

AN ORDINANCE **99538**

**AMENDING CHAPTER 2 OF THE CITY CODE OF
SAN ANTONIO, TEXAS TO ADOPT A NEW
ARTICLE VII ENTITLED, "CAMPAIGN FINANCE
REGULATIONS"**

* * * * *

WHEREAS, on October 23, 2003, the Mayor appointed the Mayor's Committee on Integrity and Trust in Local Government to make recommendations to strengthen city government; and

WHEREAS, the Mayor's Committee on Integrity and Trust in Local Government recommended the enactment of municipal campaign finance regulations; and

WHEREAS, the City Council Subcommittee on Campaign Finance was convened to examine the Integrity Committee's recommendations and to conduct its own review; and

WHEREAS, the City Council Subcommittee on Campaign Finance has proposed its recommended Code of Municipal Campaign Finance Regulations; **NOW THEREFORE**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Chapter 2 of the City Code of San Antonio, Texas is amended to adopt a new Article VII entitled "Campaign Finance Regulations" as follows:

ARTICLE VII. CAMPAIGN FINANCE REGULATIONS

DIVISION 1. GENERAL

Sec. 2-300 Statement Of Policy

It is essential in a democratic system that the public has confidence in the integrity, independence, and impartiality of those who are elected to act on their behalf in government. There is a public perception that a relationship exists between substantial contributions and access to elected officials. To diminish the perceived or actual connection between contributions and influence, the City adopts this Campaign Finance Code to promote public confidence and, it is hoped, a greater degree of citizen participation in the electoral process.

Sec. 2-301 Definitions

(a) Election Cycle: The following constitute separate election cycles:

- 1) for all candidates, beginning July 1 of the calendar year before the date of the regular municipal election, and ending on the date of the regular municipal election;
- 2) for a candidate in a run-off election after the regular municipal election, beginning the day after the regular municipal election, and ending on the date of the run-off election;
- 3) for all candidates, beginning either on the day after the regular municipal election or the day after the run-off election, as applicable, until June 30 of the calendar year before the next regular municipal election.

(b) Under Texas Election Code, Section 251.001, a “contribution” means a direct or indirect transfer of money, goods, or services, or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. The term includes a loan or extension of credit, other than those expressly excluded by this subdivision, and a guarantee of a loan or extension of credit, including a loan described by this subdivision.

The term “contribution” does not include a loan made in the due course of business by a corporation that is legally engaged in the business of lending money and that has conducted the business continuously for more than one year before the loan is made.

(c) A loan is deemed to be made in the ordinary due course of business if it:

- (1) bears the usual and customary interest rate of the lending institution for the category of loan involved;
- (2) is made on a basis that assures repayment;
- (3) is evidenced by a written instrument; and
- (4) is subject to a due date or amortization schedule.

(d) Terms not defined in this chapter but defined in the Texas Election Code shall have the meanings assigned to them in the Texas Election Code.

DIVISION 2. CONTRIBUTION LIMITS

Sec. 2-302 Limitation Of Contributions To Candidates For Mayor Or Council

(a) A candidate for district office on the City Council may not accept more than \$500.00 from any individual or single entity per election cycle.

(b) A candidate for mayor may not accept more than \$1000.00 from any individual or single entity per election cycle.

(c) Except as provided in Section 2-304 of this chapter, the limits set out in subsection (a) and (b) of this section apply to contributions made in the form of loans, extensions of credit, and guarantees of loans or extensions of credit as described in Section 2-301(b). Repayment of loans does reset the contribution limit.

(d) Political action committees, commercial entities, or campaign vendors cannot provide in-kind contributions with a commercial value to candidates or officeholders beyond the limits established in this section. Individuals may donate their time as campaign volunteers without limit. "In-kind" contribution means goods or services provided to or by a person at no charge or for less than their fair market value.

(e) An individual cannot contribute to candidate or candidate committee and a candidate for Mayor or City Council cannot accept campaign contributions or officeholder contributions in cash exceeding \$50, from a single donor during a campaign finance reporting period as defined in the Texas Election Code §253.033, including tickets to fund-raising events.

(f) A person may not knowingly make or authorize a political contribution in the name of or on behalf of another, unless the person discloses in writing to the recipient the name and address of the person actually making the contribution in order for the recipient to make the proper disclosure.

(g) A minor may make a contribution only if done so knowingly and voluntarily with funds, goods or services owned or controlled exclusively by the minor and not with proceeds of a gift where the purpose was to provide funds to be contributed. The minor shall submit a form with the contribution acknowledging his or her minor status and that his or her contribution complies with this provision.

(h) A "coordinated campaign expenditure" shall be considered a contribution subject to the limits set forth within this section and subject to the disclosure requirements for campaign contributions made to a candidate for elected city office. As used in this subsection, the term "coordinated campaign expenditure" means a payment, other than a direct contribution, for an activity, service or product that contains express advocacy for the election or defeat of a clearly identified candidate(s) for city office and is made in cooperation, consultation, or concert, with or at the request or suggestion of, a candidate(s) for city office or a candidate's representative, agent or employee.

Coordinated campaign expenditures shall include, but not be limited to the following:

1) Voter identification and/or get-out-the-vote activity on behalf of a specific candidate(s) for city office;

2) A public communication that refers to a clearly identified candidate(s) for city office and that promotes or supports a candidate(s) for that office, or attacks or

opposes a candidate(s) for that office, or is suggestive of no plausible meaning other than an exhortation to vote for or against a specific candidate(s).

The following is not considered a coordinated campaign expenditure:

- 1) Direct monetary contributions made to a candidate for city office;
- 2) In-kind contributions made to a candidate for city office;
- 3) Payment by an individual or organization for the individual's or organization's overhead expenses including but not limited to rent, utilities, taxes, office supplies or salaries;
- 4) Volunteer (unpaid) activity(ies) on the part of the individual or members of the organization.

Sec. 2-303 Time Limitation To Accept Donations

(a) A candidate for Mayor or City Council shall not accept nor deposit campaign contributions after 5:00 P.M. on the 4th calendar day before the regular municipal election date.

(b) During a run-off election, a candidate for Mayor or City Council shall not accept nor deposit campaign contributions after 5:00 P.M. on the 4th calendar day before the date of the run-off election.

(c) Contributions received after the deadlines set out in (a) and (b) of this section or contributions not deposited by these deadlines may be deposited during the subsequent election cycle. Such contributions will be subject to limitations for the election cycle during which they are deposited.

Sec. 2-304 Limits on Repayment of Loans or Reimbursements from Political Contributions

(a) Loan Limit for Candidates for City Council.

A candidate for City Council may not use political contributions in an aggregate amount of more than \$25,000 during an election cycle to:

- 1) repay a loan to his or her campaign account that the candidate has made from his or her personal assets; or
- 2) reimburse campaign expenditures made from personal funds; or
- 3) repay a loan to the candidate or to any authorized committee of the candidate from any other person, persons, entity or entities.

The limit established by this section applies to the cumulative total from one or all combined loans.

(b) Loan Limit for Candidates for Mayor.

A candidate for Mayor may not use political contributions in an aggregate amount of more than \$50,000 during an election cycle to:

- 1) repay a loan to his or her campaign account that the candidate has made from his or her personal assets; or
- 2) reimburse campaign expenditures made from personal funds; or
- 3) repay a loan to the candidate or to any authorized committee of the candidate from any other person, persons, entity or entities.

The limit established by this section applies to the cumulative total from one or all combined loans.

(c) A candidate cannot accept a loan made in cash.

DIVISION 3. CAMPAIGN ACCOUNTS AND REPORTS

Sec. 2-305 Single Campaign Account

(a) A candidate for Mayor or City Council must deposit each and every campaign contribution into one and only one specified bank account. This single account must be used for all campaign deposits and campaign expenditures.

(b) Persons with established campaign accounts before the date this code goes into effect can transfer funds into the new single campaign account.

(c) At the time a candidate files the Appointment of Campaign Treasurer pursuant to Texas Election Code Section 252.001, the candidate shall declare the municipal office sought. If candidate subsequently decides to seek a different office, the candidate shall file an amended Appointment of Campaign Treasurer declaring the new office sought.

(d) If a candidate who has filed a campaign treasurer appointment decides to seek a different office that would require the appointment to be filed with another authority, a copy of the appointment certified by the authority with whom it was originally filed must be filed with the other authority in addition to the new campaign treasurer appointment, in accordance with the requirements of Texas Election Code Section 252.010.

(e) If, after declaring a candidacy for any elected office, the candidate subsequently declares his or her candidacy for any elected municipal office, he or she may maintain the same campaign finance account. However, if the candidate seeks a municipal office

which is subject to lower campaign contribution limits than the previously sought office, the candidate shall return all contributions in excess of the limits for the municipal office sought.

(1) The transferor committee's available funds shall be viewed as those contributions most recently received that add up to the amount of cash on hand.

(2) Contributions transferred must be aggregated with any contributions made by the same donor to the committee receiving the transfer. Amounts that would cause a contributor to exceed his or her per-election cycle contribution limit must be excluded from the transfer.

Sec. 2-306 Campaign Account Statements

(a) A candidate for Mayor or City Council or the campaign treasurer must send a campaign account statement directly to the designated campaign finance enforcement authority once a month within five business days of receiving the statement from the financial institution. The candidate may choose to direct the financial institution to send a copy of the statement directly to the campaign finance enforcement authority.

The City Clerk's Office shall serve as the official records repository for the municipal campaign finance authority.

Sec. 2-307 Electronic Campaign Finance Filing

(a) The City Council shall direct staff to research the development and implementation of electronic campaign finance filing system. The City Council, as soon as is practicable, shall authorize funding and implementation of this system.

(b) Upon implementation of the electronic campaign finance filing system, candidates for Mayor or City Council will file and update electronic reports with the City Clerk's Office. The reports must identify deposited campaign contributions and current campaign expenditures and must list the name, address, principal occupation, and principal employer of the contributor. All contributions must be reported within five business days of filing monthly campaign account statement required by Section 2-306.

(c) In general and runoff elections, the final campaign finance report must be filed no later than 5:00 P.M. on the third calendar day preceding the general or run-off election day.

(d) The City will provide access to computer equipment for candidates to file the electronic reports. A candidate, officeholder, or political committee that is required to file electronic reports under this chapter may apply for an exemption if

(1) the candidate, officeholder, or campaign treasurer of the committee files with the commission an affidavit stating that the candidate, officeholder, or committee, an

agent of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts does not use computer equipment to keep the current records of political contributions, political expenditures, or persons making political contributions to the candidate, officeholder, or committee; and

(2) the candidate, officeholder, or committee does not, in a calendar year, accept political contributions that in the aggregate exceed \$20,000 or make political expenditures that in the aggregate exceed \$20,000.

(e) The City of San Antonio will post the candidates' electronic campaign finance reports through a designated Elections Website.

(f) These reporting requirements are in addition to the reporting requirements under the Texas Election Code.

Division 4. POLITICAL ACTION COMMITTEES

Sec. 2-308 Political Action Committees

All political action committees (PACs) or groups spending money on municipal campaign activity or advertising associated with a city candidate or measure election, or specially designated City Council agenda item shall also, in addition to compliance with reporting requirements under the Texas Election Code, submit such reports electronically with the municipal campaign finance authority. Deadlines and contents of reports for political action committees shall be set in accordance with the Texas Election Code.

Division 5. CITY CONTRACTORS

Sec. 2-309 Contribution Prohibitions

(a) Any person or company official acting as a legal signatory for a proposed contractual relationship that applies for a "high-risk" discretionary contract, as defined by the City of San Antonio Contracting Policy and Process Manual, may not make a campaign contribution to any councilmember or candidate at any time from the time the Request for Proposal (RFP) or Request for Qualifications (RFQ) is issued until 30 calendar days following the contract award.

(b) If the signatory legally entering the contract has made such a contribution, the city may not award the contract to that contributor or to that contributor's business entity.

(c) In the event that a candidate unknowingly accepts a contribution in contravention of the provisions of this section, then it shall be the duty of the candidate to return the contribution within 5 business days after he or she becomes aware of the violation.

(d) The Department of Asset Management shall determine whether a contract is “high risk.” The criteria for designation as a “high-risk” contract are:

- (1) Value of the contract over the life of the contract will exceed \$1 million;
- (2) Contracts with value exceeding \$25,000 to be obtained without competitive solicitation;
- (3) Contract is for goods or services of a highly complex nature or for non-standard items; or
- (4) Contracts with exceptional community interest.

DIVISION 6. ENFORCEMENT

Sec. 2-310 Campaign Finance Enforcement Authority

The Ethics Review Board shall have authority to review reports required under this chapter and shall have the jurisdiction to investigate, make findings, issue rulings and assess sanctions concerning any alleged violation of this chapter, by any person subject to these provisions.

DIVISION 7. EFFECTIVE DATE

Sec. 2-311 Effective Date

- (a) This article is effective August 15, 2004.
- (b) This article applies to a political contribution accepted or political expenditure made on or after the effective date.
- (c) A political contribution accepted or a political expenditure made before the effective date of this article is governed by law in effect on the date the contribution was accepted or the expenditure was made.
- (d) A political contribution may not be accepted after the effective date of this article if the contribution from that donor, together with all contributions from that donor accepted before the effective date of this article, would exceed the maximum contribution established by Section 2-302.
- (e) A candidate or officeholder who has made a political expenditure from personal funds before the effective date of this article may reimburse his or her personal funds for that political expenditure from political contributions accepted before the effective date of this article.

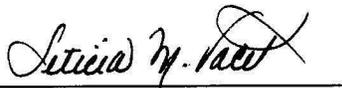
(f) A candidate or officeholder who has made a political expenditure from personal funds before the effective date of this article may reimburse his or her personal funds for that political expenditure from political contributions accepted after the effective date of this article in amount that in the aggregate does not exceed the limit imposed by Section 2-304 of this article.

SECTION 2. This ordinance is effective on August 15, 2004.

PASSED AND APPROVED this 5th day of August, 2004.



MAYOR
Edward D. Garza

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
Andrew Martin
City Attorney

04-27 

MEETING OF THE CITY COUNCIL

Main motion as amended

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
LAND DEVELOPMENT SERVICES
TRAFFIC & DRAINAGE PLAN REVIEW
ECONOMIC DEVELOPMENT
ENVIRONMENTAL SERVICES
SOLID WASTE
EXTERNAL RELATIONS
PUBLIC INFORMATION OFFICE
FINANCE - DIRECTOR
FINANCE - ASSESSOR
FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - PUBLIC UTILITIES SUPERVISOR
FINANCE- TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT -NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
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REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER: 23

DATE: AUG 05 2004

MOTION: Perez/Segovia

ORDINANCE NUMBER: 99538

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1		✓	
JOEL WILLIAMS District 2		✓	
RON SEGOVIA District 3		✓	
RICHARD PEREZ District 4		✓	
PATTI RADLE District 5		✓	
ENRIQUE M. BARRERA District 6		✓	
JULIAN CASTRO District 7		✓	
ART A. HALL District 8		✓	
CARROLL SCHUBERT District 9		✓	
CHRISTOPHER "CHIP" HAASS District 10		✓	
EDWARD D. GARZA Mayor		✓	

*As amended
(See amendments)*

04-27

MEETING OF THE CITY COUNCIL

Amendment #1

23 (CFR)

Aug. 5, 2004

AGENDA ITEM NUMBER: _____

DATE: _____

MOTION: Perez / Flores

ORDINANCE NUMBER: _____

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
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HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
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INTERNATIONAL AFFAIRS
LIBRARY
MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT - NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

Withdrawn

04-27

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1			
JOEL WILLIAMS District 2			
RON SEGOVIA District 3			
RICHARD PEREZ District 4			
PATTI RADLE District 5			
ENRIQUE M. BARRERA District 6			
JULIAN CASTRO District 7			
ART A. HALL District 8			
CARROLL SCHUBERT District 9			
CHRISTOPHER "CHIP" HAASS District 10			
EDWARD D. GARZA Mayor			

Perez moved to adopt all provisions but to remove the jurisdiction & Powers of ERB (Sec. 2-311) in order to finalize the Ethics Code. Additionally, to allow family members to have a higher amount of contributions (i.e. max. contribution of \$1,000) \$2,000 for the Mayor. Effective date: 9-1-04 Adopt subsection "d" on slide # 47 Approve a, b, d and e on slide # 47 \$25,000 limit for City Council & 44th

MEETING OF THE CITY COUNCIL

Amendment #2

AGENDA ITEM NUMBER: #23 (CFR)
 DATE: 8-5-04
 MOTION: Castro/Radle
 ORDINANCE NUMBER: _____
 RESOLUTION NUMBER: _____
 ZONING CASE NUMBER: _____
 TRAVEL AUTHORIZATION: _____

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
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COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
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METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
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REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

Withdrawn

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1			
JOEL WILLIAMS District 2			
RON SEGOVIA District 3			
RICHARD PEREZ District 4			
PATTI RADLE District 5			
ENRIQUE M. BARRERA District 6			
JULIAN CASTRO District 7			
ART A. HALL District 8			
CARROLL SCHUBERT District 9			
CHRISTOPHER "CHIP" HAASS District 10			
EDWARD D. GARZA Mayor			

*\$5,000 for City Council Cand.
 *\$20,000 for Mayoral Cand.
 Remove 3 cycles to 2 cycles only
 Effective date: Immediately
 No special privilege to family member
 Re-look @ Sec. 2-311 in the future

Aug. 15th

04-27

MEETING OF THE CITY COUNCIL

#3

23

AGENDA ITEM NUMBER: _____
 DATE: Aug. 5, 2004
 MOTION: Perry / Radle
 ORDINANCE NUMBER: _____
 RESOLUTION NUMBER: _____
 ZONING CASE NUMBER: _____
 TRAVEL AUTHORIZATION: _____

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
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REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1		✓	
JOEL WILLIAMS District 2		✓	
RON SEGOVIA District 3		✓	
RICHARD PEREZ District 4		✓	
PATTI RADLE District 5		✓	
ENRIQUE M. BARRERA District 6		✓	
JULIAN CASTRO District 7		✓	
ART A. HALL District 8		✓	
CARROLL SCHUBERT District 9		✓	
CHRISTOPHER "CHIP" HAASS District 10		✓	
EDWARD D. GARZA Mayor		✓	

*Remove ERB from consideration
all in favor*

04-27

~~13~~ MEETING OF THE CITY COUNCIL
 Mayor asked that the 2 amendments on the floor be w/drawn. Both agreed and the following motion was made. #23

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
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MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT - NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

with drawn

AGENDA ITEM NUMBER: _____
 DATE: Aug. 5, 2004
 MOTION: Castro/Schubert
 ORDINANCE NUMBER: _____
 RESOLUTION NUMBER: _____
 ZONING CASE NUMBER: _____
 TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1			
JOEL WILLIAMS District 2			
RON SEGOVIA District 3			
RICHARD PEREZ District 4			
PATTI RADLE District 5			
ENRIQUE M. BARRERA District 6			
JULIAN CASTRO District 7			
ART A. HALL District 8			
CARROLL SCHUBERT District 9			
CHRISTOPHER "CHIP" HAASS District 10			
EDWARD D. GARZA Mayor			

Section 2-311 - future date
 Eff. date: Aug. 15 vs. Sept 1st
 a, b, c, d, e, f - orig. format
 cycles 2 vs. 3
 family member contri. to \$1,000

Motion carried

04-27

MEETING OF THE CITY COUNCIL

#5

AGENDA ITEM NUMBER: _____

DATE: _____

MOTION: *Perez / Segovia*

ORDINANCE NUMBER: _____

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
LAND DEVELOPMENT SERVICES
TRAFFIC & DRAINAGE PLAN REVIEW
ECONOMIC DEVELOPMENT
ENVIRONMENTAL SERVICES
SOLID WASTE
EXTERNAL RELATIONS
PUBLIC INFORMATION OFFICE
FINANCE - DIRECTOR
FINANCE - ASSESSOR
FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - PUBLIC UTILITIES SUPERVISOR
FINANCE- TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT -NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

W. H. Adams

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1			
JOEL WILLIAMS District 2			
RON SEGOVIA District 3			
RICHARD PEREZ District 4			
PATTI RADLE District 5			
ENRIQUE M. BARRERA District 6			
JULIAN CASTRO District 7			
ART A. HALL District 8			
CARROLL SCHUBERT District 9			
CHRISTOPHER "CHIP" HAASS District 10			
EDWARD D. GARZA Mayor			

*Sept. 1st
w/ a, b, d, e eliminated f
↓ slide # 47*

3 cycles

04-27

MEETING OF THE CITY COUNCIL

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
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CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
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FINANCE - CONTROLLER
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LIBRARY
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MAYOR'S OFFICE
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YOUTH INITIATIVES
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GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

46

AGENDA ITEM NUMBER: _____
 DATE: Castro / Radle
 MOTION: FORES
 ORDINANCE NUMBER: _____
 RESOLUTION NUMBER: _____
 ZONING CASE NUMBER: _____
 TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1			✓
JOEL WILLIAMS District 2			✓
RON SEGOVIA District 3			✓
RICHARD PEREZ District 4			✓
PATTI RADLE District 5	.	✓	.
ENRIQUE M. BARRERA District 6			✓
JULIAN CASTRO District 7	.	✓	.
ART A. HALL District 8		✓	
CARROLL SCHUBERT District 9			✓
CHRISTOPHER "CHIP" HAASS District 10		✓	
EDWARD D. GARZA Mayor			✓

[Handwritten signature/initials]

Aug. 15th
ap ed out
 ↓
slide #47 → beside me and delete
2 cycles failed
stay w/ 3 cycles as recommended ✓
04-27

MEETING OF THE CITY COUNCIL

7

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
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CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
LAND DEVELOPMENT SERVICES
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ECONOMIC DEVELOPMENT
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EXTERNAL RELATIONS
PUBLIC INFORMATION OFFICE
FINANCE - DIRECTOR
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FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - PUBLIC UTILITIES SUPERVISOR
FINANCE- TREASURY
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INFORMATION SERVICES
INTERNAL REVIEW
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MANAGEMENT & BUDGET (OFFICE OF) OMB
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METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
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YOUTH INITIATIVES
PLANNING DEPARTMENT -NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

Supplemental
 # Amendment

AGENDA ITEM NUMBER: _____

DATE: _____

MOTION: Perez/Williams

ORDINANCE NUMBER: _____

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1			✓
JOEL WILLIAMS District 2			
RON SEGOVIA District 3			
RICHARD PEREZ District 4			
PATTI RADLE District 5			
ENRIQUE M. BARRERA District 6			
JULIAN CASTRO District 7			
ART A. HALL District 8			
CARROLL SCHUBERT District 9			
CHRISTOPHER "CHIP" HAASS District 10			
EDWARD D. GARZA Mayor			

Sept. 1st

04-27

MEETING OF THE CITY COUNCIL

#8

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
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ECONOMIC DEVELOPMENT
ENVIRONMENTAL SERVICES
SOLID WASTE
EXTERNAL RELATIONS
PUBLIC INFORMATION OFFICE
FINANCE - DIRECTOR
FINANCE - ASSESSOR
FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - PUBLIC UTILITIES SUPERVISOR
FINANCE- TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT -NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER: _____

DATE: _____

MOTION: Castro/Radle _____

ORDINANCE NUMBER: _____

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1		✓	
JOEL WILLIAMS District 2			✓
RON SEGOVIA District 3			✓
RICHARD PEREZ District 4			✓
PATTI RADLE District 5		✓	
ENRIQUE M. BARRERA District 6			✓
JULIAN CASTRO District 7		✓	
ART A. HALL District 8		✓	
CARROLL SCHUBERT District 9			✓
CHRISTOPHER "CHIP" HAASS District 10		✓	
EDWARD D. GARZA Mayor		✓	

+ Aug. 15th
+ a ~~b~~ c d⁽¹⁾ e + f
b
+ July 1st cycle beginning
thru Aug. 15th - maxed out
Motor passes

04-27

MEETING OF THE CITY COUNCIL

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
LAND DEVELOPMENT SERVICES
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FINANCE - CONTROLLER
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INFORMATION SERVICES
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT -NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER: _____

DATE: _____

MOTION: Perez/Flores

ORDINANCE NUMBER: _____

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1		✓	
JOEL WILLIAMS District 2		✓	
RON SEGOVIA District 3		✓	
RICHARD PEREZ District 4		✓	
PATTI RADLE District 5			✓
ENRIQUE M. BARRERA District 6		✓	
JULIAN CASTRO District 7			✓
ART A. HALL District 8			✓
CARROLL SCHUBERT District 9		✓	
CHRISTOPHER "CHIP" HAASS District 10			✓
EDWARD D. GARZA Mayor			✓

\$ 25,000 limit for CC per cycle

\$ 50,000 " " Mayor per cycle

amendment passes ✓

Yes

04-27

MEETING OF THE CITY COUNCIL

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
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CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
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CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
LAND DEVELOPMENT SERVICES
TRAFFIC & DRAINAGE PLAN REVIEW
ECONOMIC DEVELOPMENT
ENVIRONMENTAL SERVICES
SOLID WASTE
EXTERNAL RELATIONS
PUBLIC INFORMATION OFFICE
FINANCE - DIRECTOR
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FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
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INTERNATIONAL AFFAIRS
LIBRARY
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MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
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PARKS AND RECREATION
MARKET SQUARE
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DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER: _____

DATE: _____

MOTION: Castro/Will _____

ORDINANCE NUMBER: _____

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1			✓
JOEL WILLIAMS District 2			✓
RON SEGOVIA District 3			✓
RICHARD PEREZ District 4			✓
PATTI RADLE District 5		✓	
ENRIQUE M. BARRERA District 6			✓
JULIAN CASTRO District 7		✓	
ART A. HALL District 8		✓	
CARROLL SCHUBERT District 9			✓
CHRISTOPHER "CHIP" HAASS District 10		✓	
EDWARD D. GARZA Mayor		✓	

\$5,000

\$10,000

Noes

04-27

MEETING OF THE CITY COUNCIL

#11

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
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CONVENTION FACILITIES
COUNCIL OFFICES
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CUSTOMER SERVICE/311 SYSTEM
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ENVIRONMENTAL SERVICES
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FINANCE - PUBLIC UTILITIES SUPERVISOR
FINANCE- TREASURY
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MAYOR'S OFFICE
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MUNICIPAL COURT
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POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

Added

AGENDA ITEM NUMBER: _____
 DATE: _____
 MOTION: Per/Secy. _____
 ORDINANCE NUMBER: _____
 RESOLUTION NUMBER: _____
 ZONING CASE NUMBER: _____
 TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1			✓
JOEL WILLIAMS District 2			✓
RON SEGOVIA District 3		✓	
RICHARD PEREZ District 4		✓	
PATTI RADLE District 5			✓
ENRIQUE M. BARRERA District 6			✓
JULIAN CASTRO District 7			✓
ART A. HALL District 8			✓
CARROLL SCHUBERT District 9			✓
CHRISTOPHER "CHIP" HAASS District 10			✓
EDWARD D. GARZA Mayor			✓

*Raise limits Fam Members
 \$1,000 CC
 \$2,000 Mayor*

04-27

CITY OF SAN ANTONIO
CITY ATTORNEY'S OFFICE
INTERDEPARTMENTAL CORRESPONDENCE

TO: Mayor and City Council

FROM: Helen Valkavich, Assistant City Attorney

COPIES TO: Terry M. Brechtel, City Manager; Andrew Martin, City Attorney

SUBJECT: Proposed Alternative Provisions for the Municipal Campaign Finance Code

DATE: August 5, 2004

In addition to the proposed provisions set forth in the August 3, 2004 draft of the Municipal Campaign Finance Code, the City Attorney's Office also sets forth alternative provisions regarding loans and the effective date of the ordinance:

Sec. 2-304 Limits on Repayment of Loans or Reimbursements from Political Contributions

(a) Loan Limit for Candidates for City Council.

A candidate for City Council may not use political contributions in an aggregate amount of more than \$ 5,000 during an election cycle to:

- 1) repay a loan to his or her campaign account that the candidate has made from his or her personal assets; or**
- 2) reimburse campaign expenditures made from personal funds; or**
- 3) repay a loan to the candidate or to any authorized committee of the candidate from any other person, persons, entity or entities.**

The limit established by this section applies to the cumulative total from one or all combined loans.

The same provision is offered for consideration for Section 2-304(b) regarding candidates for mayor.

Radle expressed doing away w/ the 3rd cycle. She mentioned the amounts and eff. dates of immediate. Concurred w/ Hall that relatives not buy office by personal wealth. Weed section 2-311.

Williams - Also congratulated colleagues; will support Preezy's motion.

Barrada - Thanked colleagues for all work that has been done. He questioned the 3rd report being rec. Another pt. from the time contract is issued was also discussed vs. approved.

Carrell - Also thanked colleagues for their work on same. Concerns:
1) Running for Mayor - hard to cover a complete district much less an entire city. Must be able to communicate via mail-outs or media to get your message to the voters. Should not lose site of that. Support Preezy on \$25,000 for CC and \$50,000 for Mayoral Candidates. People have to raise ^{only} their money to get their message out. Don't want to see all wealthy candidates run. ~~and~~ Agree on loan limits that Preezy has sugg. We are going from nothing to something in S.A. Nothing wrong w/ raising money to get your mess. out.

Hall - Asked of the \$20,000 if not used during 1st cycle - do you forfeit same? Or do you then have \$40,000 next cycle. Pay yourself back \$20,000 on first and \$20,000 on 2nd cycle. Can re-pay yourself in \$20,000 increments per cycle - Andy.

Flores - Imperative to allow voter to have that tool - instill trust w/ setting contrib. limits. Agree + support amt. of those that Preezy sugg. Offer true rep. to COSA.

Sec. 2-321 Effective Date

(a) This article is effective { _____ }.

(b) This article applies to a political contribution accepted or political expenditure made on or after the effective date.

(c) A political contribution accepted or a political expenditure made before the effective date of this article is governed by law in effect on the date the contribution was accepted or the expenditure was made.

(d) A political contribution may not be accepted after the effective date of this article if the contribution from that donor, together with all contributions from that donor accepted before the effective date of this article, would exceed the maximum contribution established by Section 2-302.

{OR}

A political contribution accepted from a donor before the effective date of this article is not included in calculating the maximum permissible contribution established by Section 2-302.

(e) A candidate or officeholder who has made a political expenditure from personal funds before the effective date of this article may reimburse his or her personal funds for that political expenditure from political contributions accepted before the effective date of this article.

(f) A candidate or officeholder who has made a political expenditure from personal funds before the effective date of this article may reimburse his or her personal funds for that political expenditure from political contributions accepted after the effective date of this article in amount that in the aggregate does not exceed the limit imposed by Section 2-304 of this article.

CITY OF SAN ANTONIO
CITY ATTORNEY'S OFFICE
INTERDEPARTMENTAL CORRESPONDENCE

TO: Mayor and City Council

FROM: Andrew Martin, City Attorney

COPIES TO: Terry M. Brechtel, City Manager

SUBJECT: Municipal Campaign Finance Code

DATE: July 30, 2004

Summary

This ordinance would create a municipal campaign finance code to be enforced by the Ethics Review Board. The code will set limits on campaign contributions that a candidate for mayor or city council may accept when running for municipal office. The code also imposes time restrictions on individuals seeking "high-risk" contracts with the City of San Antonio to make campaign contributions. Candidates will also be required to provide monthly campaign account statements to the Ethics Review Board and calls for the development and implementation of a municipal electronic campaign finance system.

The draft ordinance is unchanged from the version discussed by the City Council in the "B" Session on April 1, 2004.

Procedural Background

On October 23, 2003, Mayor Edward D. Garza convened the Mayor's Committee on Integrity and Trust in Local Government. The Committee was charged with providing specific recommendations to correct weaknesses in existing ethics ordinances and code, with the "goal of strengthening a culture of service, integrity, trust and accountability." From October 2002 through January 2003, the Committee interviewed city staff, current and former city officials, members of the business community and citizen groups. On January 29, 2003, the Committee issued its report, which included its specific recommendations for the development and implementation of municipal campaign finance regulations. On January 30, 2003, the Committee presented its report to the City Council.

On October 30, 2003, the City Council considered the recommendations of the Mayor's Integrity Committee. Subsequent to this council meeting, the Council Campaign Finance Subcommittee was formed to further review and research campaign finance issues. The Subcommittee met on February 2, 2004 and February 9, 2004, February 24, 2004 and March

17, 2004. The recommendations of the Subcommittee in the form of a draft municipal campaign finance code are attached.

The recommendations and the draft ordinance were discussed by the City Council at a "B" Session held April 1, 2004.

Summary of Proposed Municipal Campaign Finance Code

1) Limitation of Contributions to Candidates for Mayor or Council. A candidate for District Office on the City Council may not accept more than \$500 from any individual or single entity (e.g. Political Action Committee) per election cycle. A candidate for Mayor may not accept more than \$1000 from any individual or single entity (e.g. Political Action Committee) per election cycle. The following constitutes the proposed definition of the three separate election cycles during which a candidate may accept contributions:

- 1) for all candidates, beginning July 1 of the calendar year before the date of the regular municipal election, and ending on the date of the regular municipal election;
- 2) for a candidate in a run-off election, beginning the day after the regular municipal election, and ending on the date of the run-off election;
- 3) for all candidates, beginning either on the day after the regular municipal election or the day after the run-off election, as applicable, until June 30 of the calendar year before the next regular municipal election.

2) In-Kind Contributions. PACS, commercial entities, or campaign vendors cannot give "in-kind" contributions with a commercial value to candidates or officeholders beyond the \$500 or \$1000 limitations. Individuals may donate their personal time as volunteers to a campaign without reporting requirements.

3) Cash Contributions. A candidate for Mayor or City Council may not accept campaign contribution or officeholder-account contribution in cash greater than \$50, including tickets to events.

4) Contributions by Minors. A minor child may make contribution only if done so knowingly and voluntarily with funds, goods or services owned or controlled exclusively by the child and not with proceeds of a gift where the purpose was to provide funds to be contributed. Minor shall submit form with contribution acknowledging minor status and that contribution is made in accordance with this provision.

5) Time Limits to Accept Donations. Candidates may not accept or deposit contributions after 5:00 PM on the fourth calendar day before the election or run-off election date. Contributions received during that time could be deposited during the next election cycle.

6) Limitation of Candidate Loans to Campaign Account. The Council Subcommittee recommends either setting a limit on the amount of loans a candidate may accept during an election cycle or setting a limit on the amount of campaign funds a

candidate may use to repay loans. The Subcommittee has referred the amount of the limits to the full Council.

7) Single Campaign Account. Candidates will deposit all campaign contributions into one specified bank account. Candidates must use this one account for all campaign deposits and expenditures. A copy of the monthly account statement is to be provided to the campaign finance enforcement authority.

8) Declaration of Candidacy. If a candidate seeks municipal office, he or she shall note which municipal office is being sought on the Appointment of Campaign Treasurer form filed under Texas Election Code Section 252.001. If the candidate subsequently decides to seek a different office, the candidate shall file an amended Appointment of Campaign Treasurer declaring the new office sought.

9) Transfer of Campaign Funds. If, after declaring a candidacy for any elected office, the candidate subsequently declares for an elected municipal position, he or she may maintain the same campaign finance account. However, if the candidate seeks a municipal office which is subject to lower contribution limits than the previously sought office, the candidate shall return all contributions in excess of the limits for the municipal office sought

10) Electronic Campaign Finance Filing. The Code will establish the goal that the City will implement an electronic filing system for candidates and political action committees as soon as is practicable. Representatives of the Information Technology Services Department (ITSD) advised the Subcommittee that development and implementation of a municipal electronic campaign finance system would cost approximately \$15,000 to \$20,000. If approved, development could be completed during the summer of 2004 for use during the July 1 – December 31, 2004 reporting period under the Texas Election Code.

11) Additional Contribution Reports. Upon implementation of the electronic campaign finance filing system, candidates will also, in addition to submitting finance reports required by the Texas Election Code, electronically report all contributions within five business days of filing the monthly campaign finance account statement. Further, by 5:00 PM on the third calendar day before an election or a run-off election, candidates will electronically update all contributions received through that election cycle.

12) Contractors' Contribution Restriction. Any person or company official, acting as a legal signatory for a proposed contractual relationship that applies for a "high-risk" discretionary contract, as defined by the contractual risk criteria¹, may not make a

¹ Contractual Risk Criteria:

(1) Contract Value. Over the life of the contract, will the contract value exceed \$1 million?

(2) Procurement Method. If the contract value exceeds \$25,000, will agreement be obtained without a competitive solicitation?

(3) Contract Complexity. Is the service/good of a highly complex nature, or will the contract items be non-standard?

campaign or other contribution to any councilmember or candidate from the time a Request for Proposal (RFP) or Request for Qualifications (RFQ) is issued until 30 calendar days following the contract award. A candidate will have five business days after learning of contribution made in violation of this provision to return the contribution.

13) Enforcement Authority. The Ethics Review Board established pursuant to the charter amendments adopted by the voters in May will enforce these campaign finance regulations.

14) Elections and Campaign Finance Website. The city will create and maintain an elections and campaign finance website which will contain information about filing, candidate training, deadlines, regulations, contribution and expenditure reports and findings by the enforcement authority.

The Subcommittee recommended deferring consideration of sanctions and rules of civil procedure to a later time.

Financial Impact

This ordinance will result in additional personnel costs to the City Clerk's Office, which will serve as the repository for reports filed with the campaign finance enforcement authority. Additional support to the Ethics Review Board will be provided by the City Attorney's Office.



Andrew Martin
City Attorney

APPROVED:



Terry M. Brechtel
City Manager

(4) Community Interest. Will there be a high level of community or other exceptional interest in this agreement?

Part 1. Chapter 2 of the City Code of San Antonio, Texas is amended to adopt a new Article VII entitled "Campaign Finance Regulations" as follows¹:

ARTICLE VII. CAMPAIGN FINANCE REGULATIONS

DIVISION 1. GENERAL

Sec. 2-300 Statement Of Policy

It is essential in a democratic system that the public has confidence in the integrity, independence, and impartiality of those who are elected to act on their behalf in government. There is a public perception that a relationship exists between substantial contributions and access to elected officials. To diminish the perceived or actual connection between contributions and influence, the City adopts this Campaign Finance Code to promote public confidence and, it is hoped, a greater degree of citizen participation in the electoral process.

Sec. 2-301 Definitions

(a) Election Cycle: The following constitute separate election cycles:

- 1) for all candidates, beginning July 1 of the calendar year before the date of the regular municipal election, and ending on the date of the regular municipal election;**
- 2) for a candidate in a run-off election after the regular municipal election, beginning the day after the regular municipal election, and ending on the date of the run-off election;**
- 3) for all candidates, beginning either on the day after the regular municipal election or the day after the run-off election, as applicable, until June 30 of the calendar year before the next regular municipal election.**

{Note: Subsection (a)(3) has been framed so that there would not be any overlap between the cycles defined by (a)(1) and (a)(3).}

{Note 2: At the February 24, 2004, the Campaign Finance Council subcommittee ("subcommittee") meeting, the beginning date of July 1 of the calendar year before the date of the municipal election was proposed as a beginning date for the first cycle, and June 30 of the calendar year before the following election was proposed as an end date for the third cycle. These beginning and ending dates provide

¹ Provisions in regular type are those recommended by the Mayor's Committee on Integrity and Trust in Local Government. Provisions in **bold, underlined type** are those proposed by the City Council Campaign Finance Subcommittee. Provisions in **orange, bold, underlined type** are proposed by the City Attorney's Office.

dividing lines between the cycles, which also track the campaign finance reporting periods under the Texas Election Code.}

(b) Under Texas Election Code, Section 251.001, a "contribution" means a direct or indirect transfer of money, goods, or services, or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. The term includes a loan or extension of credit, other than those expressly excluded by this subdivision, and a guarantee of a loan or extension of credit, including a loan described by this subdivision.

The term "contribution" does not include a loan made in the due course of business by a corporation that is legally engaged in the business of lending money and that has conducted the business continuously for more than one year before the loan is made.

(c) A loan is deemed to be made in the ordinary due course of business if it:

- (1) Bears the usual and customary interest rate of the lending institution for the category of loan involved;**
- (2) is made on a basis that assures repayment;**
- (3) is evidenced by a written instrument; and**
- (4) is subject to a due date or amortization schedule**

{Note: Modeled after 11 C.F.R. 100.82(a).}

(c) Terms not defined in this chapter but defined in the Texas Election Code shall have the meanings assigned to them in the Texas Election Code.

DIVISION 2. CONTRIBUTION LIMITS

Sec. 2-302 Limitation Of Contributions To Candidates For Mayor Or Council

(a) A candidate for district office on the City Council may not accept more than \$500.00 from any individual or single entity **per election cycle**.

(b) A candidate for mayor may not accept more than \$1000.00 from any individual or single entity **per election cycle**.

(c) Except as provided in Section 2-304 of this chapter, the limits set out in subsection (a) and (b) of this section apply to contributions made in the form of loans, extensions of credit, and guarantees of loans or

extensions of credit as described in Section 2-301(b). Repayment of loans {does} {does not} reset the contribution limit.

{Note: Modeled after 11 C.F. R. 100.82(e)(1)(ii).}

(c) Political action committees, commercial entities, or campaign vendors cannot provide in-kind contributions with a commercial value to candidates or officeholders beyond the limits established in this section. Individuals may donate their time as campaign volunteers without limit. **“In-kind” contribution means goods or services provided to or by a person at no charge or for less than their fair market value.**

(d) An individual cannot contribute to candidate or candidate committee and a candidate for Mayor or City Council cannot accept campaign contributions or officeholder contributions in cash exceeding \$50, from a single donor during a campaign finance reporting period as defined in the Texas Election Code §253.033, including tickets to fund-raising events.

{Note: this provision was amended at the February 25, 2004 subcommittee meeting to limit cash contributions during a campaign finance reporting period as defined by the Texas Election Code rather than using the election cycles defined by this code. Because state law limits cash contributions, using the state reporting cycles facilitates compliance with both state and municipal regulations.}

(e) A person may not knowingly make or authorize a political contribution in the name of or on behalf of another, unless the person discloses in writing to the recipient the name and address of the person actually making the contribution in order for the recipient to make the proper disclosure.

(f) A minor may make a contribution only if done so knowingly and voluntarily with funds, goods or services owned or controlled exclusively by the minor and not with proceeds of a gift where the purpose was to provide funds to be contributed. The minor shall submit a form with the contribution acknowledging his or her minor status and that his or her contribution complies with this provision.

(g) A “coordinated campaign expenditure” shall be considered a contribution subject to the limits set forth within this section and subject to the disclosure requirements for campaign contributions made to a candidate for elected city office. As used in this subsection, the term “coordinated campaign expenditure” means a payment, other than a direct contribution, for an activity, service or product that contains express advocacy for the election or defeat of a clearly identified candidate(s) for city office and is made in cooperation, consultation, or concert, with or at the request or suggestion of, a candidate(s) for city office or a candidate’s representative, agent or employee.

Coordinated campaign expenditures shall include, but not be limited to the following:

- 1) Voter identification and/or get-out-the-vote activity on behalf of a specific candidate(s) for city office;**
- 2) A public communication that refers to a clearly identified candidate(s) for city office and that promotes or supports a candidate(s) for that office, or attacks or opposes a candidate(s) for that office, or is suggestive of no plausible meaning other than an exhortation to vote for or against a specific candidate(s).**

The following is not considered a coordinated campaign expenditure:

- 1) Direct monetary contributions made to a candidate for city office;**
- 2) In-kind contributions made to a candidate for city office;**
- 3) Payment by an individual or organization for the individual's or organization's overhead expenses including but not limited to rent, utilities, taxes, office supplies or salaries;**
- 4) Volunteer (unpaid) activity(ies) on the part of the individual or members of the organization.**

{Note: this provision modeled after Houston City Code Sec. 18-39.}

Sec. 2-303 Time Limitation To Accept Donations

(a) A candidate for Mayor or City Council shall not accept nor deposit campaign contributions after **5:00 P.M. on the 4th calendar day before the regular municipal election date.**

(b) During a run-off election, a candidate for Mayor or City Council shall not accept nor deposit campaign contributions after **5:00 P.M. on the 4th calendar day before the date of the run-off election.**

{Note: It was originally proposed that the freeze on accepting campaign contributions should be in place three business days before the date of the election. Using "5:00 P.M. on the 4th business day preceding the date of the election" creates that three-day moratorium and clearly specifies the deadline for accepting and depositing. At the February 25, 2004 subcommittee meeting, this was changed to 4th calendar day to prevent inconsistencies between elections held on Saturdays and during the regular workweek.

Any contributions received after 5:00 P.M. or not deposited by 5:00 P.M. could be held and deposited after the election. These deposits would then be part of the tally of contributions for the post-election (or run-off) contribution cycle. To make this clear, subsection (c) is proposed:

(c) Contributions received after the deadlines set out in (a) and (b) of this section or contributions not deposited by these deadlines may be deposited during the subsequent election cycle. Such contributions will be

subject to limitations for the election cycle during which they are deposited.

Sec. 2-304 Limitation Of Candidate Loans To Campaign Account

{Note: The Integrity Committee proposed a limit on the total amount of loans a candidate could incur during an election cycle. As an alternative to a loan cap, the Council subcommittee considered instead imposing a limit on the use of campaign contributions to repay loans as is done under federal election law. See footnote for summary regarding treatment of loans under federal law.²}

{Subsection (a) and Alternate Subsection (a) below propose two alternatives to the treatment of loans for council candidates:

Subsection (a) imposes a straight cap on the amount a candidate may accept in loans to support a campaign. The amounts of \$5000 and \$20,000 have been discussed, but the subcommittee has referred consideration of a specific amount to the entire Council. The Integrity Committee originally proposed that repayment of loans should not affect the calculation of the total amount of loans accepted by a candidate, i.e. once a candidate has accepted \$5000 in loans, the candidate could not accept additional loans, even if the previous loans were repaid. Under the federal system, loans are subject to the contribution limits, though if loans are repaid within an election cycle, the donor's limit is reset. The subcommittee recommends allowing repayment of loans to reset the loan total.

Alternate Subsection (a) proposes a limit on the amount of campaign funds that a council candidate can use to repay loans. This means that a candidate can accept an unlimited amount in loans, but will be restricted in how much he or she can repay those loans using campaign funds. For loans exceeding the limit, the candidate will be personally liable for repayment. This approach raises the issue

² *Summary of federal regulations regarding loans:*

1) Regarding loans a candidate makes to his or her own campaign using his or her own personal funds:

For loans of less than \$250,000 that a candidate has made to his or her own campaign, candidate may repay that loan with campaign contributions before or after an election.

For personal loans of more than \$250,000, the candidate may use contributions made before the election to repay the entire loan amount;

However, for loans exceeding \$250,000, he or she will be limited to using \$250,000 to repay personal loans with contributions made after the date of the election.

For loans exceeding \$250,000, the candidate has 20 days after the election to repay the loans with contributions. If not repaid, loan amount exceeding \$250,000 is treated as contribution.

2) Under federal law, for loans made to a candidate by any other person, these are treated as contributions and are subject to the contribution limits. If loans are repaid within an election cycle, the donor's limit is reset. Under Texas Election Code, loans are included within the general definition of the term "contribution," as a thing of value. Texas Election Code 251.001.

of how to treat loans in excess of the limit that the candidate fails to repay, i.e. do these loans become contributions? If so, what if these contributions exceed the contribution limits? As with Subsection (a), the subcommittee has referred the issue of the specific amount for a loan repayment limit to the entire Council.

(a) **Loan Limit for Candidates for City Council.** A candidate for City Council cannot accept or deposit any loan from himself or herself or any person, persons, entity or entities for more than {\$_____} total into the candidate's campaign account during **any election cycle**. This limitation applies to the cumulative total from one or all combined loans. Repayment of a loan does not affect the calculation of the total amount loaned to a candidate.

alternate (a)

(a) Loan Repayment Limit for Candidates to City Council. A candidate for City Council cannot repay loans to himself or herself or to any authorized committee of the candidate or to any person, persons, entity or entities for more than {\$ _____ } in the aggregate with campaign or officeholder funds during any election cycle. This limitation applies to the cumulative total from one or all combined loans. Repayment of a loan ~~does not~~ **does** affect the calculation of the total amount loaned to a candidate.

{Subsection (b) and Alternate Subsection (b) below propose two alternatives to the treatment of loans for mayoral candidates. Again, as with the proposed provisions for council candidates, the subcommittee had no specific recommendation on the amount. The amounts of \$10,000 and \$40,000 have been discussed.}

(b) **Loan Limit for Mayoral Candidates.** A candidate for Mayor cannot accept or deposit any loan from him or herself or any person, persons, entity or entities for more than {\$_____} total into the candidate's campaign account during **any election cycle**. This limitation applies to the cumulative total from one or all combined loans. Repayment of a loan does not affect the calculation of the total amount loaned to a candidate.

alternate (b)

(b) Loan Repayment Limit for Mayoral Candidates. A candidate for Mayor cannot repay loans to himself or herself or to any authorized committee of the candidate or to any person, persons, entity or entities for more than {\$ _____ } in the aggregate with campaign or officeholder funds during any election cycle. This limitation applies to the cumulative total from one or all combined loans. Repayment of a loan ~~does not~~ **does** affect the calculation of the total amount loaned to a candidate.

{Note: The subcommittee had no specific recommendation for deadline for repayment of loans. The Integrity Committee recommended requirement to repay loans by December 31 following the election cycle during which the loan was accepted and deposited. Comments during October 31, 2003 Council meeting and subsequent

Governance and Campaign Finance subcommittee meetings note that timeline may be impractical. See following provision, Subsection (c).}

~~(e) Candidates, whether successful in the election or not, must repay any loan, operating under the normal rules of campaign finance, {before the close of December 31 following the election cycle in which the candidate accepted and deposited the loan} {within _____ months of receiving loan} {by the end of the third election cycle as defined in this chapter}.~~

~~(d) If the candidate fails to repay a loan by {December 31 following the election cycle in which a candidate accepted and deposited a loan} {within _____ months of receiving loan} {by the end of the third election cycle as defined in this chapter}, the loan becomes a donation to the campaign.~~

(c) A candidate cannot accept a loan made in cash.

DIVISION 3. CAMPAIGN ACCOUNTS AND REPORTS

Sec. 2-305 Single Campaign Account

(a) A candidate for Mayor or City Council must deposit each and every campaign contribution into one and only one specified bank account. This single account must be used for all campaign deposits and campaign expenditures.

~~(b) A candidate may not transfer campaign funds into the campaign account from any other account or fund. Persons with established campaign accounts before the date this code goes into effect can transfer funds into the new single campaign account.~~

{Note: Proposed change to this recommendation provides a "grandfather clause" that would allow candidates to retain all funds received before this ordinance goes into effect.

(c) At the time a candidate files the Appointment of Campaign Treasurer pursuant to Texas Election Code Section 252.001, the candidate shall declare the municipal office sought. If candidate subsequently decides to seek a different office, the candidate shall file an amended Appointment of Campaign Treasurer declaring the new office sought.

(d) If a candidate who has filed a campaign treasurer appointment decides to seek a different office that would require the appointment to be filed with another authority, a copy of the appointment certified by the authority with whom it was originally filed must be filed with the other authority in

addition to the new campaign treasurer appointment, in accordance with the requirements of Texas Election Code Section 252.010.

{Note: Melinda Lopez of the City Clerk's Office consulted the Texas Ethics Commission which advised that if a person submits the initial campaign treasurer appointment and does not indicate which office is sought, an amendment to the treasurer appointment form should be submitted once a decision or declaration for a particular office is made. If the person has filed a treasurer appointment form and declared his or her intent to run for a particular office and then later decides to run for a different office, the candidate should also file an amendment and indicate the change.

Subsection (d) tracks Texas Election Code Section 252.010 and addresses requirements for candidates who seek a non-municipal office for which they filed their treasurer appointment with the state, but later declare a candidacy for a municipal office.

Note: Federal law allows a person to raise money to "test the waters" without registering as a candidate, even if that person raises or spends more than the \$5000 – the dollar threshold that normally triggers candidate registration. A person "testing the waters" however is still obligated to comply with federal contribution limits and prohibitions.

According to the FEC Campaign Guide, examples of permissible "testing the waters" activities include polling, travel and telephone calls made to assess the viability of a candidacy. Candidates are considered to be campaigning, as opposed to "testing the waters," when they

- make or authorize statements that refer to themselves as candidates,*
- use general public political advertising to publicize their intent to run for a particular office*
- raise more money than is reasonably necessary to test the waters.*

(e) If, after declaring a candidacy for any elected office, the candidate subsequently declares his or her candidacy for any elected municipal office, he or she may maintain the same campaign finance account. However, if the candidate seeks a municipal office which is subject to lower campaign contribution limits than the previously sought office, the candidate shall return all contributions in excess of the limits for the municipal office sought.

(1) The transferor committee's available funds shall be viewed as those contributions most recently received that add up to the amount of cash on hand.

(2) Contributions transferred must be aggregated with any contributions made by the same donor to the committee receiving the transfer. Amounts that would cause a contributor to exceed his or her per-election cycle contribution limit must be excluded from the transfer.

{Subsection (d)(1) and (d)(2) modeled from 11 CFR 110.3(c)(5)(ii).}

{Note: The subcommittee requested information regarding the treatment of transferring campaign funds under federal law. In short, campaign funds raised under authority of non-federal law cannot be transferred into a federal campaign account. It is regarded as prohibited "soft-money." A candidate who accepted contributions for a non-federal campaign could refund those contributions and then solicit those same contributors to donate to the federal campaign.

A candidate may run for more than one federal office. If a candidate does run for multiple federal offices, the candidate must establish separate principal campaign committee and maintain separate organizations. Contributions cannot be transferred from one campaign to the other while the candidate was "actively seeking more than one office." Once candidate is no longer "actively seeking" an office, the candidate can transfer contributions from the inactive campaign to the active campaign. Contributions transferred must be aggregated with any contributions made by the same donor to the recipient committee. Amounts that exceed limit must be excluded from transfer.

Contributions received during a campaign for one federal office may be transferred to a campaign for another federal office in a different election cycle. The FEC uses the example of a candidate running for the House in 2002 and then for the Senate in 2008. That candidate may transfer surplus contributions from the 2002 election for the 2008 election.

Under Texas Election Code, candidate is not required to declare office at the time he or she files for the appointment of a campaign treasurer. This means a candidate can receive donations without identifying which office will be sought. The candidate is only required to declare the office sought at the time he or she submits application to be placed on the ballot for a particular election.

Under the federal framework, once candidate exceeds \$5000 threshold for contributions or expenditures or engages in activity that indicate he or she is actively campaigning rather than "testing the waters," the candidate must register as a candidate and declare the specific office sought. As noted above, if more than one office is sought during the same election, the candidate must maintain separate accounts and organizations.}

Sec. 2-306 Campaign Account Statements

(a) A candidate for Mayor or City Council or the campaign treasurer must send a campaign account statement directly to the designated campaign finance enforcement authority **once a month within five business days of receiving the statement from the financial institution.** **The candidate may choose to direct the financial institution to send a copy of the statement directly to the campaign finance enforcement authority.**

The City Clerk's Office shall serve as the official records repository for the municipal campaign finance authority.

{The Integrity Committee originally recommended filing the campaign finance account statement twice a month. The subcommittee concluded that filing once a month would be a sufficient additional disclosure requirement for providing information about campaign finance activity.}

Sec. 2-307 Electronic Campaign Finance Filing

(a) The City Council shall direct staff to research the development and implementation of electronic campaign finance filing system. The City Council, as soon as is practicable, shall authorize funding and implementation of this system.

{ITSD has advised that it can develop an electronic campaign finance reporting system similar to that used by the state. This system can be designed to generate paper reports for official filing in compliance with Title 15 and be used for rapid electronic posting on the city's website. ITSD estimates a cost of \$15,000 to \$20,000 to create this system.}

(b) Upon implementation of the electronic campaign finance filing system, candidates for Mayor or City Council will file and update electronic reports with the City Clerk's Office. The reports must identify deposited campaign contributions and current campaign expenditures and must list the name, address, principal occupation, and principal employer of the contributor. All contributions must be reported within **five business days of filing monthly campaign account statement required by Section 2-306.**

(c) In **general and** runoff elections, the final campaign finance report must be filed **no later than 5:00 P.M. on the third calendar day** preceding the general or run-off election day.

{Note: The subcommittee recommended setting the deadline for the final 3-day posting of contributions for 5:00 P.M. of the third day preceding the election to allow candidates and/or their staff time to electronically input the contributions accepted and deposited by 5:00 P.M. of the fourth calendar day preceding the election per the contribution freeze under 2-303.

{The subcommittee noted that contribution limits in conjunction with the filing of monthly account statements under 2-306 and monthly electronic updating under 2-307(b) may reduce the necessity or usefulness of the addition of this final 3-day posting under 2-307(c).}

(c) The City will provide access to computer equipment for candidates to file the electronic reports. **A candidate, officeholder, or political committee that is required to file electronic reports under this chapter may apply for an exemption if**

(1) the candidate, officeholder, or campaign treasurer of the committee files with the commission an affidavit stating that the candidate, officeholder, or committee, an agent of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts does not use computer equipment to keep the current records of political contributions, political expenditures, or

persons making political contributions to the candidate, officeholder, or committee; and

(2) the candidate, officeholder, or committee does not, in a calendar year, accept political contributions that in the aggregate exceed \$20,000 or make political expenditures that in the aggregate exceed \$20,000.

{Modeled after Texas Election Code Section 254.036.}

(d) The City of San Antonio will post the candidates' electronic campaign finance reports through a designated Elections Website.

(e) These reporting requirements are in addition to the reporting requirements under the Texas Election Code.

Division 4. POLITICAL ACTION COMMITTEES

Sec. 2-308 Registration

~~All political action committees (PACs) or groups spending money on campaign activity or advertising associated with a city candidate or measure election, or specially designated City Council agenda item, must register with the city and report the contributions and expenditures connected with this campaign.~~

Sec. 2-309 Expenditure Reports

~~All political action committees (PACs) or groups spending money on campaign activity or advertising associated with a city election, including referenda, or specially designated City Council agenda item must file a report with the City reporting the financial contributions to and expenditures for a campaign.~~

{Note: These provisions are largely redundant to existing state law provisions. Under state law, though, registration requirement is not triggered until PAC spends \$500 in connection with an issue. In addition, issues related to state or county issues in conjunction with city issue may require registration with the state as a General Purpose PAC, instead of the city as a Single Purpose PAC. It's up to the PAC to determine if it's a single purpose PAC which must register with the city or a general purpose PAC which must register with the state. The subcommittee recommended declining to adopt this provision because registration and reporting requirements already exist under state law. In its place, though, the subcommittee recommended that PACs that file with the municipality in accordance with the Texas Election Code, also file their reports electronically for posting on the city website.}

Sec. 2-308 Political Action Committees

All political action committees (PACs) or groups spending money on municipal campaign activity or advertising associated with a city candidate or measure election, or specially designated City Council agenda item shall also, in addition to compliance with reporting requirements under the Texas Election Code, submit such reports electronically with the municipal campaign finance authority. Deadlines and contents of reports for political action committees shall be set in accordance with the Texas Election Code.

Division 5. CITY CONTRACTORS

Sec. 2-309 Contribution Prohibitions

(a) Any person or company official acting as a legal signatory for a proposed contractual relationship that applies for a “high-risk” discretionary contract, as defined by the City of San Antonio Contracting Policy and Process Manual, may not make a campaign contribution to any councilmember or candidate **at any time from the time the Request for Proposal (RFP) or Request for Qualifications (RFQ) is issued until 30 calendar days following the contract award.**

(b) If the signatory legally entering the contract has made such a contribution, the city may not award the contract to that contributor or to that contributor’s business entity.

~~(c) Any signatory who receives a “high-risk” discretionary contract may not make a campaign contribution to any councilmember or candidate except to a candidate for whom the individual may vote in the next election.~~

{Note: subsection (c) removed at February 9, 2004 subcommittee meeting}

(c) In the event that a candidate unknowingly accepts a contribution in contravention of the provisions of this section, then it shall be the duty of the candidate to return the contribution within 5 business days after he or she becomes aware of the violation.

(d) The Department of Asset Management shall determine whether a contract is “high risk.” The criteria for designation as a “high-risk” contract are:

(1) Value of the contract over the life of the contract will exceed \$1 million;

(2) Contracts with value exceeding \$25,000 to be obtained without competitive solicitation;

(3) Contract is for goods or services of a highly complex nature or for non-standard items;

(4) Contracts with exceptional community interest.

{The subcommittee requested that staff address question of whether RFP's have built-in deadlines and whether some RFP processes can or do become "stale." RFP's and RFQ's typically establish express deadlines for submission for consideration. RFP's and RFQ's often, but not always provide an anticipated schedule of events, including the expected date that the contract will go to City Council to be awarded. The evaluation process, however, can and often does exceed the anticipated schedule. }

DIVISION 6. ENFORCEMENT

~~Sec. 2-310 Campaign Finance Auditor~~

~~Until an enforcement authority is established, the City Manager shall select an independent auditor to review the reports required under this Code and to register violations or issues associated with reporting and finance rules. The auditor's findings shall be posted on the city's Elections and Campaign Finance Website. The auditor will forward findings to the Ethics Review Board for corrective action and enforcement.~~

alternate Sec. 2-310

Sec. 2-310 Campaign Finance Enforcement Authority

The Ethics Review Board shall have authority to review reports required under this chapter and shall have the jurisdiction to investigate, make findings, issue rulings and assess sanctions concerning any alleged violation of this chapter, by any person subject to these provisions.

~~Sec. 2-311 Elections And Campaign Finance Website~~

~~The city shall create and maintain an Elections and Campaign Finance Website. The site will contain information about filing, candidate training, deadlines, rules, contribution and expenditure reports and any negative findings of or sanction imposed by the enforcement entity for campaign finance compliance.~~

~~Sec. 2-312 Enforcement Mechanisms~~

~~Until the Office of Citizen's Trustee can be created pursuant to City Charter for the purpose of monitoring and enforcing the municipal campaign finance regulations, the City Manager shall name an independent auditor to review campaign finance reports and register violations. The auditor shall post findings on the city campaign finance website and deliver a copy to the City's Ethics Review Board for corrective action, enforcement or prosecution.~~

~~Until the Office of the Citizen's Trustee is created, the Ethics Review Board has jurisdiction to enforce the municipal campaign finance regulations in accordance with the procedures set out for Ethics Code violations in the City's Ethics Code.~~

{The provisions drafted by the Integrity Committee regarding enforcement mechanisms are unnecessary because the Ethics Review Board has been designated as the enforcement authority per Proposition 3. See Section 2-310.}

{Proposed Section 2-311 which follows below is based on Charter Amendment approved by Proposition 3, except for the passage establishing a two-year statute of limitation. This two-year limitation period is parallel to the two-year limitation period for Code of Ethics violations.}

Sec. 2-311 Jurisdiction and Powers of Ethics Review Board

- (a) Jurisdiction. If a complaint alleging violation of the municipal campaign finance regulations set out in this chapter is filed with the City Clerk's Office, the Ethics Review Board shall have jurisdiction to investigate and make findings, issue rulings and assess sanctions concerning such violation. The Board shall not consider any alleged violation that occurred more than two (2) years prior to the date of the filing of the complaint.
- (b) Powers. The Ethics Review Board has power:
- (1) to establish, amend, and rescind rules and procedures governing its own internal organization and operations, consistent this code of municipal campaign finance regulation;
 - (2) to meet as often as necessary to fulfill its responsibilities;
 - (3) to designate panels with the power to render decisions on complaints or issue advisory opinions on behalf of the Board;
 - (4) to request from the City Manager the assignment of staff necessary to carry out its duties;
 - (5) to review, index, maintain on file, and dispose of sworn complaints;
 - (6) to make notifications, extend deadlines, and conduct investigations, both on referral or complaint;
 - (7) to compel the production of sworn testimony, witnesses and evidence;
 - (8) to recommend cases for prosecution by appropriate authorities and agencies;
 - (9) to enforce its decisions by assessing civil fines and other sanctions authorized by ordinance;
 - (10) to request the City Attorney to provide an independent counsel to advise and represent the Board, when appropriate or necessary to avoid a conflict of interest;

- (11) to provide assistance in the training and education of city officials and employees with respect to their ethical responsibilities;
- (12) to prepare an annual report and to recommend to the City Council needed or desirable changes in ordinances under its jurisdiction;
- (13) to exercise such other powers and duties as may be established by ordinance.

{The following proposed sections establish rules of procedure, sanctions and address the duties and responsibilities of the City Attorney's Office. These provisions have been drafted to track the parallel provisions of the Ethics Code.}

Sec. 2-312 Complaints

- (a) Filing. Any person (including a member of the Ethics Review Board or its staff, acting personally or on behalf of the Board) who believes that there has been a violation of the municipal campaign finance regulations may file a sworn complaint with the City Clerk.

A complaint filed in good faith is qualifiedly privileged. A person who knowingly makes a false statement in a complaint, or in proceedings before the Ethics Review Board, is subject to criminal prosecution for perjury or civil liability for the tort of abuse of process.

- (b) Form. A complaint filed under this section must be in writing and under oath and must set forth in simple, concise, and direct statements:
 - (1) the name of the complainant;
 - (2) the street or mailing address and the telephone number of the complainant;
 - (3) the name of each person complained about;
 - (4) the position or title of each person complained about;
 - (5) the nature of the alleged violation, including, if possible, the specific rule or provision of law alleged to have been violated;
 - (6) a statement of the facts constituting the alleged violation and the dates on which or period of time in which the alleged violation occurred; and
 - (7) all documents or other material available to the complainant that are relevant to the allegation; a list of all documents or other material relevant to the allegation and available to the complainant but that are not in the possession of the complainant, including the location of the documents, if known; and a list of all documents or other material relevant to the allegation but unavailable to the complainant, including the location of the documents, if known.

The complaint must be accompanied by an affidavit stating that the information contained in the complaint is either true and correct or that the complainant has good reason to believe and does believe that the facts alleged constitute a violation of this chapter. If the complaint is based on information and belief, the complaint shall state the source and basis of the information and belief. The complainant shall swear to the facts by oath before a notary public or other person authorized by law to administer oaths under penalty of perjury.

The complaint must state on its face an allegation that, if true, constitutes a violation of a rule adopted by or a law administered and enforced by the Board.

(c) Frivolous Complaint.

- (1) For purposes of this section, a "frivolous complaint" is a sworn complaint that is groundless and brought in bad faith or groundless and brought for the purpose of harassment.
- (2) By a vote of at least two-thirds of those present, the Board may order a complainant to show cause why the Board should not determine that the complaint filed by the complainant is a frivolous complaint.
- (3) In deciding if a complaint is frivolous, the Board will be guided by the Texas Rules of Civil Procedure, Rule 13, and interpretations of that rule, and may also consider:
 - (A) the timing of the sworn complaint with respect to when the facts supporting the alleged violation became known or should have become known to the complainant, and with respect to the date of any pending election in which the respondent is a candidate or is involved with a candidacy, if any;
 - (B) the nature and type of any publicity surrounding the filing of the sworn complaint, and the degree of participation by the complainant in publicizing the fact that a sworn complaint was filed with the Board;
 - (C) the existence and nature of any relationship between the respondent and the complainant before the complaint was filed;
 - (D) if respondent is a candidate for election to office, the existence and nature of any relationship between the complainant and any candidate or group opposing the respondent;
 - (E) any evidence that the complainant knew or reasonably should have known that the allegations in the complaint were groundless; and
 - (F) any evidence of the complainant's motives in filing the complaint.

- (4) Notice of an order to show cause shall be given to the complainant, with a copy to the respondent, and shall include:
 - (A) an explanation of why the complaint appears to be frivolous;
and
 - (B) the date, time, and place of the hearing to be held under this section.
 - (5) Before making a determination that a sworn complaint is a frivolous complaint, the Board shall hold a hearing at which the complainant may be heard; the complainant may be accompanied by counsel retained by the complainant.
 - (6) By a record vote of at least two-thirds of those present after the hearing under subsection (5) of this section, the Board may determine that a complainant filed a frivolous complaint and may recommend sanctions against that complainant.
- (d) Sanctions.
- (1) Before recommending a sanction for filing a frivolous complaint, the Board shall consider the following factors:
 - (A) the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the violation;
 - (B) the sanction necessary to deter future violations; and
 - (C) any other matters that justice may require.
 - (2) The Board may recommend the following sanctions:
 - (A) a civil penalty of not more than \$500.
 - (B) prosecution for perjury.
 - (C) any other sanction permitted by law.
 - (3) The Board may notify the appropriate regulatory or supervisory agency for their appropriate action.
- (e) Confidentiality. No city official or employee shall reveal information relating to the filing or processing of a complaint except as required for the performance of official duties. Ex parte communications with members of the Ethics Review Board are prohibited. All papers relating to a pending complaint are confidential.
- (1) Except as otherwise provided by this section, all information relating to a sworn complaint known to or in the possession of the Board is confidential. The Board and its staff shall not communicate any information about a sworn complaint, including whether or not a complaint has been filed, to any person other than the respondent, the complainant, and a witness or potential witness identified by the respondent, the complainant, or another witness or potential witness.
 - (2) Information otherwise confidential under this section may be disclosed by entering it into the record of a formal hearing or a proceeding of the Ethics Review Board.

- (3) Confidentiality may be waived only if the complainant and each respondent named in the sworn complaint provide a verified, written waiver of confidentiality to the Board.
- (f) Notification. A copy of a complaint shall be promptly forwarded by the City Clerk to the Ethics Review Board and to the respondent(s), even if the complaint fails to meet the filing requirements Section 2-315(b) (Form) above. A complaint that is not sworn as required by Section 2-315(b)(7), shall not be forwarded to the Ethics Review Board, but shall be returned to the complainant. The respondent(s) shall also be provided with a copy of the provisions of this chapter and shall be informed:
- (1) that, within fourteen (14) days of receipt of the complaint, he or she may file a sworn response with the City Clerk;
 - (2) that failure to file a response does not preclude the Ethics Review Board from adjudicating the complaint;
 - (3) that a copy of any response filed by the respondent(s) will be provided by the City Clerk to the complainant, who may, within seven (7) days of receipt, respond by sworn writing filed with the City Clerk, a copy of which shall be provided by the City Clerk to the respondent(s);
 - (4) that the respondent(s) may request a hearing; and;
 - (5) that city officials and employees have a duty to cooperate with the Ethics Review Board.
- (g) Assistance. The City Clerk shall provide information to persons who inquire about the process for filing a complaint.

Sec. 2-313 Duties and Responsibilities of the City Attorney's Office

- (a) City Attorney's Office. The City Attorney or an Assistant City Attorney designated by the City Attorney shall serve as the Ethics Compliance Officer for the city. The Ethics Compliance Officer shall:
- (1) receive and promptly transmit to the Ethics Review Board complaints and responses filed with the City Clerk;
 - (2) investigate, marshal, and present to the Ethics Review Board the evidence bearing upon a complaint;
 - (3) act as legal counsel to the Ethics Review Board;
 - (4) issue advisory opinions to city officials and employees about the requirements imposed by the ethics laws; and
 - (5) be responsible for the training and education of city officials and employees with respect to their ethical responsibilities;
 - (6) review complaints for legal sufficiency;
 - (7) recommend acceptance or rejection of complaint within 60 days of date made to the Ethics Review Board; and

(8) request additional information from complainant as needed.

An independent outside attorney who is appointed has the same duties and authority as the Ethics Compliance Officer under Section 5(a)(1), 5(a)(2), 5(a)(3), 5(a)(6), 5(a)(7), and 5(a)(8) of Part H (Ethics Compliance Officer).

(b) Exculpatory Evidence. The Ethics Compliance Officer shall disclose to the panel and provide to the person charged with violating the ethics laws evidence known to the Ethics Compliance Officer tending to negate guilt or mitigate the seriousness of the offense.

Sec. 2-314 Ethics Review Board Panels

(a) Assignment to a Panel. A complaint received by the Ethics Review Board from the City Clerk's Office shall be promptly assigned to a panel consisting of three (3) or more members of the Board, who shall have full power to investigate and dispose of the complaint. Each panel shall be constituted according to procedures established by the Board. Any member of an assigned panel who recuses himself or herself shall be replaced by another member of the Board according to established procedures if that is necessary to ensure that the panel has at least three (3) members. The identity of the members of the panel shall be revealed to the person charged in the complaint who, for good cause, may request the recusal of any member of the panel.

(b) Notice of Charges. The panel shall consider whether the facts of the case establish a violation of any provision of this chapter, regardless of which provisions, if any, were identified in the complaint as having been allegedly violated. However, before the panel may find that a violation of a particular rule, the respondent must be on notice that compliance with that rule is in issue and must have an opportunity to respond. Notice is conclusively established: if the complaint alleged that the rule was violated; if compliance with the rule is raised by the a member of the Board as a disputed issue at a hearing before the panel; or if the Board provides the respondent with written notice of the alleged violation and a fourteen (14) day period within which to respond in writing to the charge.

(c) Scheduling of a Hearing. Regardless of whether the complainant or the respondent requests a hearing, the panel has discretion to decide whether to hold a hearing.

(d) Ex Parte Communications. It is a violation of this code:

- (1) for the complainant, the respondent, or any person acting on their behalf to engage or attempt to engage, directly or indirectly, in ex parte communication about the subject matter of a complaint with a member of the panel, any other member of the Ethics Review Board, or any known witness to the complaint; or
 - (2) for a member of a panel or any other member of the Ethics Review Board to:
 - (A) knowingly entertain an ex parte communication prohibited by Subsection (1) of this rule; or
 - (B) communicate directly or indirectly with any person, other than a member of the Ethics Review Board, its staff, or the City Attorney's Office, about any issue of fact or law relating to the complaint.
- (e) Duty to Cooperate. All elected city officials, all candidates for elected municipal office and all municipal employees shall cooperate with the Ethics Review Board and shall supply requested testimony or evidence to assist it in carrying out its charge. Failure to abide by the obligations imposed by this Subsection is a violation of this chapter.

Sec. 2-315 Hearings

At any hearing held by a panel during the investigation or disposition of a complaint, the following rules apply:

- (a) General Rules. At least three (3) members of the panel must be present for the hearing. Any member of the panel who is not present ceases to be a member of the panel and may not participate in the disposition of the case. All witnesses must be sworn and all questioning of witnesses shall be conducted by the members of the panel. The panel may establish time limits and other rules relating to the participation of any person in the hearing. No person may be held to have violated the provisions of this chapter unless a majority of the panel so finds by a preponderance of the evidence.
- (b) Evidence. The panel shall rely on evidence of which a reasonably prudent person commonly relies in the conduct of the person's affairs. The panel shall further abide by the following:
 - (1) The panel shall hear evidence relevant to the allegations; and
 - (2) The panel shall not consider hearsay unless it finds the nature of the information is reliable and useful.
- (c) The Person Charged. The person charged in the complaint has the right to attend the hearing, the right to make a statement, the right to present witnesses, and the right to be accompanied by legal counsel or another

advisor. Only legal counsel to the person charged in the complaint may advise that person during the course of the hearing, but may not speak on his or her behalf, except with the permission of the panel. The time permitted for presentation will be at the discretion of the Board.

- (d) The Complainant. The complainant has the right to attend the hearing, the right to make a statement, and the right to be accompanied by legal counsel or another advisor. Only legal counsel to the complainant may advise the complainant during the course of the hearing, but may not speak on behalf of the complainant, except with the permission of the panel. Witnesses may not be presented by the complainant, except with the permission of the Ethics panel.

Sec. 2-316 Disposition

- (a) Written Opinion. The panel shall issue a decision within ninety (90) days after the filing of a complaint. The panel shall state in a written opinion its findings of fact and conclusions of law. The written opinion shall either:
- (1) dismiss the complaint; or
 - (2) upon finding that there that there has been a violation of the provisions of this chapter:
 - (A) recommend criminal prosecution and/or civil remedies, in accordance with this Rule; or
 - (B) state why no remedial action is recommended.

If the panel determines that a violation has occurred, the opinion shall identify in writing the particular rule or rules violated. If the complaint is dismissed, the grounds for the dismissal shall be set forth in the opinion. The failure of the panel to comply within the above time limits may result in the charge being dismissed for want of prosecution. Prior to such dismissal, the complainant will be given notice and an opportunity to request continuance of the action.

- (b) Notification. Copies of the opinion shall be forwarded to the complainant, the person charged in the complaint, the Ethics Compliance Officer, and any member of the Ethics Review Board who did not participate in the disposition of the case. A copy of the opinion shall also be forwarded to the City Clerk, who shall make it available as authorized by law.
- (c) Recommendations. A recommendation for criminal prosecution shall be forwarded to the appropriate law enforcement agency.

- (d) Similar Charges Barred. If the complaint is dismissed because the evidence failed to establish a violation of this chapter, the Ethics Review Board shall not entertain any other similar complaint based on substantially the same evidence.
- (e) Factors Relevant to Sanctions. In deciding whether to recommend, in the case of a violation of this chapter, criminal prosecution and/or civil remedies, the panel shall take into account relevant considerations, including, but not limited to, the following:
- (1) the culpability of the person charged in the complaint;
 - (2) the harm to public or private interests resulting from the violation;
 - (3) the necessity of preserving public confidence in the conduct of local government;
 - (4) whether there is evidence of a pattern of disregard for obligations under this chapter; and
 - (5) whether remedial action has been taken that will mitigate the adverse effect of the violation.
- (f) Civil Remedies. The following civil remedies may be assessed by a panel which finds that any person subject to the provisions of this chapter has knowingly and willingly violated the provisions of this chapter:
- (1) letter of reprimand; and/or
 - (2) a fine not exceeding five hundred dollars (\$500). Each day after any deadline for which any required statement has not been filed, or for which a statement on file is incorrect, misleading, or incomplete, constitutes a separate offense.
- {Note: Except for fines, Ethics Code sanctions are not applicable in context of campaign finance regulation. City of Fort Worth includes letter of reprimand within its list of possible sanctions for violation of its ethics code}*
- (g) Perjury. Any person who files a false sworn statement under this chapter is subject to criminal prosecution for perjury under the laws of the State of Texas.

Sec. 2-317 Petition for Declaratory Ruling

Any city official or employee against whom public allegations of campaign finance violations have been made in the media or elsewhere shall have the right to file a sworn statement with the City Clerk affirming his or her innocence, and to request the Ethics Review Board to investigate and make

known its findings, and make any relevant recommendations concerning the issue.

Sec. 2-318 Advisory Opinions

(a) Opinions Issued by the Ethics Review Board

By writing filed with the City Clerk, any elected city official or candidate for elected municipal office may request an advisory opinion with respect to the interpretation of the provisions of this chapter, but only with respect to whether proposed action by that person would violate this chapter. The City Clerk shall promptly transmit all requests for advisory opinions to the chair of the Ethics Review Board.

Within thirty (30) days of receipt by the chair of the Ethics Review Board of a request for an advisory opinion, the Board, acting *en banc* or through a designated panel, shall issue a written advisory opinion. During the preparation of the opinion, the Board may consult with the City Attorney's Office and other appropriate persons. An advisory opinion shall not reveal the name of the person who made the request, if that person requested anonymity, in which case the opinion shall be written in the form of a response to an anonymous, hypothetical fact situation. A copy of the opinion shall be indexed and kept by the Ethics Review Board as part of its records for a period of not less than five (5) years. In addition, copies of the opinion shall be forwarded by the chair of the Ethics Review Board, or the Ethics Compliance Officer, to the person who requested the opinion, to the members of the Ethics Review Board, and to the City Clerk. The City Clerk shall make the opinion available as a public record in accordance with the Local Government Records Act. The Ethics Compliance Officer shall promptly post the opinion for a period of no less than five years on the Internet via the City of San Antonio homepage.

(b) Reliance.

If a person reasonably and in good faith acts in reliance on an advisory opinion issued by the Ethics Review Board, that fact may be considered by a panel in adjudicating a complaint filed against that person, but does not by itself bar the finding of a violation.

Sec. 2-319 Annual Report

The Ethics Review Board shall prepare and submit an annual report to the Mayor and City Council detailing the activities of the Board during the prior year. The format for the report shall be designed to maximize public and private understanding of the Board's operations, and shall include a summary of the content of advisory opinions issued by the Board. The

report may recommend changes to the text or administration of this chapter.

Sec. 2-320 Public Records and Open Meetings

Except as otherwise stated in this chapter, records relating to an alleged violation of the this chapter, or the preparation of an advisory opinion requested by a person who asked for anonymity, shall not be open to the public and shall be treated as information that is excepted from public disclosure as required or permitted under the Texas Public Information Act or other law. Meetings and other proceedings of the Ethics Review Board will be conducted in compliance with the Texas Open Meetings Act.

DIVISION 7. EFFECTIVE DATE

Sec. 2-321 Effective Date

This Article shall become effective { _____ }. This ordinance shall apply only to a political contribution accepted, a loan incurred or to the reimbursement of an expenditure made after the effective date. A political contribution made or a loan incurred before the effective date is governed by the law in effect on the date the contribution was accepted or the loan incurred. These contributions {shall} {shall not} be aggregated with political contributions or loans made on or after that date. Repayment of a loan or the reimbursement of an expenditure will be governed by the law in effect at the time of the repayment or reimbursement.

Part 1. Chapter 2 of the City Code of San Antonio, Texas is amended to adopt a new Article VII entitled "Campaign Finance Regulations" as follows:

ARTICLE VII. CAMPAIGN FINANCE REGULATIONS

DIVISION 1. GENERAL

Sec. 2-300 Statement Of Policy

It is essential in a democratic system that the public has confidence in the integrity, independence, and impartiality of those who are elected to act on their behalf in government. There is a public perception that a relationship exists between substantial contributions and access to elected officials. To diminish the perceived or actual connection between contributions and influence, the City adopts this Campaign Finance Code to promote public confidence and, it is hoped, a greater degree of citizen participation in the electoral process.

Sec. 2-301 Definitions

(a) Election Cycle: The following constitute separate election cycles:

1) for all candidates, beginning July 1 of the calendar year before the date of the regular municipal election, and ending on the date of the regular municipal election;

2) for a candidate in a run-off election after the regular municipal election, beginning the day after the regular municipal election, and ending on the date of the run-off election;

3) for all candidates, beginning either on the day after the regular municipal election or the day after the run-off election, as applicable, until June 30 of the calendar year before the next regular municipal election.

{Note: Subsection (a)(3) has been adjusted so that there would not be any overlap between the cycles defined by (a)(1) and (a)(3). This wording will also accommodate contribution cycles whether two-year office terms or three-year terms are selected.

{Note 2: At the February 24, 2004, the Campaign Finance Council subcommittee ("subcommittee") meeting, the beginning date of July 1 of the calendar year before the date of the municipal election was proposed as a beginning date for the first cycle, and June 30 of the calendar year before the following election was proposed as an end date for the third cycle. These beginning and ending dates provide dividing lines between the cycles, which also track the campaign finance reporting periods under the Texas Election Code.}

(b) Terms not defined in this chapter but defined in the Texas Election Code shall have the meanings assigned to them in the Texas Election Code.

DIVISION 2. CONTRIBUTION LIMITS

Sec. 2-302 Limitation Of Contributions To Candidates For Mayor Or Council

(a) A candidate for district office on the City Council may not accept more than \$500.00 from any individual or single entity **per election cycle**.

(b) A candidate for mayor may not accept more than \$1000.00 from any individual or single entity **per election cycle**.

(c) Political action committees, commercial entities, or campaign vendors cannot provide in-kind contributions with a commercial value to candidates or officeholders beyond the limits established in this section. Individuals may donate their time as campaign volunteers without limit. **"In-kind" contribution means goods or services provided to or by a person at no charge or for less than their fair market value.**

{Note: Addition of definition of "in-kind" proposed to improve clarity}.

(d) An individual cannot contribute to candidate or candidate committee and a candidate for Mayor or City Council cannot accept campaign contributions or officeholder contributions in cash exceeding \$50, from a single donor during a campaign finance reporting period as defined in the Texas Election Code §253.033, including tickets to fund-raising events.

{Note: this provision was amended at the February 25, 2004 the subcommittee meeting to limit cash contributions during a campaign finance reporting period as defined by the Texas Election Code rather than using the election cycles defined by this code. Because state law limits cash contributions, using the state reporting cycles facilitates compliance with both state and municipal regulations.

(e) A person may not knowingly make or authorize a political contribution in the name of or on behalf of another, unless the person discloses in writing to the recipient the name and address of the person actually making the contribution in order for the recipient to make the proper disclosure.

(f) A minor may make a contribution only if done so knowingly and voluntarily with funds, goods or services owned or controlled exclusively by the minor and not with proceeds of a gift where the purpose was to provide funds to be contributed. The minor shall submit a form with the

contribution acknowledging his or her minor status and that his or her contribution complies with this provision.

(g) A "coordinated campaign expenditure" shall be considered a contribution subject to the limits set forth within this section and subject to the disclosure requirements for campaign contributions made to a candidate for elected city office. As used in this subsection, the term "coordinated campaign expenditure" means a payment, other than a direct contribution, for an activity, service or product that contains express advocacy for the election or defeat of a clearly identified candidate(s) for city office and is made in cooperation, consultation, or concert, with or at the request or suggestion of, a candidate(s) for city office or a candidate's representative, agent or employee.

Coordinated campaign expenditures shall include, but not be limited to the following:

- 1) Voter identification and/or get-out-the-vote activity on behalf of a specific candidate(s) for city office;
- 2) A public communication that refers to a clearly identified candidate(s) for city office and that promotes or supports a candidate(s) for that office, or attacks or opposes a candidate(s) for that office, or is suggestive of no plausible meaning other than an exhortation to vote for or against a specific candidate(s).

The following is not considered a coordinated campaign expenditure:

- 1) Direct monetary contributions made to a candidate for city office;
- 2) In-kind contributions made to a candidate for city office;
- 3) Payment by an individual or organization for the individual's or organization's overhead expenses including but not limited to rent, utilities, taxes, office supplies or salaries;
- 4) Volunteer (unpaid) activity(ies) on the part of the individual or members of the organization.

{Note: this provision modeled after Houston City Code Sec. 18-39.}

Sec. 2-303 Time Limitation To Accept Donations

(a) A candidate for Mayor or City Council shall not accept nor deposit campaign contributions after 5:00 P.M. on the 4th calendar day before the regular municipal election date.

(b) During a run-off election, a candidate for Mayor or City Council shall not accept nor deposit campaign contributions after 5:00 P.M. on the 4th calendar day before the date of the run-off election.

{Note: It was originally proposed that the freeze on accepting campaign contributions should be in place three business days before the date of the election. Using "5:00 P.M. on the 4th business day preceding the date of the election" creates that three-day moratorium and clearly specifies the deadline for accepting and depositing. At the February 25, 2004 subcommittee meeting, this was changed to 4th calendar day to prevent inconsistencies between elections held on Saturdays and during the regular workweek.

Any contributions received after 5:00 P.M. or not deposited by 5:00 P.M. could be held and deposited after the election. These deposits would then be part of the tally of contributions for the post-election (or run-off) contribution cycle. To make this clear, subsection (c) is proposed:

(c) Contributions received after the deadlines set out in (a) and (b) of this section or contributions not deposited by these deadlines may be deposited during the subsequent election cycle. Such contributions will be subject to limitations for the election cycle during which they are deposited.

Sec. 2-304 Limitation Of Candidate Loans To Campaign Account

{Note: The Integrity Committee proposed a limit on the total amount of loans. As an alternative to a loan cap, the Council subcommittee considered instead imposing a limit on the use of campaign contributions to repay loans. See footnote for summary regarding treatment of loans under federal law.¹

{Subsection (a) and Alternate Subsection (a) below propose two alternatives to the treatment of loans for council candidates:

¹ Summary of federal regulations regarding loans:

1) For loans a candidate makes to his or her own campaign using his or her own personal funds:

For loans of less than \$250,000 that a candidate has made to his or her own campaign, candidate may repay that loan with campaign contributions before or after an election.

For personal loans of more than \$250,000, the candidate may use contributions made before the election to repay the entire loan amount;

However, for loans exceeding \$250,000, he or she will be limited to using \$250,000 to repay personal loans with contributions made after the date of the election.

For loans exceeding \$250,000, the candidate has 20 days after the election to repay the loans with contributions. If not repaid, loan amount exceeding \$250,000 is treated as contribution.

2) Under federal law, for loans made to a candidate by any other person, these are treated as contributions and are subject to the contribution limits. If loans are repaid within an election cycle, the donor's limit is reset. Under Texas Election Code, loans are included within the general definition of the term "contribution," as a thing of value. Texas Election Code 251.001.

Subsection (a) imposes a straight cap on the amount a candidate may accept in loans to support a campaign. The amounts of \$5000 and \$20,000 have been discussed, but the subcommittee has referred consideration of a specific amount to the entire Council. The Integrity Committee originally proposed that repayment of loans should not affect the calculation of the total amount of loans accepted by a candidate, i.e. once a candidate has accepted \$5000 in loans, the candidate could not accept additional loans, even if the previous loans were repaid. Under the federal system, loans are subject to the contribution limits, though if loans are repaid within an election cycle, the donor's limit is reset. The subcommittee recommends allowing repayment of loans to reset the loan total.

Alternate Subsection (a) proposes a limit on the amount of campaign funds that a council candidate can use to repay loans. This means that a candidate can accept an unlimited amount in loans, but will be restricted in how much he or she can repay those loans using campaign funds. For loans exceeding the limit, the candidate will be personally liable for repayment. This approach raises the issue of how to treat loans in excess of the limit that the candidate fails to repay, i.e. do these loans become contributions? If so, what if these contributions exceed the contribution limits? As with Subsection (a), the subcommittee has referred the issue of the specific amount for a loan repayment limit to the entire Council.

(a) **Loan Limit.** A candidate for City Council cannot accept or deposit any loan from himself or herself or any person, persons, entity or entities for more than **{ \$ _____ }** total into the candidate's campaign account during **any election cycle**. This limitation applies to the cumulative total from one or all combined loans. Repayment of a loan does not affect the calculation of the total amount loaned to a candidate.

alternate (a)

(a) Loan Repayment Limit. A candidate for City Council cannot repay loans to himself or herself or to any authorized committee of the candidate or to any person, persons, entity or entities for more than { \$ _____ } in the aggregate with campaign or officeholder funds during any election cycle. This limitation applies to the cumulative total from one or all combined loans. Repayment of a loan {does} {does not} affect the calculation of the total amount loaned to a candidate.

{Subsection (b) and Alternate Subsection (b) below propose two alternatives to the treatment of loans for mayoral candidates. Again, as with the proposed provisions for council candidates, the subcommittee had no specific recommendation on the amount. The amounts of \$10,000 and \$40,000 have been discussed.}

(b) **Loan Limit.** A candidate for Mayor cannot accept or deposit any loan from him or herself or any person, persons, entity or entities for more than **{ \$ _____ }** total into the candidate's campaign account during **any election cycle**. This limitation applies to the cumulative total from one or all combined loans.

Repayment of a loan does not affect the calculation of the total amount loaned to a candidate.

alternate (b)

(b) Loan Repayment Limit. A candidate for Mayor cannot repay loans to himself or herself or to any authorized committee of the candidate or to any person, persons, entity or entities for more than {\$ _____ } in the aggregate with campaign or officeholder funds during any election cycle. This limitation applies to the cumulative total from one or all combined loans. Repayment of a loan {does} {does not} affect the calculation of the total amount loaned to a candidate.

{Note: The subcommittee had no specific recommendation for deadline for repayment of loans. The Integrity Committee recommended requirement to repay loans by December 31 following the election cycle during which the loan was accepted and deposited. Comments during October 31, 2003 Council meeting and subsequent Governance and Campaign Finance subcommittee meetings note that timeline may be impractical. See following provision, Subsection (c).}

~~(c) Candidates, whether successful in the election or not, must repay any loan, operating under the normal rules of campaign finance, {before the close of December 31 following the election cycle in which the candidate accepted and deposited the loan} {within _____ months of receiving loan} {by the end of the third election cycle as defined in this chapter}.~~

~~(d) If the candidate fails to repay a loan by {December 31 following the election cycle in which a candidate accepted and deposited a loan} {within _____ months of receiving loan} {by the end of the third election cycle as defined in this chapter}, the loan becomes a donation to the campaign.~~

(e) A candidate cannot accept a loan made in cash.

DIVISION 3. CAMPAIGN ACCOUNTS AND REPORTS

Sec. 2-305 Single Campaign Account

(a) A candidate for Mayor or City Council must deposit each and every campaign contribution into one and only one specified bank account. This single account must be used for all campaign deposits and campaign expenditures.

(b) ~~A candidate may not transfer campaign funds into the campaign account from any other account or fund. Persons with established campaign accounts before the date this code goes into effect can transfer funds into the campaign account.~~

{Note: Proposed change to this recommendation provides a "grandfather clause" that would allow candidates to retain all funds received before this ordinance goes into effect.

(c) At the time a candidate files the Appointment of Campaign Treasurer pursuant to Texas Election Code Section 252.001, the candidate shall declare the municipal office sought. If candidate subsequently decides to seek a different office, the candidate shall file an amended Appointment of Campaign Treasurer declaring the new office sought.

(d) If a candidate who has filed a campaign treasurer appointment decides to seek a different office that would require the appointment to be filed with another authority, a copy of the appointment certified by the authority with whom it was originally filed must be filed with the other authority in addition to the new campaign treasurer appointment, in accordance with the requirements of Texas Election Code Section 252.010.

{Note: Melinda Lopez of the City Clerk's Office consulted the Texas Ethics Commission which advised that if a person submits the initial campaign treasurer appointment and does not indicate which office is sought, an amendment to the treasurer appointment form should be submitted once a decision or declaration for a particular office is made. If the person has filed a treasurer appointment form and declared his or her intent to run for a particular office and then later decides to run for a different office, the candidate should also file an amendment and indicate the change.

Subsection (d) tracks Texas Election Code Section 252.010 and addresses requirements for candidates who seek a non-municipal office for which they filed their treasurer appointment with the state, but later declare a candidacy for a municipal office.

Note: Federal law allows a person to raise money to "test the waters" without registering as a candidate, even if that person raises or spends more than the \$5000 – the dollar threshold that normally triggers candidate registration. A person "testing the waters" however is still obligated to comply with federal contribution limits and prohibitions.

According to the FEC Campaign Guide, examples of permissible "testing the waters" activities include polling, travel and telephone calls made to assess the viability of a candidacy. Candidates are considered to be campaigning, as opposed to "testing the waters," when they

- make or authorize statements that refer to themselves as candidates,*
- use general public political advertising to publicize their intent to run for a particular office*
- raise more money than is reasonably necessary to test the waters.*

(d) If, after declaring a candidacy for any elected office, the candidate subsequently declares his or her candidacy for any elected municipal office, he or she may maintain the same campaign finance account.

However, if the candidate seeks a municipal office which is subject to lower campaign contribution limits than the previously sought office, the candidate shall return all contributions in excess of the limits for the municipal office sought.

(1) The transferor committee's available funds shall be viewed as those contributions most recently received that add up to the amount of cash on hand.

(2) Contributions transferred must be aggregated with any contributions made by the same donor to the committee receiving the transfer. Amounts that would cause a contributor to exceed his or her per-election cycle contribution limit must be excluded from the transfer.

{Subsection (d)(1) and (d)(2) modeled from 11 CFR 110.3(c)(5)(ii).}

{Note: The subcommittee requested information regarding the treatment of transferring campaign funds under federal law. In short, campaign funds raised under authority of non-federal law cannot be transferred into a federal campaign account. It is regarded as prohibited "soft-money." A candidate who accepted contributions for a non-federal campaign could refund those contributions and then solicit those same contributors to donate to the federal campaign.

A candidate may run for more than one federal office. If a candidate does run for multiple federal offices, the candidate must establish separate principal campaign committee and maintain separate organizations. Contributions cannot be transferred from one campaign to the other while the candidate was "actively seeking more than one office." Once candidate is no longer "actively seeking" an office, the candidate can transfer contributions from the inactive campaign to the active campaign. Contributions transferred must be aggregated with any contributions made by the same donor to the recipient committee. Amounts that exceed limit must be excluded from transfer.

Contributions received during a campaign for one federal office may be transferred to a campaign for another federal office in a different election cycle. The FEC uses the example of a candidate running for the House in 2002 and then for the Senate in 2008. That candidate may transfer surplus contributions from the 2002 election for the 2008 election.

Under Texas Election Code, candidate is not required to declare office at the time he or she files for the appointment of a campaign treasurer. This means a candidate can receive donations without identifying which office will be sought. The candidate is only required to declare the office sought at the time he or she submits application to be placed on the ballot for a particular election.

Under the federal framework, once candidate exceeds \$5000 threshold for contributions or expenditures or engages in activity that indicate he or she is actively campaigning rather than "testing the waters," the candidate must register as a candidate and declare the specific office sought. As noted above, if more than one office is sought during the same election, the candidate must maintain separate accounts and organizations.}

Sec. 2-306 Campaign Account Statements

(a) A candidate for Mayor or City Council or the campaign treasurer must send a campaign account statement directly to the designated campaign finance enforcement authority once a month within five business days of receiving the statement from the financial institution. The candidate may choose to direct the financial institution to send a copy of the statement directly to the campaign finance enforcement authority.

The City Clerk's Office shall serve as the official records repository for the municipal campaign finance authority.

{The Integrity Committee originally recommended filing the campaign finance account statement twice a month. The subcommittee concluded that filing once a month would be a sufficient additional disclosure requirement for providing information about campaign finance activity.}

Sec. 2-307 Electronic Campaign Finance Filing

(a) The City Council shall direct staff to research the development and implementation of electronic campaign finance filing system. The City Council, as soon as is practicable, shall authorize funding and implementation of this system.

{ITSD has advised that it can develop an electronic campaign finance reporting system similar to that used by the state. This system can be designed to generate paper reports for official filing in compliance with Title 15 and be used for rapid electronic posting on the city's website. ITSD estimates a cost of \$15,000 to \$20,000 to create this system.}

(b) Upon implementation of the electronic campaign finance filing system, candidates for Mayor or City Council will file and update electronic reports with the campaign finance enforcement authority. The reports must identify deposited campaign contributions and current campaign expenditures and must list the name, address, principal occupation, and principal employer of the contributor. All contributions must be reported within five business days of filing monthly campaign account statement required by Section 2-306.

(c) In general and runoff elections, the final campaign finance report must be filed no later than 5:00 P.M. on the third calendar day preceding the general or run-off election day.

{Note: The subcommittee recommended setting the deadline for the final 3-day posting of contributions for 5:00 P.M. of the third day preceding the election to allow candidates and/or their staff time to electronically input the contributions accepted and deposited by 5:00 P.M. of the fourth calendar day preceding the election per the contribution freeze under 2-303.}

{The subcommittee noted that contribution limits in conjunction with the filing of monthly account statements under 2-306 and monthly electronic updating under 2-307(b) may reduce the necessity or usefulness of the addition of this final 3-day posting under 2-307(c).}

(c) The City will provide access to computer equipment for candidates to file the electronic reports. **A candidate, officeholder, or political committee that is required to file electronic reports under this chapter may apply for an exemption if**

(1) the candidate, officeholder, or campaign treasurer of the committee files with the commission an affidavit stating that the candidate, officeholder, or committee, an agent of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts does not use computer equipment to keep the current records of political contributions, political expenditures, or persons making political contributions to the candidate, officeholder, or committee; and

(2) the candidate, officeholder, or committee does not, in a calendar year, accept political contributions that in the aggregate exceed \$20,000 or make political expenditures that in the aggregate exceed \$20,000.

{Modeled after Texas Election Code Section 254.036.}

(d) The City of San Antonio will post the candidates' electronic campaign finance reports through a designated Elections Website.

(e) These reporting requirements are in addition to the reporting requirements under the Texas Election Code.

Division 4. POLITICAL ACTION COMMITTEES

Sec. 2-308 Registration

~~All political action committees (PACs) or groups spending money on campaign activity or advertising associated with a city candidate or measure election, or specially designated City Council agenda item), must register with the city and report the contributions and expenditures connected with this campaign.~~

Sec. 2-309 Expenditure Reports

~~All political action committees (PACs) or groups spending money on campaign activity or advertising associated with a city election, including referenda, or~~

~~pecially designated City Council agenda item must file a report with the City reporting the financial contributions to and expenditures for a campaign.~~

{Note: These provisions are largely redundant to existing state law provisions. Under state law, though, registration requirement is not triggered until PAC spends \$500 in connection with an issue. In addition, issues related to state or county issues in conjunction with city issue may require registration with the state as a General Purpose PAC, instead of the city as a Single Purpose PAC. It's up to the PAC to determine if it's a single purpose PAC which must register with the city or a general purpose PAC which must register with the state. The subcommittee recommended declining to adopt this provision because registration and reporting requirements already exist under state law. In its place, though, the subcommittee recommended that PACs that file with the municipality in accordance with the Texas Election Code, also file their reports electronically for posting on the city website.}

Sec. 2-308 Political Action Committees

All political action committees (PACs) or groups spending money on municipal campaign activity or advertising associated with a city candidate or measure election, or specially designated City Council agenda item shall also, in addition to compliance with reporting requirements under the Texas Election Code, submit such reports electronically with the municipal campaign finance authority. Deadlines and contents of reports for political action committees shall be set in accordance with the Texas Election Code.

Division 5. CITY CONTRACTORS

Sec. 2-309 Contribution Prohibitions

(a) Any person or company official acting as a legal signatory for a proposed contractual relationship that applies for a "high-risk" discretionary contract, as defined by the City of San Antonio Contracting Policy and Process Manual, may not make a campaign contribution to any councilmember or candidate **at any time from time a Request for Proposal (RFP) or Request for Qualifications (RFQ) is issued until 30 calendar days following the contract award.**

(b) If the signatory legally entering the contract has made such a contribution, the city may not award the contract to that contributor or to that contributor's business entity.

~~(c) Any signatory who receives a "high-risk" discretionary contract may not make a campaign contribution to any councilmember or candidate except to a candidate for whom the individual may vote in the next election.~~

{Note: subsection (c) removed at February 9, 2004 subcommittee meeting}

(c) In the event that a candidate unknowingly accepts a contribution in contravention of the provisions of this section, then it shall be the duty of the candidate to return the contribution within 5 business days after he or she becomes aware of the violation.

(d) The Department of Asset Management shall determine whether a contract is "high risk." The criteria for designation as a "high-risk" contract are:

(1) Value of the contract over the life of the contract will exceed \$1 million;

(2) Contracts with value exceeding \$25,000 to be obtained without competitive solicitation;

(3) Contract is for goods or services of a highly complex nature or for non-standard items;

(4) Contracts with exceptional community interest.

{The subcommittee requested that staff address question of whether RFP's have built-in deadlines and whether some RFP processes can or do become "stale."}

DIVISION 6. REPORTING AND ENFORCEMENT

~~Sec. 2-310 Campaign Finance Auditor~~

~~Until an enforcement authority is established, the City Manager shall select an independent auditor to review the reports required under this Code and to register violations or issues associated with reporting and finance rules. The auditor's findings shall be posted on the city's Elections and Campaign Finance Website. The auditor will forward findings to the Ethics Review Board for corrective action and enforcement.~~

alternate Sec. 2-310

Sec. 2-310 Campaign Finance Enforcement Authority

The Ethics Review Board shall have authority to review reports required under this chapter and shall have the jurisdiction to investigate, make findings, issue rulings and assess sanctions concerning any alleged violation of this chapter, by any person subject to these provisions.

~~Sec. 2-311 Elections And Campaign Finance Website~~

~~The city shall create and maintain an Elections and Campaign Finance Website. The site will contain information about filing, candidate training, deadlines, rules, contribution and expenditure reports and any negative findings of or sanction imposed by the enforcement entity for campaign finance compliance.~~

~~Sec. 2-312 Enforcement Mechanisms~~

~~Until the Office of Citizen's Trustee can be created pursuant to City Charter for the purpose of monitoring and enforcing the municipal campaign finance regulations, the City Manager shall name an independent auditor to review campaign finance reports and register violations. The auditor shall post findings on the city campaign finance website and deliver a copy to the City's Ethics Review Board for corrective action, enforcement or prosecution.~~

~~Until the Office of the Citizen's Trustee is created, the Ethics Review Board has jurisdiction to enforce the municipal campaign finance regulations in accordance with the procedures set out for Ethics Code violations in the City's Ethics Code.~~

{Provisions may be unnecessary if Ethics Review Board is designated as authority. See Section 2-310. The Council may establish the Ethics Review Board as the enforcement authority by ordinance. Proposition 3 for the charter revisions would also, if approved by the voters, would give jurisdiction to the Ethics Review Board over municipal campaign finance code.

The subcommittee has deferred discussion of requisite mental state for violations, sanctions, and procedural rules until after these substantive provisions of the municipal campaign finance ordinance have been established by the full City Council.

DIVISION 7. EFFECTIVE DATE

Sec. 2-311 Effective Date

This Article shall become effective July 1, 2004.

{The Council Finance Subcommittee has deferred development of sanctions and civil procedure provisions}

Municipal Campaign Finance

**City Council Meeting
August 5, 2004
Item #23**

1 

Election Cycles

- 1) July 1 of the year before election ending on the date of election;
- 2) for run-off candidates, day after election through date of run-off;
- 3) day after election and ending on June 30 of the year before the election

2 

Contribution Limits

For City Council candidates, \$500 contribution limit from any single donor per election cycle.

For candidates for Mayor, \$1000 contribution limit from any single donor per election cycle.

3 

Definition of “Contribution”

Municipal Code incorporates definitions used by the Texas Election Code.

“Contribution” means transfer of money, goods, services, or any other thing of value. It also includes a loan or extension of credit, and a guarantee of a loan or extension of credit.

4 

Definition of “Contribution”

However, commercial loans made in the due course of business by a corporation legally engaged in the business of lending money are excluded from the definition of “contribution.”

5 

Contribution Limits

The effect of this definition of contribution means:

In-kind donations and coordinated campaign expenditures are subject to \$500 or \$1000 limits.

Loans, extensions of credit, etc. are also subject to the limits, unless they are commercial loans.

6 

Loans

Proposed Section 2-302(c):

**Repayment of a loan {does} ~~{does not}~~
reset the contribution limit**

7 

Contribution Limits

The effect of this definition of contribution means:

In-kind donations and coordinated campaign expenditures are subject to \$500 or \$1000 limits.

Loans, extensions of credit, etc. are also subject to the limits, unless they are commercial loans.

8 

Contribution Limits

**Individuals may donate personal time
without limit.**

9 

Cash Contribution Limits

**Cash contributions limited to \$50 from a
single donor during a campaign finance
reporting period (as defined in TX Election
Code).**

10 

Contributions by Minors

Minors may contribute, but only with their own funds. Must verify status of personal funds.

11 

Contribution Time Limit

Candidates restricted from accepting or depositing contributions after 5:00 PM on the 4th calendar day before election.

Contributions received during this freeze period to be deposited during the next election cycle.

12 

Contribution Time Limit

Once electronic filing system is in place, candidates must submit e-report for campaign account activity in the cycle no later than 5:00 PM on the 3rd calendar day preceding the general or run-off election.

13 

Loans

14 

Loans

Issues include:

- whether to limit the amount of loans a candidate may accept or to limit the amount that a candidate may use to repay loans from contributions;
- deadlines for repayment;
- effect of non-payment

15 

Loans

A candidate cannot accept a loan made in cash.

16 

Loans

Three categories of loans:

- commercial loans;
- loans made by political supporters to fund campaigns;
- personal loans made by candidates from their own personal assets.

17 

Loans

- Commercial loans:

Since commercial loans are excluded from the definition of “contribution,” contribution limits would not apply.

18 

Loans

- **Loans made by political supporters, including family members, to fund campaigns:**

Such loans, extensions of credit, loan guarantees, etc. are “contributions” under the Texas Election Code.

Therefore, municipal contribution limits would apply.

19 

Loans

- **Loans made by candidates from their own personal assets:**

- **Money transferred to campaign account;**
- **Campaign expenditures paid from personal assets.**

20 

Loans

Two Methods to Limit Loans:

1) Cap on loans. Integrity Committee recommended a straight \$5000 cap on the acceptance of all loans from any source, including personal loans from candidate to campaign account.

21 

Loans

Two Methods to Limit Loans:

2) Limit on reimbursements from contributions. Candidate may accept loans, but is limited in the amount that he or she can repay those loans from contributions.

Federal election law and the Texas Judicial Campaign Fairness Act use this approach.

22 

Loans

Proposed Section 2-304(a):

“A candidate for city council cannot repay loans to himself or herself or to any authorized committee of the candidate or to any person, persons, entity or entities for more than \$_____ in the aggregate with campaign or officeholder funds during any election cycle.”

23 

Loans

Proposed Section 2-304(b):

“A candidate for mayor cannot repay loans to himself or herself or to any authorized committee of the candidate or to any person, persons, entity or entities for more than \$_____ in the aggregate with campaign or officeholder funds during any election cycle.”

24 

Loans

Proposed Section 2-304(a) and (b) continue:

“This limitation applies to the cumulative total from one or all combined loans. {Repayment of a loan {does} {does-not} affect the calculation of the total amount loaned to a candidate.}”*

* Last sentence addresses contribution limit issue. Current recommendation is to move this to “contribution limits” section of this code. ²⁵ 

Loans

Effect:

Candidates would be limited in using campaign contributions to repay loans made by supporters and reimbursing campaign expenditures paid for with personal assets.

²⁶ 

Additional proposal for Section 2-304:

A candidate for City Council (Mayor) may not use political contributions in an aggregate amount of more than \$_____ during an election cycle to:

- 1) repay a loan to his or her campaign account that the candidate has made from his or her personal assets; or**
- 2) reimburse campaign expenditures made from personal funds, or**
- 3) repay a loan to the candidate or to any authorized committee of the candidate or from any other person, persons , entity or entities.**

(continued...)

27 

Additional proposal for Section 2-304:

(continued)

. . .The limit established by this section applies to the cumulative total from one or all combined loans.

28 

Loans

Other issues:

Deadline for repayment. Under current proposal, candidate is limited in repayment amount per cycle.

Effect of non-payment of loans.

29 

City Contractor Contributions

Legal signatory for a proposed “high-risk” discretionary contract may not make a campaign contribution to any councilmember or candidate from time that RFP or RFQ is proposed until 30 days after contract award.

30 

Single Campaign Account

Candidates to maintain single campaign finance account.

Proposed provision allows candidates to retain contributions received before municipal campaign finance ordinance effective date. (Grandparent clause)

31 

Single Campaign Account

Candidates who raise campaign funds and later seek election for an office with lower contribution limits will refund contributions that exceed limit for new office sought.

32 

Single Campaign Account

A candidate who declares that he or she intends to run for an elected office and then later declares that he or she will run for a municipal office subject to lower contribution limits will also file an amended Appointment of Treasurer statement identifying the specific office sought.

33 

Campaign Account Statements

Campaign account statements to be filed with enforcement authority (the Ethics Review Board) once a month, within 5 business days of candidate receiving statement from financial institution.

The City Clerk's Office will be the official filing office for the Ethics Review Board.

34 

Campaign Account Statements

Upon implementation of electronic campaign finance filing system, candidates will also electronically report contributions by 5 PM on the third calendar day before an election. This "3-day" filing would be in addition to reporting requirements under Texas Election Code.

35 

Electronic Campaign Finance Filing

Staff will research the development and implementation of electronic campaign finance filing system.

36 

Proposed municipal electronic filing system features:

- a secure encrypted login process. City Clerk would establish login credentials when candidate files the appointment of treasurer statement;
- Web-based campaign finance data entry;
- Print process to allow hard copy filing in compliance with Texas Election Code
- Process to submit reports electronically for posting on City Website. City Clerk to “lock-in” report for final filing.

37 

Proposed municipal electronic filing system features:

- system would be searchable by different categories of information such as candidate, dates or amount of contributions;
- data exportable to Excel.
- Specific-purpose PAC's also file electronically with the city.

38 

Estimated cost of municipal electronic filing system

**Estimated cost to develop system with these
features is \$35,000.**

39 

Enforcement Authority

**Proposition 3 established the Ethics Review
Board as the enforcement authority.
Campaign Finance Code reflects this as well.**

40 

Rules of Procedure

Proposed campaign finance code adopts rules of procedure, including filing of complaints of violation, based on the rules of procedure currently used in the City's Ethics Code.

Under City Charter, decisions by the Ethics Review Board are final unless person appeals to the District Court.

41 

Sanctions

Proposed code includes letter of reprimand from the Ethics Review Board and/or civil fines of up to \$500.

42 

Sanctions

Regarding fines, the proposed code states:

Each day after any deadline for which any required statement has not been filed, or for which a statement on file is incorrect, misleading or incomplete constitutes a separate offense.

43 

Effective Date

a) This article is effective _____, 2004;

b) This article applies to a political contribution accepted or political expenditure made on or after the effective date;

44 

Effective Date

c) A political contribution accepted or a political expenditure made before the effective date of this article is governed by law in effect on the date the contribution was accepted or the expenditure was made;

45 

Effective Date

d) A political contribution may not be accepted after the effective date of this article if the contribution from that donor, together with all contributions from that donor accepted before the effective date of this article would exceed the maximum permissible contribution established by Section 2-302;

{meaning prior contributions could be retained, but would be counted in determining whether donor has reached limit for the cycle}

{or ... }

46 

Effective Date

d) A political contribution accepted from a donor before the effective date of this article is not included in calculating the maximum permissible contribution established by Section 2-302;

{meaning prior contributions could be retained, and would not be counted in determining whether donor has reached limit for the cycle.}

47 

Effective Date

e) A candidate or officeholder who has made a political expenditure from personal funds before the effective date of this article may reimburse his or her personal funds for that political expenditure from political contributions accepted before the effective date of this article;

48 

Effective Date

f) A candidate or officeholder who has made a political expenditure from personal funds before the effective date of this article may reimburse his or her personal funds for that political expenditure from political contributions accepted after the effective date of this article in an amount that in the aggregate does not exceed the limits imposed by Section 2-304 of this article.

49 

Municipal Campaign Finance

**City Council Meeting
August 5, 2004**

50 

**CITY OF SAN ANTONIO
CITY ATTORNEY'S OFFICE
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Mayor and City Council

FROM: Helen Valkavich, Assistant City Attorney

COPIES TO: Terry M. Brechtel, City Manager; Andrew Martin, City Attorney

SUBJECT: Proposed Alternative Provisions for the Municipal Campaign Finance Code

DATE: August 5, 2004

In addition to the proposed provisions set forth in the August 3, 2004 draft of the Municipal Campaign Finance Code, the City Attorney's Office also sets forth alternative provisions regarding loans and the effective date of the ordinance:

Sec. 2-304 Limits on Repayment of Loans or Reimbursements from Political Contributions

(a) Loan Limit for Candidates for City Council.

A candidate for City Council may not use political contributions in an aggregate amount of more than \$_____ during an election cycle to:

- 1) repay a loan to his or her campaign account that the candidate has made from his or her personal assets; or**
- 2) reimburse campaign expenditures made from personal funds; or**
- 3) repay a loan to the candidate or to any authorized committee of the candidate from any other person, persons, entity or entities.**

The limit established by this section applies to the cumulative total from one or all combined loans.

The same provision is offered for consideration for Section 2-304(b) regarding candidates for mayor.

Sec. 2-321 Effective Date

(a) This article is effective { _____ }.

(b) This article applies to a political contribution accepted or political expenditure made on or after the effective date.

(c) A political contribution accepted or a political expenditure made before the effective date of this article is governed by law in effect on the date the contribution was accepted or the expenditure was made.

(d) A political contribution may not be accepted after the effective date of this article if the contribution from that donor, together with all contributions from that donor accepted before the effective date of this article, would exceed the maximum contribution established by Section 2-302.

{OR}

A political contribution accepted from a donor before the effective date of this article is not included in calculating the maximum permissible contribution established by Section 2-302.

(e) A candidate or officeholder who has made a political expenditure from personal funds before the effective date of this article may reimburse his or her personal funds for that political expenditure from political contributions accepted before the effective date of this article.

(f) A candidate or officeholder who has made a political expenditure from personal funds before the effective date of this article may reimburse his or her personal funds for that political expenditure from political contributions accepted after the effective date of this article in amount that in the aggregate does not exceed the limit imposed by Section 2-304 of this article.

Affidavit of Publisher

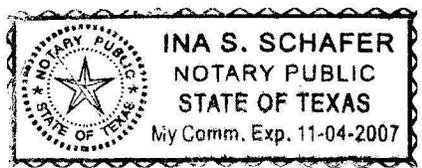
STATE OF TEXAS,
COUNTY OF BEXAR
CITY OF SAN ANTONIO

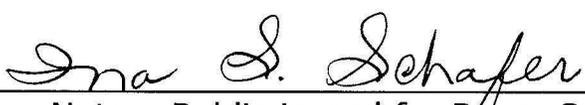
PUBLIC NOTICE
AN ORDINANCE 99538
AMENDING CHAPTER 2
OF THE CITY CODE OF SAN
ANTONIO, TEXAS TO ADOPT
A NEW ARTICLE VII ENTITLED
"CAMPAIGN FINANCE
REGULATIONS"
PASSED AND APPROVED
THIS 5TH DAY OF AUGUST,
2004.
/s/EDWARD D. GARZA
Mayor
/s/LETICIA M. VACEK
City Clerk
8/25

Before me, the undersigned authority, on this day personally appeared Helen I. Lutz, who being by me duly sworn, says on oath that she is Publisher of the Commercial Recorder, a newspaper of general circulation in the City of San Antonio, in the State and County aforesaid, and that the City of San Antonio-City Clerk-Ordinance 99538 hereto attached has been published in every issue of said newspaper on the following days, to-wit: August 25, 2004.



Sworn to and subscribed before me this 25th day of August, 2004.





Notary Public in and for Bexar County, Texas