

MINUTES OF THE FINANCE COMMITTEE
March 9, 2020
East Conference Room

Present: Chairman Bullock, Councilmember Neff

Also Present: Law Director Corrigan, Acting Finance Director Shuster, Councilmembers Rader, Kepple & Shachner; Deputy Clerk Lascu, Clerk Bach taking minutes

Call to Order: 7:37 p.m.

Approval of the minutes of the January 21, 2020 and March 2, 2020 Finance Committee meetings.

Motion by Chairman Bullock, seconded by Councilmember Neff to approve the minutes from January 21, 2020 and March 2, 2020. All in favor. Motion passed.

ORDINANCE 02-2020 - AN ORDINANCE enacting new Chapter 507, Campaign Finance Regulations, of the Codified Ordinances of the City of Lakewood to help preserve the public trust and foster public confidence in city government and elections.

Chairman Bullock expressed support for the concept of campaign finance limits but cautioned that the mechanics are very important and so the committee must take the time needed to establish a firm and sound approach. He noted that federal, state, and local governments all have different approaches to campaign finance. The federal limit on donations for congressional races is \$2,800 per person per election. He noted that while both candidates in the last mayoral race collected “super donations” from individuals outside of Lakewood, that this is not typical. He concluded that a campaign finance ordinance would make an ethical statement and put limits on mega-donors looking to buy influence in our community.

Councilmember Neff referenced the existing requirements for campaign finance reports to be filed with the Board of Elections. The reports are also accessible online. She expressed her position that this level of reporting was sufficient, stating that it provides transparency to the public and oversight over campaign funds. She expressed concern with the potential burden of this on the Law Department and potential unfairness to candidates.

Councilmember Rader submitted the attached letter into the record. He noted that he intended the ordinance to be a starting point for discussion. The ordinance as proposed is based on federal campaign finance law. He also remarked on the campaign finance laws in Columbus and Cleveland and discussed the different donation limits in all of these. He also wants to explore the idea of non-refundable tax credits to encourage participation. He stated that it was time to do something and join the other levels of government in campaign finance reform.

Councilmember Kepple expressed appreciation for the goals of the ordinance, noting that campaign finance reform would benefit candidates who are less affluent and/or who come from

less affluent circles. She expressed hesitancy to put undue stress on the Law Department or anyone else, noting that the Board of Elections provides a sound system of reporting. She also pointed out that the ordinance does not contain any limits on donations from PACs.

Councilmember Shachner suggested that the ordinance speaks to the issue of people not trusting their government. He suggested that a more straightforward solution would be to require candidates to file campaign finance reports earlier and more often so that the public is aware of a candidate's donors before the end of the election. He stated that this will achieve accountability and provide knowledge to voters. He also pointed out that the proposed ordinance does not permit a candidate to self-fund a campaign. He stated that the ordinance as written has a burden of compliance that is high.

Chairman Bullock expressed agreement with a donation limit schedule that mirrors the federal code and to use the Board of Elections to enforce the ordinance. He acknowledged that transparency has improved since the Board of Elections started posting campaign finance reports online but that because of the deadlines, the public is unaware of some donors until after the election.

Councilmember Rader stated that the donation limits should not be higher than the federal limits.

Councilmember Kepple expressed support for Councilmember Shachner's idea of changing the deadlines of the campaign finance reports. Chairman Bullock did as well.

Law Direction Corrigan expressed doubt that the ordinance will achieve its intended results, noting that large donors are the exception in Lakewood politics. He expressed concern that an unintended consequence may be that it provides advantages to incumbents with large campaign "war chests." He noted that Cleveland restricts campaign donations from employees to \$100.

Acting Finance Director Shuster expressed concerns about how the proposed tax credit would be audited. It would also require changes to the tax software.

Councilmember Kepple noted that the state tax credit for political donations is repealed starting in 2020.

Director Corrigan expressed additional concerns about the Law Department's role in enforcing the ordinance. He stated that because he works for Council and the Mayor that fining them would be a conflict of interest. In response to a question, he clarified that the state cannot enforce the ordinance because it only enforces state law.

In conclusion, Councilmember Rader stated that the ordinance is an attempt to make sure that all candidates have a fair shot and to limit the impact of large last-minute donations.

Chairman Bullock summarized that today's discussion included a range of philosophical views on the issue and its mechanics. He stated that the committee will reconvene after several weeks or months once revisions are made.

Councilmember Kepple suggested that the committee start from the goals of equity and transparency and work backward from there to achieve the intended goals.

Acting Finance Director Shuster briefed Council that the administration will be submitting an ordinance on the March 16th docket to amend contracting authority for fireworks. They will be asking for emergency passage.

Finance Committee adjourned at 8:41 p.m.