



Administrative Report

M.1., File # 22-4937

Meeting Date: 10/4/2022

To: MAYOR AND CITY COUNCIL
From: ELEANOR MANZANO, CITY CLERK

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING AN AMENDMENT TO THE REDONDO BEACH MUNICIPAL CODE PERTAINING TO CAMPAIGN FINANCE AND CONTRACTING FOR INVESTIGATION SERVICES FOR ALLEGED CAMPAIGN FINANCE REPORTING VIOLATIONS

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3243-22, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING TITLE 2, CHAPTER 2, SECTIONS 2-2.303, 2-2.304, 2-2.306 AND 2-2.309 OF THE REDONDO BEACH MUNICIPAL CODE REGARDING CAMPAIGN CONTRIBUTION LIMITS FOR ELECTIONS, ON FIRST READING; AND

APPROVE ENGAGEMENT LETTER WITH THE W GROUP, INC. FOR INVESTIGATIVE AND CONSULTING SERVICES PERTAINING TO ALLEGED CAMPAIGN FINANCE REPORTING VIOLATIONS AT A RATE OF \$200 PER HOUR AND OUT-OF-POCKET EXPENSE REIMBURSEMENT

EXECUTIVE SUMMARY

Pursuant to City Council direction on April 5, 2022, Ordinance No. 3243-22 amending Title 2, Chapter 2 of the Municipal Code pertaining to campaign finance contribution limits is attached. The City Attorney's April 5th recommendations and concerns remain unchanged.

Engagement Letter for Investigation Services

After an extensive search, The W Group was identified as qualified to provide specialized investigatory services for alleged violations of the ordinance. An engagement letter is attached for Council's consideration, which requires City indemnification. The City Attorney's office, City Clerk and Risk Manager have liability related concerns given that only reasonable legal fees would be covered to the extent the City's self-insured retention has been reached. City insurance would not cover any settlement. The City Attorney and City Clerk do not recommend approval.

BACKGROUND

On September 6, 2022, pursuant to City Clerk presentation and discussion pertaining to liability concerns pertaining to the investigative service agreement, the City Council tabled further discussion on this item so the entire Council may vote on the matter. (2-2; Emdee, Horvath dissenting and Councilmember Obagi absent; Mayor Brand broke the tie vote.)

On April 5, 2022, Council directed staff (4-1, Emdee dissenting) to return with an ordinance amending

the RBMC pertaining to campaign finance reporting and enforcement. Council's motion included amending campaign donation limits with CPI adjustments; not to allow donations after 3 months elapse after an election; contract with an outside agency to conduct investigations of alleged reporting violations; and assigning enforcement to the City Attorney's office; and a fine increase to \$2000 per violation.

COORDINATION

The City Clerk's office collaborated with the City Attorney's office on the development of this administrative report.

FISCAL IMPACT

City Clerk's Office budgeted \$50,000 for Investigation Services for Fiscal Year 2022-2023.

ATTACHMENTS

Ordinance Redline
Ordinance No. 3243-22
Staff Report - CC April 5, 2022
Staff Report - CC September 6, 2022
Letter Agreement with The W Group, Inc.
SCOTUS Federal Election Commission v. Ted Cruz for Senate