Douglas Blvd., Ste. 140  
Roseville, CA 95661

Jerry Attebery (01/01/17 – 06/30/18)  
2200-B Douglas Blvd., Ste. 140  
Roseville, CA 95661

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:	\$48,159
Total Expenditures:	\$48,209

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee was controlled by Tamika L'Ecluse, a candidate for Sacramento City Council, District 5, in the Primary Election held on June 5, 2018. The Committee terminated effective September 30, 2018.

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers have, in our opinion, substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

Prepared by the Fair Political Practices Commission pursuant to Section 83123.7 of the Government Code and the City of Sacramento Campaign Law Enforcement Agreement.  
Adopted this 15<sup>th</sup> of April 2020.



**FAIR POLITICAL PRACTICES COMMISSION**

1102 Q Street, Suite 3000  
Sacramento, CA 95811  
(916) 322-5660

**CONSOLIDATED AUDIT REPORT:**

Tristan Brown  
Tristan Brown for City Council 2018 (1398051)  
5429 Madison Avenue  
Sacramento, CA 95841

January 1, 2017 through June 30, 2018

**TREASURER:**

Rita Copeland  
River City Business Services  
5429 Madison Avenue  
Sacramento, CA 95841

**ASSISTANT TREASURER:**

Denise Lewis  
5429 Madison Avenue  
Sacramento, CA 95841

**CONTRIBUTIONS AND EXPENDITURES:**

Total Contributions Received:       \$51,537

Total Expenditures:                   \$54,099

The totals for contributions received and expenditures were taken from the unaudited campaign statements as filed with the Sacramento City Clerk's Office for the period indicated above.

**BACKGROUND INFORMATION:**

The Committee was controlled by Tristan Brown, a candidate for Sacramento City Council, District 7, in the Primary Election held on June 5, 2018. The Committee terminated effective December 31, 2019. Page 23 of 24

**AUTHORITY FOR AUDIT:**

This audit was conducted under the authority of Section 83123.7 of the California Government Code and the City of Sacramento Campaign Law Enforcement Agreement.

**SCOPE OF AUDIT:**

The audit was performed in accordance with generally accepted auditing standards and the auditing standards set by the Fair Political Practices Commission. The audit included such tests of the accounting records and other such auditing procedures as were considered necessary in the circumstances.

**OPINION:**

The filers have, in our opinion, substantially complied with the disclosure and recordkeeping provisions of the Political Reform Act (Government Code Section 81000 et seq.), related rules and regulations of the Fair Political Practices Commission, and the City of Sacramento Campaign Finance Ordinance.

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