



# Agenda

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## ETHICS & CAMPAIGN REVIEW BOARD

Tuesday, April 2, 2013

4:00 p.m.

City Council Chambers

1<sup>st</sup> Floor, City Hall

200 Lincoln Avenue

1. PROCEDURES

- a) Roll Call
- b) Approval of Agenda
- c) Approval of Minutes – August 2, 2012

2. NEW BUSINESS

- a) Consideration of Amendments to Campaign Code and Public Campaign Finance Code.

3. BOARD MATTERS

4. PUBLIC COMMENT

5. ADJOURNMENT

Persons with disabilities in need of accommodations, contact the City Clerk's Office at 955-6520, five (5) working days prior to meeting date.

**INDEX OF**  
**CITY OF SANTA FE**  
**ETHICS AND CAMPAIGN REVIEW BOARD**

**April 02, 2013**

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a. Roll Call	Quorum	1
b. Approval of Agenda	Approved	1
c. Approval of Minutes- August 23, 2012	Approved	2
2. NEW BUSINESS		
a. Consideration of Amendments to Campaign Code and Public Campaign Finance Code	Discussed	2-7
3. BOARD MATTERS	Discussed	7-8
4. PUBLIC COMMENT	Discussed	8
6. ADJOURNMENT	Adjourned at 5:31 p.m.	8

**MINUTES OF THE  
CITY OF SANTA FE**

**ETHICS AND CAMPAIGN REVIEW BOARD**

**APRIL 02, 2013**

**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 4:10 pm in the City Councilor's Chambers, 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

One Vacancy

**Members Absent:**

Tara Lujan (excused)

**Staff Present:**

Jamison Barkley, Legal Department  
Melissa Byers, Legal Department  
Yolanda Vigil, City Clerk  
Geno Zamora, Legal Department

**Others Present:**

Jim Harrington, Common Cause  
Charmaine Clair, Stenographer

**b) Approval of the Agenda**

**Ms. Kovnat moved to approve the Agenda as presented. Ms. Martinez seconded the motion which was passed by unanimous voice vote.**

**c) Approval of the Minutes- August 23, 2012**

**Mr. Biderman moved to approve the minutes of August 23, 2012 as presented. Mr. Thompson seconded the motion which was passed by unanimous voice vote.**

**2. NEW BUSINESS**

a. Consideration of Amendments to Campaign Code and Public Campaign Finance Code

Chair Miller said the consideration of the amendments is part of the charter under the ordinance that created the Ethics and Campaign Review Board. The City Clerk, Yolanda Vigil and Jim Harrington have worked on recommendations to the Board.

He asked for a presentation about the proposed changes followed by a Board discussion.

Ms. Vigil said the Board had the memo from Mr. Harrington from Common Cause, New Mexico (Exhibit 1) which outlines all of the changes. She offered to present the changes for each page.

She said the reporting of tickets over \$25 for fundraising events was removed; all amounts now need to be reported. (Page 3, line 15) Candidates would have to track every purchase and who made the purchase and if the person's aggregate caused the contribution to the campaign to go over \$25, the \$25 would then have to be reported.

Ms. Kovnat said in looking at G.1E section [of tickets for fundraising events] "*not otherwise reported*" was deleted. She said it seems the individual contributions have to be reported and that proceeds of fundraising events also have to be reported and is duplicative.

She said it appeared the candidate would have to report the contribution twice; once as an individual contribution and again as a proceed of the fundraising event.

Mr. Harrington said the current language excludes from the definition of contribution, anything under 25 dollars. He said a provision is that the candidate has to report the sum of *all* contributions. He gave the example of a person who contributes \$20 and later gives the candidate another \$20; in the first reporting period the amount would be in the sum, but the contributor wouldn't be named. In the second reporting period they would be.

Ms. Vigil said this doesn't require double reporting and clarifies that candidates would have to report everything on fundraising, not just the \$25.00 donation. She said the forms state any contributions made under \$25, so either way, whether over or under \$25, the funds would have to be reported.

Mr. Biderman said there are references to *packs* [on page 4] and "packs" isn't defined and should have a definition. He asked if the term should be included in the definition of a political action committee.

Mr. Harrington said they could get rid of the term and trust that a "pack" would be picked up under *political committee* or on the 926 (anyone who spends over \$250 on electioneering materials.)

Mr. Biderman asked about the bottom of page 3, H1 "business, corporation, partnerships, political committee has... He said "and" is missing.

It was agreed after discussion that Ms. Vigil would add "or political committee" instead of *and*.

Chair Miller asked if the State requirements for the Campaign Reporting Act required the name, mailing address and business occupation; and if there is a reason that is asked, other than a sense of where the contribution comes from.

Ms. Vigil said that was existing language in the reporting requirements. That was placed in the campaign treasurer's duties and makes things clear that the treasurer has to maintain the records for reporting requirements.

Mr. Biderman was concerned about the campaign treasurer's responsibility being more about reporting and becoming more complex for a candidate to comply.

Ms. Vigil explained that only one report is filed and the treasurer and candidate would file together. The treasurer was required to keep the information anyway, but the change makes it clear for the code.

She said Page 5, line 3 clarifies the need of the date of receipt for the contribution to have for the report; line 4 clarifies the aggregate donated by each contributor. Page 5, line 22; "shall not accept anonymous donations" used to be over \$25.00, but now would go into a charity or the City's General Fund. The change states how that should be reported and the time frame and eliminates anonymous contributions.

Mr. Biderman asked if he anonymously donates \$20 to a candidate; is the *anonymous* that his name isn't revealed or that the candidate doesn't know where the donation came from.

Mr. Harrington said it has never been clear in the City or State law. Ms. Vigil added that she thought it would be both situations.

Ms. Kovnat said the requirement of the mailing address of every political committee was eliminated on page 5, one and two. Ms. Vigil explained the definition of business already includes political committee.

Mr. Harrington said page 7, line 9 was to prevent campaigns from buying cars, etc., but was pointed out that candidates could pay \$1000 for a sign.

Chair Miller said the campaign could have a use for a computer, etc. He asked if the City could say that a candidate couldn't buy durable assets that go to the candidate after the campaign is over; and the assets would be returned the same way that leftover unspent campaign contributions are.

Mr. Harrington said the paragraph could be left out and they could trust the situation would be taken care of by other paragraphs. Chair Miller responded that as written, it wouldn't be; it only calls for the distribution of unspent contributions.

Mr. Harrington suggested it say "unspent contributions or capital assets."

Ms. Vigil said she would work further on the paragraph.

Mr. Biderman said in terms of “see donations to charities and other nonprofit entities;” a nonprofit could include an organization that might be 501(c)(4) that exists for advocating a particular political point of view.

Mr. Harrington said on page 14/15 is a parallel section on unspent public campaign funds. The suggestion is, because there wasn’t anything in the previous code, to add a provision identical with the campaign code; under C on page 15, lines 10-13, candidates have to give back public money. He suggested that say the candidate has to give back assets purchased with public money.

He added that what is decided on page 7 should also be done on page fifteen.

Mr. Biderman said the difference is this is public money source and they may want to stick with a donation to the City’s fund.

Ms. Vigil said a total of \$25 was added [page 8-22] to catch all contributions from one to \$25 and to the section on how the contribution was received whether cash or check; *credit card or electronic transfer* was added to that.

Ms. Vigil said page 9, line 8 deals with anonymous contributions and how they should be disposed and reported.

Mr. Biderman suggested for clarity it be stated as “donated to the City, charity or *other eligible recipient.*”

Ms. Vigil said page 9 line 23 on contributions from a contributor: the aggregate contributions to the candidate less than \$25 may not be separately reported and shall be included in the lump sum of all contributions during the reporting period for which they are received.

She said the intent goes on to say that a contributor (when reaching the \$25) whose previous contributions were not separately reported because the aggregate total was less than \$25, and whose subsequent contributions raised the aggregate total to the candidate to \$25 or more; that all subsequent contributions regardless of the amount shall be reported in the reporting period for which they are received. She asked for suggestions that would make the paragraph clearer.

Mr. Biderman asked the purpose. He said if a person gave small contributions under \$25 and then gave \$50 exceeding the \$25 threshold; would they then have to declare the \$50 contribution plus the previous contributions.

Mr. Harrington said when reporting the \$50, the sum total would be reported as \$70 to show that small contributions had previously been made. Any subsequent amounts would also be included because that contributor had exceeded the \$25 amount.

Ms. Vigil explained there is a column for the contributor total of the contribution made during a reporting period and another column is the aggregate.

Ms. Vigil said, pages 11, 13 and 14 clarifies the candidate could leave enough money in their bank account until their check is received. She explained in the last election a candidate turned over all of their seed money to the City, as required and the bank required their account be closed because nothing was left.

She explained that the candidate doesn't receive a public campaign finance check for a few days and the provision allows enough money left in the account to keep the account open until the candidate's check is received and then pay the City out.

Ms. Vigil said on page 12, line 18: on the candidates' agreement that his or her current campaign would not accept further contributions; or was substituted for "and."

Chair Miller asked if three business days was too short and would cause problems with compliance.

Ms. Vigil said that shouldn't be a problem but she offered to change to a week. The Board decided after discussion to change to "five business days."

Chair Miller thanked Ms. Vigil and Mr. Harrington.

He said the Board was not in the position to make recommendations to the Council at this time. He suggested options: Ms. Vigil and Mr. Harrington could take the Board's thoughts and revise the amendments and bring back to the Board; or a subcommittee could be appointed from the Board to look at the amendments and comments; or a member of the Board could work with Mr. Harrington and Ms. Vigil.

Mr. Thompson said he liked the idea of Mr. Harrington and Ms. Vigil bringing back changes after looking at comments. He said the Board wouldn't need a subcommittee or to assign a Board member.

Ms. Vigil said she has no problem doing that, but the issues she and Mr. Harrington looked at were ones brought to light by a candidate or Mr. Harrington and Common Cause. She asked if the Board wants to look at the entire campaign and finance codes to see if they had other recommendations.

Mr. Thompson said a review of the entire code would require a subcommittee and he preferred to focus on what was discussed today.

Chair Miller asked about the timeframe the Board would need to make recommendations to the Council and ensure approval in time for candidates to manage the changes for their campaign.

Ms. Vigil said they should have the governing body adopt the amendments by August; the candidates are released the first few days in September and should have all of the ordinances.

Ms. Kovnat said she was satisfied the major problems were picked up and that Mr. Harrington and Ms. Vigil could tweak the codes to meet the Board's concerns. She urged they look at the capital assets.

Chair Miller said the minutes of the meeting would ensure the Board's concerns are met. He asked Mr. Harrington and Ms. Vigil to work the comments of the Board to revise the changes. Board members were asked to bring sections of the code they thought should be addressed that were not, to the next meeting with the goal that the Board would take action in June.

Geno Zamora asked to speak on observations from the City Attorney's office, as well as a former candidate and someone highly involved with campaigns.

He said there were two observations. He said one on anonymous contributions; they are not theoretic and occur frequently. He said there could be times when people don't want to be on a candidate's report but they contribute money. He said that might be the candidates' obligation to let the person know if they contribute they have to be listed.

Mr. Zamora said he has noticed when dealing with groups not as involved with politics; people would be embarrassed about a small contribution. They slip the money into an envelope and into a basket at the door and don't understand they have to fill the envelope out.

He said his concern is that some people wouldn't realize the money would go to a charity rather than their candidate of choice and he urged the Board to think through the threshold. He said the rule could be exploited; rules are made and someone finds a way around it.

Mr. Zamora said secondly, he heard a lot of discussion around reporting if under a \$25 threshold. He wasn't sure if that is more work to track something that wasn't reported or just to report all contributions. He said a good campaign reports everything; whether a dollar or a hundred dollars and is a good practice.

He acknowledged the comprehensive work of Mr. Harrington.

Karen Heldmeyer said there are state nonprofits that are neither 501(c)(3) nor 501(c)(4) and that should be taken into account when defining a charity.

She said in general the Board would want more openness and transparency. She said having to make records of smaller contributions has become less of a problem since people that take public financing have to account for the "five dollars" they get.

Ms. Heldmeyer thought that Mr. Zamora was talking about long held practices that little by little are going the way of the dinosaur; but are not entirely gone. She said as a group they need to think about weighing the burden versus the importance of openness, for a fairly small amount of money.

Mr. Harrington said he thought Mr. Zamora's comments are sound and have pros and cons. He said he and Ms. Vigil wrestled with that, but if totally anonymous contributions are allowed, they would be subject to abuse. He added, though they don't know if anyone has ever done that.



Mr. Biderman said he is willing to go with the course being taken, but some might wonder why every dollar has to be reported and the purpose, since a dollar contribution is not going to buy a vote. He asked if there is a threshold where that wouldn't matter, whether identified are not.

Mr. Harrington said Mr. Biderman might want to raise the threshold. He said to keep track of everything and make counts aggregate, instead of single contributions, almost forces that. He said a candidate wouldn't know the aggregate total unless every contribution is tracked.

Mr. Harrington said he wasn't sure that influence on the candidate is the sole consideration; there are two constitutional considerations the courts consider to justify reporting. He said one is possible corruption and the other is the right of the voters to know who supports someone and that could be worthwhile.

### **3. BOARD MATTERS**

Mr. Biderman asked about the nomination for the vacancy and whether the Board should make a recommendation or if that is outside of their purview. He said he was suggesting the Board move ahead because the vacancy occurred several months ago.

Ms. Vigil said nominations could be submitted to her and she would forward them to Mayor Coss. She said she would request names as well as a resume.

Ms. Kovnat said Chair Miller could send a note regarding the vacancy to Mayor Coss and ask him about the process to fill the vacancy. Chair Miller replied he would be happy to do that.

The Board discussed the process of an appointment.

Mr. Zamora said the process is an appointment of the Mayor and typically not advertised. The person could be someone the Mayor knows and respects for the role; or someone as a result of suggestions from the public. He noted that with 52 boards and committees in the City that often things get lost or names are difficult to come up with.

Ms. Vigil directed the members in their packets to the ECRB tab and section on appointments. She read: the Board has seven members, four of which should be licensed to practice in New Mexico and appointed by the First Judicial District Bar Association; three members are at large.

Ms. Barkley pointed out Section F on vacancies makes a distinction of where the name originally came from and that all positions were filled by the Mayor.

Ms. Martinez continued reading the section: "if the vacant position was originally filled by appointment from a list of nominees submitted by a particular group or organization, the appointment to fill the vacancy shall be made in the same manner."

Ms. Kovnat said the proper procedure would be to notify the Mayor of the vacancy and ask him to invoke the procedure set out by the ordinance; which would take him to Board member Martinez, the president of the First Judicial District Bar Association.

Ms. Martinez said the next meeting of the First Judicial District Bar Association would be 15 April. She asked if this would be something she should announce to members. She said if not, an e-mail could be sent to the membership to ask for recommendations to pass on to the Mayor.

Mr. Zamora suggested at least two names be submitted for consideration.

#### **4. PUBLIC COMMENTS**

Ms. Heldmeyer said the League of Women Voters has recommended to the Charter Commission that the Charter include a location on campaign contributions for people who did not take the public financing. The League is aware there is an ordinance, but thought it would be better in the Charter so the ordinance could be changed in the future.

She said the League would recommend other things to the Charter Commission and they might come before the ECRB, but are not as directly related to the ECRB's mission.

#### **5. ADJOURNMENT**

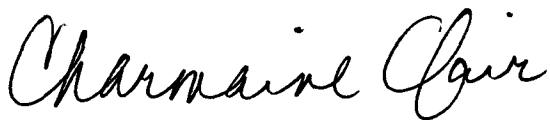
**Mr. Thompson moved to adjourn the meeting. Ms. Kovnat seconded the motion which passed by unanimous voice vote.**

*There being no further matters to discuss and the agenda having been completed, the meeting adjourned at 5:31 p.m.*

Approved by:

  
Justin Miller, Chair

Submitted by:

  
Charmaine Clair, Stenographer

M E M O R A N D U M

TO: ETHICS AND CAMPAIGN REVIEW BOARD

FROM: JIM HARRINGTON, COMMON CAUSE NEW MEXICO

SUBJECT: SUGGESTED AMENDMENTS TO CAMPAIGN CODE  
AND PUBLIC CAMPAIGN FINANCE CODE

DATE: MARCH 29, 2013

**I. Introduction**

As mandated by Section 6-16.2(E) SFCC 1987, The Ethics and Campaign Review Board is currently conducting its periodic review of the city codes that it is charged with administering, with a view to recommending possible changes in these codes to the governing body. To assist the board in carrying out this task, the city clerk and the state chair of Common Cause New Mexico have worked together on a set of suggested changes to the Campaign Code (Article 9-2 SFCC) and the Public Campaign Finance Code (Article 9-3 SFCC) which are being presented to the board in the form of a draft ordinance. The purpose of this memorandum is to summarize and explain the proposed changes embodied in the draft ordinance.

**II. Suggested Changes in the Campaign Code**

**A. Reporting Threshold for Campaign Contributions**

The majority of the suggested amendments to the Campaign Code have a single purpose, which is to place the final plug in a longstanding loophole in the code that could allow large campaign contributors to avoid having their contributions reported by simply making the contributions in numerous small increments each of which falls below the code's reporting threshold of \$25.00. Several piecemeal attempts to close this loophole have been made in recent years, but these have been incomplete, and

in the end have simply succeeded in introducing a number of inconsistencies into the Code's reporting requirements.

Thus, on the one hand, this loophole was partially closed a few years ago by an amendment to the Code section governing record-keeping by campaign treasurers (§9-2.9(A) SFCC), which now requires the treasurers to keep track of every contributor whose "aggregate" contributions exceed \$25.00, regardless of the amounts of their separate contributions. The section governing reporting of contributions by individual donors (§9-2.11(A)(2)) was similarly amended to require reports of all contributors "from whom a contribution or contributions" have been received in an amount exceeding \$25.00. Inexplicably, however, no similar amendment was made to the section governing reporting of contributions from business contributors (§9-2.11(A)(3) SFCC), which still requires reports only for those contributors "from whom a contribution of \$25 or more ... has been received." Thus, it is still possible to avoid reporting large business contributions simply by dividing the contributions into separate installments of less than \$25.00 each.

Other anomalies in the current code aggravate its inconsistent treatment of this issue. For example, it remains permissible, despite the recent amendments, for any category of contributors to avoid the reporting requirements entirely by taking advantage of the code's exemption for anonymous contributions, which candidates are free to accept and need not report as long as the amount of each separate contribution does not exceed \$25.00 (§9-2.9(B) SFCC). There is a similar exemption for ticket purchases of under \$25.00 for "special events," which are completely excluded from the definition of "contribution" (§9-2.3(G)(1)(e) SFCC). Finally, even where the code has been amended to require reporting of contributors whose aggregate contributions exceed \$25.00, it does not prescribe a reporting

method for situations in which the cumulative contributions from a particular contributor are initially below that threshold but rise above it in later reporting periods.

The proposed amendments to the code in the draft ordinance would remedy all these shortcomings by establishing a rational and consistent set of reporting rules that would eliminate what remains of this loophole in the code. Specifically, these amendments would make the following four substantive changes in the code:

1. Require full reporting, including the name of the contributor, for all contributions, regardless of amount, that are received from any individual or business contributor whose aggregate contributions have exceeded \$25.00. Only the names of truly small contributors whose total contributions to the candidate never exceed \$25.00 throughout the campaign would still be exempt from reporting.

2. Require treasurers to record the name of the contributor of every contribution in any amount, so that they will be able to determine whether the cumulative contributions from any given contributor have exceeded the \$25.00 reporting threshold beyond which all contributions from that contributor will have to be reported.

3. Prescribe specific rules for reporting amounts received from contributors who are not identified because their total contributions are less than \$25.00, and for reporting subsequent contributions from these same contributors if and when they make additional contributions that raise their cumulative total above that amount.

4. Prohibit anonymous contributions in any amount and require prompt donation to the city or to charities of any such contributions that may be received.

Since the problematic provisions of the current law are scattered across several sections of the code, the amendments needed to correct them are necessarily numerous. In the attached draft ordinance, these amendments appear on page 3, lines 15-17; page 5, lines 3-6, 8-11, 14-17 and 23-25; page 6, lines 1-3; page 8, line 22; page 9, lines 2 and 23-25; and page 10, lines 1-9. Each of these several amendments, however, is intended to accomplish one or another of the four purposes just listed, and all of them have the single overriding objective of finally eliminating this serious loophole in the code's reporting requirements. It is hoped that the board will see fit to recommend these amendments to the governing body.

**B. Date of Receipt of Contributions**

Certain other amendments in the attached draft ordinance are meant to correct a gap in the requirements for reporting the date of receipt of contributions, information which can be important when last-minute contributions are received from contributors whose identities the candidates might prefer not to disclose to the voters until after the election. Under the current code, reporting of the date of receipt is required only for business contributors (§9-2.11(A)(3) SFCC). The same requirement is not imposed for individual contributions (§9-2.11(A)(2) SFCC), and treasurers are not required to keep track of the date they receive the contributions (§9-2.9(A) SFCC). The proposed draft ordinance would fix these shortcomings by including the date of receipt among the items of information that must be recorded by the campaign treasurer and included in all required reports of contributions. The necessary amendments appear in the attached draft at page 5, line 13; page 8, lines 23-24; and page 9, line 4.

**C. Limit on Purchases of Capital Assets**

The present code prohibits the use of campaign funds for "a purchase of capital assets having a value in excess of one thousand dollars (\$1,000) and a useful life extending beyond the date of the election" (§9-2.9(G)(1)(d) SFCC). The salutary purpose of this provision is to prevent campaign funds from being used to purchase valuable assets, such as a vehicle, which will confer a personal benefit on the candidate extending beyond any legitimate utility they may have for the campaign. It was recently pointed out, however, that this prohibition, if taken literally, might prohibit the purchase of even certain basic and necessary items such as campaign signs, whose cost or replacement value can often exceed \$1,000. To preclude such an unintended application of this provision, one of the proposed amendments in the draft ordinance (at page 7, line 9) would narrow the prohibition to cover only purchases of assets whose "resale value" exceeds \$1,000, thus excluding signs and other campaign materials that have no significant value to anyone other than the candidate.

#### **D. Reporting the Form of Contributions**

One of the items of information required to be reported for individual contributions under the current code is "whether the contribution was received in cash, by check or otherwise" (§9-2.11(A)(2) SFCC). But there is no similar requirement for business contributions (see §9-2.11(A)(3) SFCC), and there is no mention in either provision of certain modern methods by which funds are now commonly transferred, such as credit cards and electronic bank transfers. The proposed amendments would correct these omissions by requiring the reports of both individual and business contributions to include a statement of "whether the contribution was received in cash, by check, by credit card, by electronic transfer or otherwise" (see page 8, line 25, and page 9, lines 6-7, in the draft ordinance).

### **III. Recommended Changes to the Public Campaign Finance Code.**

Thanks largely to hard work by the city staff, Santa Fe's new public campaign finance system had a remarkably smooth debut in the 2012 election. In the wake of the election, only a few minor tweaks to the code seem necessary. Half of these involve conflicts that developed between the code's requirements and the procedures of the banks in which the candidates maintained their campaign accounts.

#### **A. Temporary Retention of Funds in Campaign Accounts**

The code provides that, when candidates submit their applications to receive public financing, they must pay over to the city clerk all the qualifying contributions they have collected and all the seed-money contributions they have received and not already spent (§§9-3.7(E) and 9-3.8(C)(3) SFCC). These payments effectively zero out the candidates' campaign accounts, and some candidates have reported that their banks insisted on closing the accounts when this occurred, making it necessary for them to open entirely new accounts when they received their public funds. One of the suggested changes embodied in the draft ordinance would remedy this problem by allowing the applicant candidates to retain in their campaign accounts a sufficient amount of seed money to keep the accounts open, subject to an obligation to pay this money to the city clerk when they have either received their public funds or have failed to qualify for public funding (see page 11, lines 19-23; page 13, lines 5-10; and page 14, lines 8-13, in the draft ordinance).

#### **B. Limit on Purchases of Capital Assets**

As noted above, the Campaign Code contains a prohibition against the use of campaign funds to purchase capital assets, such as vehicles, whose primary utility extends beyond the election campaign (§9-2.9(G)(1)(d) SFCC). The Public Campaign Finance Code, however, contains no similar provision, even though



the need to prohibit this sort of diversion of campaign funds would seem to be even more compelling in the case of publicly financed candidates, whose funds are furnished by the taxpayers and who must return all unspent funds to the city at the close of the campaign. The draft ordinance therefore seeks to correct this omission by adding to the Public Campaign Finance Code a prohibition on capital-asset purchases identical to the prohibition found in the Campaign Code (see page 15, lines 5-6, in the draft ordinance).

#### **C. Retention of Funds to Clear Campaign Debts**

The current code requires the candidates to repay to the city clerk whatever public funds remain in their campaign accounts following the election, and it provides that this repayment must be made within ten days after the election (§9-3.11(C) SFCC). This deadline turned out to be too short in the case of at least one candidate, whose account ended up incurring an overdraft when a small automatic debit for a web-site fee was posted to the account after all the funds had been withdrawn to make the required payment to the city clerk. The proposed draft ordinance would fix this problem by extending from ten days to 45 days the deadline for returning unspent public funds after the election (see page 15, line 13, in the draft ordinance).

#### **D. Reporting the Dates of Expenditures**

Although the code requires publicly financed candidates to furnish detailed reports of how they spent their public funds, the date of each expenditure is not among the items required to be reported (§9-3.14(A) SFCC). Since this information could be important in the event any questions were raised about whether the funds were properly spent, one of the amendments proposed by the draft ordinance would add such a requirement to the code (see page 15, line 24, in the draft ordinance).

#### **IV. Conclusion**

It is hoped that these explanations will contribute to the board's understanding of the proposed amendments appearing in the draft ordinance, and that these proposals will be given serious consideration by the board as it decides what changes it should recommend to the governing body.

J.E.H.