

BUDGET AND FINANCE COMMITTEE REPORT relative to the transfer and appropriation of \$215,000 in funding to the City Clerk to conduct a pilot online voting program in 2019 for Neighborhood Councils (NC).

Recommendations for Council action, as initiated by Motion (Huizar - Ryu - Koretz), SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Controller to transfer \$215,000 from the Fiscal Year 2018-19 Budget, Unappropriated Balance Fund No. 100/58, NC Election Outreach, to the Office of the City Clerk, Fund No. 100/14, for the conduct of up to 10 online NC elections in the spring of 2019, in addition to the already scheduled at-poll elections, and appropriate the funding as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
4170	Election Expense	\$163,000
1070	Account As Needed Salaries	\$42,000
1090	Overtime Salaries	\$10,000

2. AUTHORIZE the City Clerk to negotiate and execute any agreements as needed, relative to the 2019 NC elections, utilizing funds budgeted for this purpose, subject to the approval of the City Attorney as to form and legality.
3. INSTRUCT the City Clerk to prepare and submit a detailed written report to the City Council within 60 days on the plan for conducting the 10 NC online elections including:
 - a. How the 10 NCs will be chosen.
 - b. How the online elections will be conducted.
 - c. A history of any breaches to Everyone Count's security.
 - d. A plan of how safety measures will be implemented to ensure accuracy, accountability, and voter information security, including how issues with the 2016 NC elections will be avoided.
4. INSTRUCT the City Clerk, Information Technology Agency, and Department of Neighborhood Empowerment (DONE) to report following the elections, with a complete after-action report; and audit the results of the elections utilizing the vendor Everyone Counts.
5. AUTHORIZE the City Clerk to make any technical corrections to the above in order to effectuate the intent of this Motion.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes.

Neutral: Valley Village Neighborhood Council

For: Historic Highland Park Neighborhood Council
Bel Air-Beverly Crest Neighborhood Council

SUMMARY

At its regular meeting held on August 13, 2018, the Budget and Finance Committee considered Motion (Huizar - Ryu - Koretz) relative to the transfer and appropriation of \$215,000 in funding to the City Clerk to conduct a pilot online voting program in 2019 for up to 10 NCs; and for the City Clerk to report with a plan for conducting the pilot. The Motion states that current funding for NC elections only allows for a polling place for 4-6 hours for each NC, and that an online voting system could counteract limited access to polling sites for voters. The Motion proposes a pilot online voting program for 2019 for up to 10 NC's and requests the transfer and appropriation of funding to carry out the pilot.

The City Clerk, the General Manager of DONE, and the City Clerk's NC Elections Project Manager provided the Committee with a brief overview of the matter, and responded to related questions. They reported that the City Clerk will conduct the pilot online voting program and will need about 6 months for City Clerk Systems staff to work with vendor Everyone Counts (selected through a Request for Proposal Process) to implement the system. The pilot would start with 10 NCs selected from 22 NCs that have expressed interest. The cost would be \$215,000 (\$100,000 allocated to the vendor, \$115,00 to City Clerk costs).

The Committee Chair opened the discussion by expressing several concerns about the proposed pilot NC online voting program such as the ability to maintain confidentiality of voter personal data, auditability of election votes and a fair process for resolving election vote challenges, the cost of the pilot program versus the budget funding for election outreach (City's difficulty has been more in convincing people to vote in NC elections rather than removing barriers to them voting), and ensuring online voting does not exclude those with limited online access. The Committee Vice-Chair also detailed concerns, chief of which is the unknown cost of ultimately rolling out online voting to all NCs, and Committee members also noted issues regarding the definition of a community interest stakeholder (and how NC board candidates and outside interests have abused the voting process in the past due to ambiguity of what constitutes such a stakeholder).

In response to the concerns raised by the Committee, the City Clerk and DONE General Manager noted that their departments will work with the vendor to employ safeguards to ensure confidentiality of voter data for online voting, and to prevent double voting (voting online and then going to a physical polling place to vote again). The City Clerk and DONE General Manager also reported that the full cost of rolling out online voting to all NCs in the future has not yet been determined; however, the results of the pilot program will assist City Clerk and DONE in better determining those costs. Regarding outreach, the DONE General Manager reported that more funding has been budgeted this year for outreach and DONE will use various low and high tech means to publicize the NC elections citywide. Additionally, part of the outreach funding will be focused on 30 NCs with difficulty obtaining candidates and with previous low voter turnout.

After additional consideration, and after providing an opportunity for public comment, the Committee (in a vote of 3 to 1) recommended that Council approve the recommendations in the Motion as amended to also request the City Clerk, DONE, and ITA to report back with a detailed after-report of the pilot online voting program. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	NO
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	YES

REW 8/17/18 FILE NO. 15-1022-S3

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