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CITY OF SANTA FE
ETHICS AND CAMPAIGN REVIEW BOARD

April 15, 2015

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**MINUTES OF THE
CITY OF SANTA FE**

ETHICS AND CAMPAIGN REVIEW BOARD

WEDNESDAY, APRIL 15, 2015

1. PROCEDURES

a) ROLL CALL

A regular meeting of the City of Santa Fe Ethics and Campaign Review Board was called to order by Justin Miller, chair on this date at approximately 3:00 pm in the City Council Chambers, 1st floor, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

Roll call indicated the presence of a quorum as follows:

Members Present:

Justin Miller, Chair
Roderick Thompson, Vice Chair
Paul L. Biderman
Ruth Kovnat
Kristina Martinez

Members Absent:

Seth McMillan (excused)
Tara Lujan

Staff Present:

Yolanda Vigil, City Clerk
Zachary Shandler, Assistant City Attorney

Others Present:

Jim Harrington, Common Cause
Karen Heldmeyer, former City Councilor
Members of the Public
Charmaine Clair, Stenographer

b) APPROVAL OF THE AGENDA

Ms. Kovnat moved to approve the agenda as published. Mr. Biderman seconded the motion, which passed by unanimous voice vote.

c) APPROVAL OF THE MINUTES- March 18, 2015

Mr. Thompson moved to approve the minutes of March 18, 2015 as presented. Ms. Kovnat seconded the motion, which passed by unanimous voice vote.

2. PRESENTATIONS

Chair Miller said the Board is honored to have Brent Ferguson from the Brennan Center for Justice, an important organization dedicated in part, to analyzing Campaign Finance and Public Campaign Finance laws. He provided Mr. Ferguson's background. He said Mr. Ferguson authored a number of works related to Campaign Finance including "*After Citizens United: the Story in the States*".

- a) Challenges and Approaches to Public Financing of Campaigns. (Brent Ferguson, Brennan Center)

Mr. Ferguson said he has reviewed the April 10th draft of the bill and some of the previous meeting minutes and will comment on the three main areas of the bill: coordinated expenditures, public financing and disclosure.

Mr. Ferguson's comments and the discussion are summarized as follows:

Mr. Ferguson said the current bill provisions are strong and substantively hit the main points advocated by the Brennan Center. Subdivision 1 on page 2, the first part of the definition of a coordinated expenditure tracks similarly to the federal rules and have both content and conduct limitations. He said he would spend most of the time on the conduct limitations, the rules that prevent close collaboration between the candidate and the outside group.

- ❖ Mr. Ferguson said the content rules determine the type of ad that the coordination rules cover and content limitations are not legally necessary. He suggested deleting this provision from the bill, first because it would allow coordinated expenditures to occur outside the 89 day window. The window allows the possibility that there would be more coordination outside of the window. Contribution limits apply year-round and this type of activity applies to things that should be treated as contributions, so for the same reason can be applied year-round without limitation.

Mr. Ferguson was concerned that the language of the provision could make it possible for an outside group to make an expenditure outside the window and then run advertisements within the window closer to the election and avoid regulation.

- ❖ Mr. Ferguson recommended if the provision is kept in the bill (subdivision 1, page 2), the language should be changed to the language of a communication rather than an expenditure. That would ensure if spending occurs outside the window and ads are run within the window up to the election; that will qualify as a coordinated expenditure.

Mr. Ferguson said the definition of expenditure is adequate and many states do it that way. He advised to be extra clear that the definition of expenditure is the same, because in some cases a judge has read in an express advocacy limitation.

Mr. Ferguson said the five categories are comprehensive and very strong regarding the conduct limitations. The first covers substantial discussion, the main area that coordination law is regulated.

- ❖ Mr. Ferguson recommended narrowing that to make clear that substantial discussion must be about the candidate's *strategy* and there is an exception for people that interview or endorse a candidate.

Mr. Ferguson said *establishing a group* is great and the *fundraising* is important to include, as well as the *republication provision*. He noted that this type of circumvention of federal coordination law became popular in the 2014 election where candidates uploaded their own footage to YouTube and let super PACs use the footage in ads. He said this provision should cover that.

- ❖ Mr. Ferguson suggested the Board consider using the example used in Philadelphia to be extra clear that a candidate who shoots silent footage and uploads that to their website or YouTube is obviously doing that for outside groups to use for their ads.

Mr. Ferguson said the creation of a presumption for the conduct rules at the top of page 3 (a) on '*presumed to be a coordinated expenditures when*' is followed by the five conduct rules. He said Connecticut deemed certain activities coordinated without creating a presumption.

He provided an example of a candidate that raises money for an outside group and then spends money in favor of the candidate shortly thereafter. This law creates a presumption that the spending is coordinated. Theoretically they could try to show that they had not consulted or cooperated etc. on the ad and if they could show that, would be showing that they did not coordinate under this law. He said the fundraising itself should create coordination.

- ❖ Mr. Ferguson said it is acceptable to remove the presumption language and say these activities are deemed coordinated. He said this is an enforcement issue and the Board will have to decide how much to be engaged.

Mr. Ferguson said he feels on page 4, under subdivision (v) that the current wording will not include vendors in the definition.

- ❖ He suggested adding "*has retained the professional services of*" language that exists in the second part and applies to the candidate. That makes it clear it is anyone working for an outside group, whether employed or a *vendor*. He gave an example of a print shop not giving any campaign strategy, but possibly falling under this provision if not clarified this only is in regard to campaign strategy.

Mr. Ferguson said the firewall helps and he would suggest that remain, but you would not want to make a print shop have to create a firewall between their work. It isn't necessary.

Ms. Kovnat asked Mr. Ferguson's suggestion for subsection (v) that the entity has employed as a leadership position or has accepted a donation of the professional services of a person ...

Mr. Ferguson suggested on the fifth line of subdivision (v) saying: "*providing professional services relating to campaign strategy...*"

Mr. Ferguson said the disclosure provisions are strong and he supports the addition of them. He said as they see more dark money and independent spending rises, there is less disclosure of campaign spending. That has become an intractable problem, especially when entities are spending with innocuous names and often spending contributions from groups also with innocuous names. He said this provision helps determine the real people behind the spending and is a good addition to the law.

Mr. Ferguson said the more specific note is that it creates a 30 day window before the election. There is federally a 30 day window before the primary and a 60 day window and it is acceptable to extend that to 45-60 days. Recently a Connecticut law for several months was upheld in Federal District Court.

Ms. Kovnat said Santa Fe does not have a primary and is 60 days for a general election. She confirmed that would be transferable to a municipality that only has a general election.

Mr. Ferguson commented that on disclosure, page 6, line 19 seemed to change the current law a little and states '*contributions received for such expenditures*'. He said an equivalent federal rule limits disclosure for such spending to contributions made for the purpose of making expenditures and the FEC (Federal Election Commission) interprets that as if someone gives money to a big group and does not say what to spend it on, they do not have to disclose who gave them the money.

- ❖ He suggested removing that and requiring *all* contributions to groups engaged in political expenditures be reported, regardless of whether the money is earmarked for political spending.

Mr. Ferguson said a court in Washington DC on the federal interpretation of a similar provision said this limitation is not constitutionally necessary and frustrates the aims of the statutes.

- Mr. Ferguson said page 6, line 19 reads: '*contributions received for the purpose of paying for such expenditures*'. He suggested it read "*contributions received*". He said the Board should consider a threshold amount they think valuable to the spending in Santa Fe. He said if the Board wants to make sure that bigger groups engaged in some political spending do not have to disclose all of their funders, they could allow groups to create a separate or segregated fund to spend on Santa Fe elections.

Mr. Ferguson said his last point on disclosure is often called the "Russian doll" problem where groups give money to one another to hide the original source. He pointed out that even if the entity spending the money discloses, this is still an innocuous spending. He provided suggestions and ideas for the Board to consider:

- New York City added an additional layer of disclosure. The current bill requires the spender to disclose all of the groups that gave them a contribution, but they can also be required to disclose the groups that contributed to that group. He said you only want to require that of artificial entities above a certain threshold, but it is one more layer of disclosure.
- This bill also has a version on page 7, subsection (B) and (C) requiring individuals to provide the name of its president or CEO, to help make sure an individual is connected to any group that is disclosing. Then the Board will have a name and address of the person liable for that spending when they want more information about that spending.
- Connecticut has a provision called the Covered Transfer Provision and in addition to reporting independent expenditures, it requires the reporting of any transfer of money intended to go to political spending eventually. A group giving money to another group with the intent to spend the money on Connecticut elections at a later time has to disclose that, as it would disclose on an independent expenditure. That depends on the honesty of the group that is transferring the money, but is another line of defense.

Mr. Ferguson noted the Board's provision stating that *'no contribution shall be reported in the name of the person who is not the actual contributor'*. He said the Board could use that to ensure that groups are not shuttling money back and forth to avoid disclosure, but it will be difficult to enforce. He said they could add a line similar to *"any group that engages in political spending must report the original source of their money"*. The law could then direct the Board to promulgate rules and engage in a course of action to find out the original source when the Board is not happy with the last layer of disclosure.

Ms. Kovnat asked to go back to 9-2.6 capturing independent spenders who make expenditures of \$250 or more. She asked about the threshold and \$250 is too low in terms of case law.

Mr. Ferguson said normally he recommends a higher amount, but Santa Fe is a small jurisdiction. He said even low disclosure thresholds like \$250 have not been a problem in the past. He said if the Board thought that \$250 is necessary they can leave it, but if \$500 or \$1,000 would catch all of the big spenders and provides meaningful information to the Board, that is not a problem either.

Mr. Shandler posed a hypothetical question. He is running for mayor and publically funded and secretly an outside group gives money to another group: Americans for Americans. Under the proposal, the Americans for Americans met the dollar amounts and reported their contributors. He asked how that could be peeled back to get to the actual people who contributed to the Americans for Americans.

Mr. Ferguson said that is difficult and the main thing is to require an additional layer of disclosure. He said currently the Board has disclosure of the entity that engages in the spending and they have to report their contributors. The Board could also require that *all* of their contributors report their contributors, as New York City does. He said there could still be one more group created who could transfer money, but that is the reason for enforcement and common sense. He said the language on page 6, lines 22-24, clearly states that it is legal to give the name of another, if the Board sees disclosure reports that have the last entity disclosing. He offered to provide written examples.

Mr. Biderman asked if there could be disclosure that if there is a third layer, this would not go any deeper to communicate that there is a deliberate cover-up and the Board is unable to get to that.

Mr. Ferguson said Hawaii actually considered stating something similar to *"this group is funded by a group that has not reported its contributors under state or federal law, etc"*.

Ms. Kovnat asked Ms. Vigil to give thought to the difficulty this system would create and whether the layered reporting system is feasible for her.

Mr. Ferguson said Public Financing is their most important tool to fight independent spending and large wealthy interests that dominate elections, both federally and in cities across the country. The Brennan Center advocates several types of public financing. Their main experience has been with the public matching fund systems in New York City. He said a similar proposal will be made in New York State.

He said the hybrid system combines the grant with the four-to-one match as the best way to combine the pros and cons of the two systems and get the benefits of public financing with fewer cons. The system also ensures candidates can fight back against outside spending to the best of their ability.

Mr. Ferguson said the main advantage of the clean election system is that it prevents the burden of fundraising, but the addition of a matching system introduces more fundraising. He said in New York City however, the type of fundraising they see with a matching program is often different than when dialing for big dollars. Candidates often try to get big groups together and get \$50 or \$100 contributions instead of calling large contributors and they meet more of their constituents. He said this is a promising model and under existing law, a great way for candidates to fight back.

Mr. Ferguson said the model has to be based on the experience of elections in Santa Fe and a main concern is that even with matching funds, could enough be provided for participating candidates. The current proposal matches funds up to \$100, which is also the contribution limits for participating candidates. He said one option is if candidates would be more comfortable in raising slightly larger contributions of \$200-\$250 with only the first \$100 matched. Another option is tiered matching, recently passed in Montgomery County Maryland, to provide 2 to 1 matching at the beginning of a race and raising it to 4 to 1 or 6 to 1 closer to the end of the race.

Mr. Ferguson said that concludes his comments.

Chair Miller opened the floor to Public Comment at this time.

3. PUBLIC COMMENT

Mr. Jim Harrington said the position of the Brennan Center, the Campaign Legal Center and Common Cause with rationale for controlling coordinated expenditures, is that it is best to cover any expenditure that a candidate's campaign might request to get around the contribution law.

He said one issue is whether to require only contributions of the independent spending groups or to require all of their contributors. He said the limit on requiring their contributors, especially at the city level, are there could be big national groups. He said in 2008, both the Sierra Club and Common Cause National participated in the ballot election and filed statements under 9-2.6.

Mr. Harrington said the solution is to give the organization a choice to either set up a segregated bank account and spend all of their money for the Santa Fe election from that and identify the contributors to that account; or identify all of their contributors over a specific larger amount such as 5000 dollars.

Margaret Holly Beaumont the Organizing Director of Interfaith Worker Justice New Mexico said she is here to thank the Board and encourage their efforts in pursuing the issue. She said the fact that this is challenging and very complicated should not deter the Board, but should inspire them to understand how insidious the problem has become. She said for those of us who work for a living, it is becoming more difficult to elect officials/representatives who represent our interests: economic justice, workers rights, education, transportation, environmental issues; a range that affect the 99% in this country.

She said, "We are weary of having to elect people who we hope will, after they are elected, somehow honor their campaign promises and truly work for us and vote for our best interests, rather than the people who funded their campaigns and put them in office." She said she is very grateful to the Brennan Center and relies on them for information on a regular basis.

Heather Ferguson with Common Cause New Mexico thanked the Board for all of their efforts. She said Mr. Ferguson for has been invaluable in helping Common Cause with a number of issues.

Ms. Ferguson said earlier this year a statewide poll was conducted to look at public trust issues in many elections, especially in Campaign-Finance. She said over 92% of voters in the State support more transparency and disclosure. Their trust has been broken and many think that all elections are bought and sold, either by large corporations or PACs. She said Ms. Beaumont touched on issues that are very important to people; they feel their interests are not represented.

She said Mr. Ferguson touched on issues such as getting a \$100 contribution and how that encourages candidates to interact with their constituents. She said candidates get that they are not always dealing with the high dollar donors and that their problems are different than the single parent that is trying to take care of their kids and get the education system fixed.

Karen Heldmeyer, former City Councilor said she is not representing anyone. She said she is glad to hear some of the issues brought up by Mr. Ferguson. She said they are issues the Board should look at closely, particularly the timing issues. She said people are already preparing campaigns in 2016 and a few are looking ahead to 2018. She said, "89 days will not cut it."

She said she was disappointed in the transparency section and thought it did not go into detail about transparency. She said she might be the only one in the room that has been attacked by an anonymous group while running for office. She said it is easy to come up with the group who claims to represent them. She said tracing the money back is very important. She said Santa Fe has not had very expensive campaigns, but they have been getting more expensive biannually. This law would increase the amount of money available to campaigns and therefore possibly change the shape of campaigns.

Ms. Heldmeyer said more and more city campaigns are using paid political consultants. She said thus far they [political consultants] have tried to talk candidates out of taking public money because there was not enough in it for them. She said if there is enough then they will talk about public money, but it won't be the same kind of public campaign. She has heard people say that this would be really good for donors, because donors who gave \$100 could say "*well this isn't really \$100, you are going to get a 4 to 1 match, so I'm really giving you \$500*". She said so that is not something that people have not thought of yet.

Ms. Heldmeyer said one thing that drove her nuts is that you report your contributions to become a qualified candidate and then report the same contributions a couple of weeks later to get the match. She said, "Get rid of it, it is ridiculous."

She talked about public perception. She thought the public wants public financing for three big reasons: 1) to get money out of politics; 2) to stop the incessant fundraising and 3) to do something about PACs. She said they have been told by the Supreme Court they can't do anything about PACs and is why the transparency section has to be "beefed". She said that would probably not be viewed by the average voter as getting money out of politics; it will be viewed as putting more money into politics. She said if more money is there, more things can be bought and people get more phone calls and more mailers and those things really upset the voters.

Ms. Heldmeyer said according to this, candidates can continue to raise money until two weeks before the election. She said there would be continual fundraising requests and a person that gave \$50 will now be asked for another \$50 and people will not be happy about that.

Ms. Heldmeyer said this falls under the issue of how much is this going to cost. She said if the City is spending money voters think is useful and worthwhile that is fine, but if spending money because "*it's the only thing we can do*" and people are not happy with the amount of money and are not happy with the results; that could really cause major problems in 2018 when they have a mayoral election. She said the Board should keep that in mind.

She said by the time the bill gets to City Council there will not be a lot of time to talk about and reflect on this. She said the Board would not want to do damage to the idea of public financing by providing this type of hybrid system that a lot of people will not and do not see as public financing.

Ms. Kovnat addressed Ms. Heldmeyer. She said Ms. Heldmeyer may be in the perfect position to address some of the issues she raised and the Board needs her help to devise a public education campaign if they are going to save the idea of public financing.

Ms. Heldmeyer replied that she wasn't sure she could do public education on the questions that the public will want answered.

Jody Larson 107 Tierra Rica said after hearing Mr. Ferguson speak she feels much better about many of the provisions in the packet. She said to her, the public wants to level the playing field with respect to the financing of campaigns and to make it possible for people who don't have a lot of money to be viable candidates. She said to free candidates from the burden of fundraising and to relieve candidates of feeling beholden to their donors is hard. She said she didn't see much of that in what she read but feels better now, especially with the changes that were recommended.

She said the voters want to know who is supporting whom and to what extent. She can understand the Russian doll problem and the difficulty to peel back the layers, but they need to be persistent about that. She said she is extremely disappointed that there is no money behind this; enforcement and oversight is going to be essential. She said it doesn't matter what kind of words you have or how stern the recommendations are or how well they work anyplace else, if we don't have a requirement for the oversight body (she assumes *this Board*) to conduct audits and if there is no money to hire someone to do that, it is not going to work. She said people are not going to comply if they think they can get away with non compliance. She said we have to hit it hard and early otherwise, she frankly won't care what language is in here [the bill], because she will just be even more cynical than she is.

Mr. Jeff Green said he appreciates the thought that went into the discussion draft. He asked that the following questions be clarified: 1) is it illegal to receive small contributions from anyone living outside of a district? 2) Is there no limit on the number of small qualifying contributions? 3) Is the candidate free to accept qualifying smaller contributions, even if he or she intends to use the alternative qualification options? 4) For alternative qualification, are the supplemental nominating petitions collected at the same time as the original nominating petitions, or is there a separate issue and time between the two batches? 5) Can the same individual sign the original and supplemental nominating petitions? 6) Regarding matching funds, can a candidate use the alternative qualifications for receipt of matching funds? 7) How do you prevent the Public Campaign Finance Funds from going bankrupt when there are potentially so many matching funds being dispersed? He thought the limit for matching funds could

be \$30,000 for a City Council candidate and \$120,000 for a mayoral in addition to the 60,000 qualifying funds.

Mr. Green said, "I agree with a lot of what Ms. Heldmeyer said, but I am concerned this would create a financial arms race with campaigns, especially with candidates raising lots of matching funds." He said the public might be overwhelmed by that. He appreciates the alternative qualification and thought that makes the system more attractive and possibly will have a lot more candidates, which would be great. He said he is not sure the Public Campaign Finance Fund could handle so many funds being dispersed.

Chair Miller said the Board would first look at the changes to Part I, *Coordination and Coordinated Expenditures*.

4. DISCUSSION AND POSSIBLE ACTION

1. Consideration of the Following Amendments:

- 1) Coordination Between Candidates and/or Their Campaigns and Independent Expenditure Groups or Individuals.

Ms. Kovnat said with Mr. Shandler's help, the subcommittee feels they are close to presenting the material on coordination and coordinated expenditures for full discussion and action by the Board. She was satisfied that the law treats coordination, coordinated expenditures, just like contributions and that they are subject to regulations. She agrees that the limitations on page 2 are unnecessary and should be deleted. She said she thought she speaks for the subcommittee in suggesting that page 2 start with line 12, *Coordinated Expenditure means*: (1) an expenditure. She said the subcategories should all be deleted because they are not necessary.

She said she would eliminate a, b and c entirely and is why she confirmed with Mr. Ferguson that the definition of expenditure is adequate. She said that way they know what an expenditure is and that a coordinated expenditure is '*an expenditure made by an individual or entity other than a candidate or the candidate's political committee in cooperation, consultation or concert with*' ... and is the main definition. Then (i.) through (v.) are examples of coordinated expenditures. She said the Board will want to discuss the idea to eliminate the presumption piece.

Mr. Biderman said (1) (a, b and c) are only helpful if necessary to keep this legal, which he doesn't think is necessary. Or to compromise for those who are opposed to this, which he also doesn't think is the case. He thought this puts limitations they do not really want.

Chair Miller agreed. Ms. Martinez thought that is clearer and more precise.

Chair Miller confirmed consensus to change the definition as suggested by deleting a, b and c and defining coordinated expenditure as an "*expenditure made by an individual or entity other than a candidate for the candidate's political committee; and in cooperation, consultation or concert etc...*"

The Board discussed their thoughts on presumption.

Mr. Biderman suggested the subparagraphs be consolidated and include examples, but leave out the line about presumption. He said we know these kinds of activities are coordination and the only thing

that needs to be shown is that it happened. The person who is opposed could say that didn't really happen or we are misinterpreting something, but that has nothing to do with the presumption, it has to do with proof.

Mr. Miller was concerned (the bottom of page 3) where the individual or entity disseminates, distributes or republishes an advertisement that could happen with no nexus to a campaign. He said the candidate has no knowledge or connection of that. He asked if that would be a coordinated expenditure.

Mr. Ferguson said the provision should apply only to the outside group that does that and because the candidate did not take any action, they cannot be punished for that outside spending.

Mr. Biderman said if there is a wording problem in the main definition, the Board should address that, but this is to ensure that is the umbrella and that all of the examples are subject to criteria of the umbrella. He added that the Board could count on Mr. Shandler to ensure the umbrella language applies to all of the examples as a common condition.

Ms. Martinez had a concern on a goal to identify a set of facts that imply cooperation. She asked if Ms. Kovnat meant cooperation, like putting out a stock photo on the Internet that was intend for use. Ms. Kovnat replied she thought they were trying to identify act patterns that may appear to imply there has been cooperation.

Chair Miller said that example seems differentiated from the other four. He said the other four involve connection or conversation, etc. between the candidate and the outside entity.

Mr. Ferguson said if someone takes a photo off the website etc., clearly the candidate should not be punished. The only time the republication provision should be enforced is when there is fairly strong evidence that the candidate intended the outside group to use it.

Mr. Harrington suggested breaking the first part into categories with the first part "deemed coordinated" and another that would be presumed. Ms. Kovnat added that 1, 2, 3, and 5 would be deemed and #4 would be presumed.

Mr. Biderman suggested (c) 3 say "*unless they thought someone intentionally ...*"

Ms. Martinez asked that page four on the first line: "*material prepared by the candidateclearly with the intent for publication*"; to add language that adds the element of intent. She suggested adding after 'agents', "*that is clearly intended for republication or further distribution*".

Mr. Ferguson said that works as applied to the candidate. The language is intended to prevent the candidate from being punished for action taken by the outside group without the candidate's knowledge. He said the Board should be sure that if an outside group takes a candidate's material on their own and republishes that, it will count as a contribution and they will be punished for violating the contribution limits, even if the candidate had no involvement.

Ms. Kovnat said that may mean that the Board should look at the definition of contributions to be sure it would cover that activity. The coordinated expenditure provisions do not capture the outside group; it is the contribution and expenditure provisions that capture them.

The Board discussed the language. Mr. Shandler clarified that the Board liked the language.

Ms. Martinez confirmed that the definition of expenditure had addressed Mr. Ferguson's concern.

Mr. Ferguson said the language would apply to the groups and still is an expenditure, but does not fall under the definition of a contribution and will therefore be limited. He said if they want to limit a group from doing that on its own and treat it as a contribution then that should be changed. He suggested adding to the beginning of the language "if *this subdivision is to be applied to a candidate*", to limit the example to a candidate, before the whole example. He offered to send the Board similar language that was used in Philadelphia.

Chair Miller the revisions are too complex to do in this manner. He asked if there were other concerns than adding references to campaign related professional services on line seven, three and four.

Mr. Biderman suggested that also go back to the subcommittee. Mr. Shandler noted that the same phrase is also in 'a' on page three, line three.

Chair Miller suggested striking the period after agents and strike *substantial discussion includes, but is not limited to...* Mr. Ferguson suggested they say about campaign strategy, "*which includes, but is not limited to....* Mr. Biderman said the subcommittee could wordsmith that.

Ms. Martinez noted a spelling error on page 4, line 20 that should be *ensure* not *insure*.

2) Transparency and Independent Expenditures

Ms. Kovnat suggested line 14 on the 30 day window be changed to a 60 day window, because Santa Fe has no primary.

Mr. Biderman said he wanted to explore going back a couple of layers of the required disclosure and then let the public know that the Board would not go deeper.

Ms. Kovnat wanted to add language to get another layer of disclosure. She asked Ms. Vigil to let the Board know what problems she might have with that.

Chair Miller suggested on line 19, page 6 to delete "*for the purpose of paying such expenditures*" and require disclosure of all contributions received. He said in Mr. Harrington's email on page 7, paragraph (b) '*the entity must provide the names of their executive officers*' he suggested to change the language to "*the president and CEO*" (chief executive officer).

Chair Miller added that Mr. Ferguson also suggested not deleting the definition of campaign materials, because it appears elsewhere.

Mr. Ferguson said he would add the name of the president or CEO or *equivalent* and he would also ask for their address and contact information to be sure they can contact the contributor.

Mr. Biderman said he would explore the idea of the Russian doll and also go back one more layer to require disclosure, if that is not a burden on the City Clerk's office and a disclosure that the Board would not disclose further than that.

Chair Miller said that items three, four and five are closely related. Mr. Shandler added that three and five were discussed at the last meeting and the only new material is on Section four, page 18.

Ms. Kovnat thought there was not time to talk about the Matching Fund Proposal today, but the Board should know the state of the public fund. She asked Ms. Vigil to provide information that could help the deliberations about the match and those issues.

Mr. Thompson agreed. He said the Matching Fund Proposal should be on the next agenda, especially given the time constraints. He said maybe even beyond item 1 deserves a fresh hearing.

Chair Miller asked if consensus was to wait to discuss items 3-5 until the next meeting.

- 3) Qualified Small Contribution System and 5) Matching Fund Proposal- Not Discussed
- 4) Alternative Compliance for Qualification

Mr. Biderman said he had a few points regarding item #4, *Alternative Compliance for Qualification*. He said because of the questions raised, the subcommittee came up with an alternative idea of asking people to come up with the \$5 contributions to qualify a candidate. The point of the five dollar contribution is to create some threshold of credibility so public funds do not go to someone who will not use the money effectively, but rather go to someone who shows they took initiative.

Mr. Biderman said the subcommittee prepared the discussion draft on alternative compliance, which consists of getting more petition signatures and does not involve a five dollar contribution. He said the numbers are very small and it appeared to get another 41 signatures or even another 100, would be easy and would not satisfy the credibility threshold. The subcommittee was not sure whether to go with a higher number [of signatures] or just fall back on the \$5 threshold.

Mr. Jeff Green replied that in practice the candidate has to get double or triple the number of signatures, because many are not valid. He said it takes a lot of work to get 200 -300 signatures to meet the requirement, especially when someone puts down a wrong address or is not registered in the candidate's district. He said he supports additional signatures versus the \$5 contribution.

Mr. Biderman said the concern is as part of the proposal for matching funds that will go before the City Council and that much more public money is at stake, that the more public money invested in the election, the more there will be an expectation that the matching fund contributions will be limited to serious candidates who show the effort. He said thinking about how to sell this to the City Council; his

concern is the signatures would make it too easy. Mr. Biderman said although Mr. Green points out that getting the signatures is not that easy, that may be beside the point.

Mr. Biderman said two members are absent and the Board is putting off other items. He suggested item four also be on the next agenda.

Chair Miller agreed. He asked if Mr. Ferguson had any last thoughts.

Mr. Ferguson said he did not, but he was happy to provide the written resources on all of the discussion and to be involved in any subcommittee meetings or where needed.

5. Next Meeting

The Board decided the next meeting date would be Monday April 27, 2015 from 3-5 p.m.

Ms. Karen Heldmeyer said these were not the only issues brought up at the first meeting. She said a two-page letter was submitted with items. She asked if the other issues would be addressed.

Chair Miller asked Ms. Heldmeyer to check which issues have not been discussed and he would review his notes. He noted that Enforcement is still on the agenda.

Mr. Shandler pointed out that much of Enforcement is in the Board's Procedures in the Rules of Organization and Practice and can be tackled in meetings in September and October. He said the Board needs to get this bill in front of City Council.

Chair Miller said some of the enforcement discussion has to do with resources and the Board's powers. He was not sure they could address the issue independently, but thought they should look at it.

6. BOARD MATTERS-None

7. PUBLIC COMMENT- None

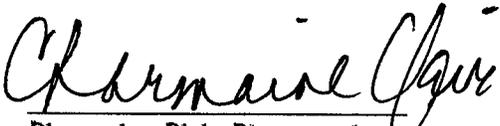
8. ADJOURNMENT

There being no further matters to discuss and the agenda having been completed, the meeting adjourned at 5:14 p.m.

Approved by:

Justin Miller, Chair

Submitted by:


Charmaine Clair, Stenographer