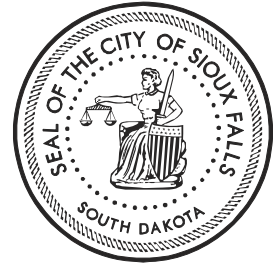


Minutes

Public Service Committee

3:08 p.m. – 3:54 p.m.
Monday, May 7, 2007
Carnegie Town Hall
235 W. 10th Street



Members Present: Kermit Staggers, J. Pat Costello and De Knudson.

Staff Present: City Clerk, Debra A. Owen and Assistant City Clerk, Denise D. Tucker.

Guests: Jonathan Ellis, Argus Leader

1. Call To Order

- Chairman Staggers called the meeting to order at 3:08 p.m.

2. Campaign Finance Reform

A. Opening Comments

- Committee Chair Kermit Staggers asked the committee members to share their opening comments.
 - Council Member De Knudson stated she is very hopeful the City will make great improvements on the current Campaign Finance regulations and is optimistic that they can do better than the State Legislature. She would like to see: adequate disclosure; to have reports filed in a timely fashion; and to increase penalties for non-compliance.
 - Council Member J. Pat Costello said he has a concern regarding the escalation in cost of running an election. He feels the higher these costs continue to rise the more disadvantaged less connected people will be in our municipal elections. And he is troubled by the conflict of keeping cost down with state law. Mr. Costello hopes that whatever is done it doesn't exacerbate any existing problems.
 - Mr. Staggers said he would like to see adequate disclosure; reports returned in a timely fashion; and to keep it as simple as possible.
 - Ms. Knudson added that all candidates should be able to file reports online; penalties should be stricter than the \$50 fine the State Legislature passed; the last report should be filed before the election; the improved basic form needs to be simplified and very clear; and the election booklet needs a rewrite. City Clerk Debra A. Owen said it (booklet) will be re-done after the ordinance is revised.
 - Mr. Costello said there could be a current reporting cycle and campaign-to-date. A monthly accumulative summary.
 - Ms. Owen said there are areas in the ordinance that could be clarified. She would like to see candidates file reports at the end of the month, the Friday before the election, and the post report sometime thereafter. She would like to see a ballot question committee registration form (similar to a Notice of Intent form) which would make it easier to contact circulators with questions from the Clerk's office. Ms. Owen said the State has enacted a similar registration provision. In regards to reporting, Ms. Owen said she would be in favor of fewer reporting forms for City Council/Mayoral candidates. The public primarily
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should know where candidate contributions come from and where those revenues are expensed – who received the revenues.

B. Election Bills

- Ms. Owen provided the committee with handouts pertaining to campaign finance reporting. She stated that the document HB 1048 is the enrolled version, which has been amended from its original version. Ms. Owen said it doesn't apply to Sioux Falls except where Home Rule Charter or ordinances defers to State Law or where State Law preempts ours. She provided it as a reference guide for the committee.

HB 1048



0680_001.pdf

Election Bills



0681_001.pdf

State Law applicable to city elections



0682_001.pdf

- Ms. Owen said she liked the objectives listed by Secretary of State Chris Nelson which he had utilized to help guide his office in HB1048.
- The City of Sioux Falls defers to State Law regarding Initiative Measures and Referendums, said Ms. Owen. She said there have been some changes regarding to certain provisions relating to the circulation and signing of initiative and referendum petitions (SB 3). And changes regarding the verification of initiative and referendum signatures (SB 2) – requiring a 5% sampling of the registered voters. Ms. Owen said the City Clerk's Office does a technical review. She said Administrative rule has been governing the process thus far. Ms. Knudson said she would like to see a more thorough (sampling) review at the City level, but she doesn't know at what percentage. Mr. Costello said there are statistical models to determine accuracy and deviations – maybe someone at USF would know how. Ms. Owen said Secretary of State Chris Nelson will train the Assistant City Clerks on the procedures for a sampling review, later this summer. Ms. Knudson wondered if the Municipal League of Cities would have any thoughts for the City of Sioux Falls on improving any of these issues.
- Ms. Knudson wondered, in regards to timely disclosure, if a scanner should be purchased for the City Clerk's Office, to get reports online even faster. Ms. Owen said that campaign finance reports have always been a public record and are available at the Clerk's office. However, last year the Clerk's office placed these reports on the web for easier public access. Because there were 24 candidates filing monthly reports, it took between three to five days to put these reports on line. Ms. Owen said her office has a new copier, which has the ability to scan and make PDFs, which will reduce the amount of time it takes for WebRequests to put these forms on line. (In the past reports were walked over to City Hall and scanned into PDF's at media services and then sent to WebRequests.)

C. PAC Reports

- Mr. Costello said PACs don't vote, businesses don't vote, people vote. Ms. Knudson said she struggles with PACs, but could support getting rid of PAC contributions at the city level. She said limiting the amount of them is not the answer because then you could create other fronts. Mr. Staggers said PACs can give money to candidates who don't have a lot of money. Mr. Costello said PACs are used to avoid the limitations set on individuals. Ms. Knudson said individuals who believe in you (the candidate) don't need to hide behind a PAC and should write a check to you (the candidate). She said PACs prevent full disclosure. Mr. Costello said you shouldn't be required to spend your own personal money to fund a campaign. Ms. Knudson said she did accept PAC money, during her last campaign, but she felt a bit uncomfortable because she doesn't philosophically believe in PACs. Mr. Costello said the crux of the debate is if you're going

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to allow PACs to contribute money you have to allow individuals to give as much as they want. Mr. Stagers said that some people will have a natural advantage. He added that PACs should disclose their contributors too. Ms. Owen said her office did that during the last election. PACs are to disclose at the State level but she's not sure when their reporting periods are and that's where it gets into conflict. The City requires much more frequent reporting than the State does. Mr. Stagers said it would be desirable to not have limits on individuals or PACs, emphasizing full disclosure.

D. Campaign Finance Ordinance

- Ms. Knudson said she would like to see the City Council create an impressive campaign finance ordinance. Ms. Owen said the committee could begin by working through the definitions to make sure they are clear. The committee pointed out: contribution limits, deadline on reporting reports, PACs, full disclosure, and clarifying Notice of Intents. Mr. Stagers said the committee should take a look at the present ordinance.

E. Miscellaneous

- Ms. Knudson said she agreed with an email from Ms. Owen regarding ballot measures that said the language should be filed before petitions are circulated. Then you know the legality right away and who to contact in regards to the petition. Ms. Knudson said she had it in her notes, from a July 2006 meeting, referencing how to treat In-Kind contributions. Ms. Owen said she spoke to Mr. Nelson and corporations cannot give (In-Kind contributions) to individual candidates. Only sole proprietorships can.
- Ms. Knudson said she had notes, from a prior meeting, wondering if campaign finance reports should be audited. And had a note about a Supreme Court decision involving PACs. Ms. Owen said she would do some research about that.
- The next meeting was set for Monday, May 14, 2007, at 3:00 p.m. The committee will mark their likes and dislikes for HB 1048 and the City's Campaign Finance Reporting ordinance. Guest may be invited to the next meeting.

3. Adjournment at: 3:54 p.m.

Denise D. Tucker
Assistant City Clerk