



Legislation Details (With Text)

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In control: City Council Regular Meeting
On agenda: 9/19/2018 **Final action:**
Title: Consideration of Funding Options for the March 5, 2019, General Municipal Election (City Clerk Tamura).
DISCUSS AND PROVIDE DIRECTION

Sponsors:

Indexes:

Code sections:

Attachments: 1. March 5, 2019 Elections Breakdown, 2. Election Services by Vendor Breakdown, 3. Election Estimate from the Los Angeles County Registrar-Recorder/County Clerk (RR/CC)

Date	Ver.	Action By	Action	Result
9/19/2018	1	City Council Regular Meeting		

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Bruce Moe, City Manager

FROM:
Liza Tamura, City Clerk
George Gabriel, Management Analyst

SUBJECT:
Consideration of Funding Options for the March 5, 2019, General Municipal Election (City Clerk Tamura).
DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that the City Council direct staff to utilize the services of the Los Angeles County Registrar-Recorder/County Clerk (RR/CC) to conduct the March 5, 2019, General Municipal Election.

FISCAL IMPLICATIONS:

In the Fiscal Year (FY) 2018-2019 Adopted Biennial Budget, \$129,192 is currently budgeted to conduct various services related to the March 5, 2019, General Municipal Election. In absence of the City's election services provider, Martin & Chapman, City Council may need to appropriate additional funds if direction is given to utilize the services of the RR/CC.

BACKGROUND:

The City of Manhattan Beach has utilized the services of Martin & Chapman Inc. to provide standalone election services since 1996. Martin & Chapman was considered a leader in the election industry, providing election supplies, services and consultation to over 400 cities, counties,

organizations and associations in the states of California and Nevada. Additionally, Martin & Chapman provided election services for over 65 cities who conduct their own elections in Los Angeles County and most of the 481 cities in the State of California.

In preparation for the proposed Fiscal Year (FY) 2018-2019 Adopted Biennial Budget, Martin & Chapman prepared an estimate and indicated an intention to stay in operation until the March 5, 2019, General Municipal Election. However, due to requirements set forth in Senate Bill (SB) 415, a large amount of cities have opted to consolidate elections with the County. In response, Martin & Chapman recently announced that they will be concluding operations of their business in December 2018 and they will not conduct any future election services.

In preparation for the March 5, 2019, General Municipal Election, the City Clerk's Office discussed the possibility of the Los Angeles County Registrar-Recorder/County Clerk (RR/CC) providing services. The RR/CC estimated that an election for two City Councilmember seats and one possible ballot measure for the City of Manhattan Beach will cost approximately \$295,000.

In explaining the large cost, the RR/CC advised that since the County has no election currently planned, consolidating the election with cities is not an option. Therefore, the RR/CC predicated their costs on a fee-imposed model instead of a cost-sharing model. Doing so drastically increased election costs.

DISCUSSION:

At its August 22, 2018, meeting, City Council received the cost estimate from the RR/CC and directed staff to agendize a discussion on options for funding the March 5, 2019, General Municipal Election. Additionally, staff was directed to explore the possibility of holding concurrent but separate elections from the RR/CC.

Staff has reached out to election service companies to receive cost estimates. In reviewing their services, staff has found that a limited amount of companies provide election supplies and services. While different vendors can provide some services not one company can provide the same services that Martin & Chapman provided to the City.

As it pertains to this analysis, staff will use the 2015 General Municipal Election as a benchmark of services expected to be provided at the March 5, 2019, General Municipal Election. In 2017, staff utilized the services of Martin & Chapman and the RR/CC for different election services. Therefore, the 2017 election services will not be considered since it was a consolidated municipal election.

For the most recent 2015 (Standalone) General Municipal Election, Martin & Chapman provided a variety of services to the City. These included:

- Pre-Election Supplies
- Processing of County Voter Files
- Production of Voter Identification Report
- Nomination Supplies
- Military and Overseas Voter Supplies
- Vote-by-Mail Ballot Supplies
- Vote-by-Mail Tracking System
- Polling Precinct Supplies

- Write-in Candidate Supplies
- Voter Identification and Polling Place Location Reports
- Sample Ballots / Voter Information Guide Preparation and Production
- Provisional Vote-by-Mail Inserts / Voter Information Pamphlets
- Mailing and Postage Services
- Official Ballots and Supplies
- Ballot Tabulation Counting Services / Election Night Supplies
- Department of Justice Compliance Services

There are currently seven other cities that are scheduled to conduct an election on March 5, 2019 (Attachment). All seven cities are currently planning on utilizing the services of the RR/CC to conduct their election.

Staff has prepared two options for City Council consideration to provide election services and fund the March 5, 2019, General Municipal Election. Election service providers include: Los Angeles County, HART Intercivic, Election Systems & Software (ES&S), and ProVote Solutions. Attached for reference, are a list of election services and which vendor can provide the appropriate service.

Option #1 - Los Angeles County Registrar-Recorder/County Clerk Provides Services

As they did with the March 7, 2017, Consolidated General Municipal Election, the RR/CC can provide election services for the March 5, 2019, General Municipal Election.

Estimated Cost and Funding - \$129,192 is currently budgeted to conduct various services related to the March 5, 2019, General Municipal Election. However, at the next City Council meeting, the City Clerk will bring forward resolutions calling the March 5, 2019, General Municipal Election. One resolution will include City Council authorization to appropriate an additional \$185,000 (not-to-exceed) from the unreserved General Fund balance.

Pros

- Necessary trust, experience and expertise with conducting elections
- Availability of hardware and software to conduct an impartial and transparent election

Cons

- Large unbudgeted expenditure that requires an additional \$185,000 appropriation.

Option #2 - Multiple Vendors and City Staff Provide Election Services

The City has an existing consultant that can provide limited election services (similar to what Martin & Chapman provided in the past but not as comprehensive). Additional vendors have been identified that will conduct some election services, but not all. This will require staff to identify and contract with multiple service providers and coordinate those services. This may also require staff to conduct services that only the County has the necessary equipment to provide. These include the services of vote-by-mail tracking software and ballot tabulation equipment for election night, both of which are critical to ensuring a fair, proper, and transparent General Municipal Election.

Estimated Cost and Funding - Staff currently estimates that using multiple vendors will not require the City Council to appropriate an additional amount of money towards conducting the March 5, 2019 General Municipal Election. Staff has had difficulty with obtaining complete proposals, soliciting interest from vendors and receiving responses to provide election services. Staff will update the City Council if definitive costs from each vendor are received

prior to the Wednesday, September 19, 2018 City Council meeting.

Pros

- Comparable cost to what is currently budgeted to conduct March 5, 2019, General Municipal Election.

Cons

- Coordination required to manage multiple vendors
- Significant staff time dedicated to tracking vote-by-mail ballots in the absence of Martin & Chapman's or Los Angeles County's tracking software.
- Significant procurement of dedicated staff to conduct mailing and election night tabulation services
- Unverified reviews of potential vendors (HART Intercivic, ES&S, and ProVote Solutions)
- Vendors that have not conducted elections in Los Angeles County
- Staff resources dedicated to election services as well as regular duties of the City Clerk's Office

Conclusion

In response to Mayor Napolitano's request to explore holding concurrent but separate elections from the RR/CC, staff believes that is not possible at this time. Since the RR/CC has not called for a County election, the RR/CC and the City cannot hold concurrent but separate elections.

Given the RR/CC's experience and confidence in conducting a fair, impartial and transparent election, staff is recommending that the City Council direct staff to utilize the services of the RR/CC to conduct the March 5, 2019, General Municipal Election.

PUBLIC OUTREACH/INTEREST:

After analysis, staff determined that public outreach was not required for this issue.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachments:

1. March 5, 2019 Elections Breakdown
2. Election Services by Vendor Breakdown
3. Election Estimate from the Los Angeles County Registrar-Recorder/County Clerk (RR/CC)