

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON GOVERNMENTAL OPERATIONS

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B E F O R E: Fernando Cabrera  
Chairperson

COUNCIL MEMBERS: Ben Kallos  
Alan N. Maisel  
Bill Perkins  
Keith Powers  
Ydanis A. Rodriguez  
Kalman Yeger

## A P P E A R A N C E S (CONTINUED)

Amy Loprest  
Executive Director of New York City Campaign  
Finance Board

Eric Friedman  
New York City Campaign Finance Board

Morris Pearl  
Patriotic Billionaires

Alex Camarda  
Reinvent Albany



2 CHAIRPERSON CABRERA: Good morning and  
3 welcome to this hearing of the Committee on  
4 Governmental Operation. I am Council Member Fernando  
5 Cabrera, Chair of the Committee. Today we are  
6 holding our first hearing on Introduction 1288  
7 sponsored by Council Member Ben Kallos in relations  
8 to the Campaign Finance Laws to be in effect for  
9 covered elections held prior to 2021 primary. The  
10 first ballot question for the most recent election  
11 introduced changes to our campaign finance system set  
12 to take effect with the primary in 2021. This bill  
13 will apply changes from that ballot question to all  
14 primary, general and special and run-off elections  
15 between now and the 2021 primary. Candidates  
16 participating in the matching funds program in these  
17 elections will have the option to choose between  
18 either the new system or the existing system for  
19 contribution limits, matching formulas, qualifying  
20 thresholds, public fund caps, and distribution  
21 schedule. However, some difference from the ballot  
22 questions will be introduced such as requiring the  
23 additional refunding of certain contributions  
24 depending on the option chosen by participating  
25 candidate-- by a participating candidate. Candidates

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2 who choose not to participate will continue to follow  
3 the existing system during this period.

4 Additionally, in order to account for the shortened  
5 timeframes of special election, the bill will also  
6 lower the threshold to qualify for matching funds in  
7 the citywide special election. Similarly, it will  
8 ease the requirements for participating in the  
9 citywide mandatory debate. I want to thank the  
10 members of this committee, including the sponsor of  
11 this bill, for their commitment to improving our  
12 campaign finance system. I also want to thank our  
13 committee staff, Brad Reid [sp?], Elizabeth Cronk  
14 [sp?], Cy Karis [sp?], as well as Rob Newman, Counsel  
15 to the Speaker, my own legislative director Claire  
16 Maclavain [sp?] for all their hard work. I look  
17 forward to our discussion on this legislation. With  
18 that, I will pass it on to the sponsor of the bill,  
19 Council Member Ben Kallos.

20 COUNCIL MEMBER KALLOS: Good morning.  
21 I'm New York City Council Member Ben Kallos. It is  
22 still @benkallos for those unfamiliar. I would like  
23 to start by thanking our Chair Fernando Cabrera for  
24 hearing Introduction 1288 and to Council Members  
25 Keith Powers and Costa Constantinides who signed on

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2 pre-introduction. On November 6<sup>th</sup>, New Yorkers voted  
3 to get big money out of politics. After a decade-  
4 long fight for campaign finance reform, voters took  
5 matters into their own hands, voting yes on ballot  
6 question one. Over 1.4 million voters turned their  
7 ballots over to page four. So, it wasn't actually  
8 turning it over. It was actually more difficult than  
9 flip your ballot, and of those people, 1.1 million  
10 votes yes on question one. To put in perspective,  
11 more people voted in favor of question one than voted  
12 for all candidates for Mayor in 2017. I think it's  
13 just about the same. In 2016 I had authored  
14 Introduction 1130, which was co-sponsored by Fernando  
15 Cabrera. Campaign finance has been an issue that  
16 we've worked together on since I got elected. It had  
17 co-sponsorship by 31 members of the City Council. It  
18 had the support of nearly every good government  
19 group, countless labor organizations and membership  
20 organizations. I want to give a special thank you to  
21 Reinvent Albany, which was particularly active along  
22 with Represent Us, and despite having a hearing as  
23 Governmental Operations chair at the time, somehow--  
24 and despite having more than a majority of the  
25 members signed on as sponsors, it somehow didn't have

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2 the support to be brought to the floor for a vote.

3 This term, I reintroduced the legislation in late

4 March of this year as Introduction 732 of 2018, and

5 once again, Council Member Fernando Cabrera answered

6 the call and signed on, and we had 21 sponsors in

7 total, nearly a majority of the Council. And that

8 being said, just as that was happening, the Mayor

9 formed a Charter Revision Commission. I had the

10 opportunity to testify in favor of these campaign

11 finance reforms on May 9<sup>th</sup>, June 19<sup>th</sup>, July 23<sup>rd</sup>, and

12 August 9<sup>th</sup> calling for reduction in contribution

13 limits, increased matching ratios, increasing public

14 funds payments, all of which were in part or in whole

15 adopted by the vote on November 6<sup>th</sup>. However, these

16 changes would not take effect until the 2021 election

17 cycle. Introduction 1288 extends the first ballot

18 question on campaign finance reform from only

19 applying in 2021 and thereafter providing the same

20 option for special elections and the primary election

21 that will follow this year and the general election

22 that will follow this year, along with every single

23 other cascade of election since everyone running is

24 pretty much an elected official already, and what

25 would follow as the Chair mentioned, as was lower

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2 contribution limits from 2,000-- so, contribution  
3 limits in special elections are already halved. So,  
4 it's going from 2,550, which is the contribution  
5 limit for citywide, to 1,000. From 1,975 for Borough  
6 President to 750, and from 1,425 for City Council to  
7 500. It will increase the public match for every  
8 small contribution under 175 which six public dollars  
9 to matching up to 250 dollars for citywide, and  
10 continuing to match 175 with a public tax dollars,  
11 and increasing the public grant for those that opt in  
12 from 55 percent to 75 percent of the spending limit.  
13 For candidates participating in the soon-to-be-called  
14 Public Advocate's race, lower contribution limits and  
15 increased matching would be retroactive to campaigns  
16 that select this option. In addition to applying  
17 ballot question one to the special election the  
18 legislation goes further by lowering the minimum  
19 funds raised threshold to qualify for a public grant  
20 by half, just as other limits are halved. The  
21 thresholds for Mayor is halved from 250,000 to  
22 125,000 and for Public Advocate and Comptroller from  
23 125,000 to 62,500. Only the first 250 have an  
24 individual New York City resident's contribution is  
25 applied towards meeting the dollar amount threshold.



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2 Participating candidates would still need to collect  
3 the same number of contributions of 1,000 for Mayor  
4 and 500 for Public Advocate. A candidate for Public  
5 Advocate who opts into the new campaign finance  
6 system would only need to raise 250 dollars from  
7 1,708 donors to receive 427,031 dollars matched at  
8 eight to one for a full 3.4 million dollars in public  
9 grant which will give them 75 percent of the money  
10 they need to run for the spending limit, and that  
11 will leave them with only 15 percent left to raise,  
12 and I think one other key point which was raised by  
13 one of my colleagues, Council Member Kalman Yeger, is  
14 in question one as it was passed, people can still  
15 keep over-the-limit contributions after they opt in.  
16 One change we're making to this for the special  
17 election is candidates would be bound retroactively.  
18 So if they took a contribution for 2,550, they would  
19 have to give back 1,550 to participate, and that  
20 being said, I personally hope to opt in to question  
21 one in January, and I plan to give back any money  
22 that I took over the limit for whatever. I'm not  
23 running for Public Advocate. Are you running for  
24 Public Advocate? The record reflects neither Kalman  
25 Yeger or I are running for Public Advocate, but that

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2 being said, I think it is the right thing to do.

3 With the reforms, candidates for city office can

4 finally run for office on small dollars and with

5 public dollars to win. I want to take a special

6 moment to thank Rob Newman, Brad Reid, and Elizabeth

7 Cronk for their work on this legislation.

8 CHAIRPERSON CABRERA: Thank you so much,

9 and thank you so much for your leadership and also I

10 want it on the record that I am not also running for

11 Public Advocate. So with that, I'm turn it over to--

12 Brad also is also not running for Public Advocate.

13 So I'll turn it over to Brad [sic] for the swearing

14 in.

15 COMMITTEE COUNSEL: Please raise your

16 right hand. Do you swear or affirm to tell the

17 truth, the whole truth and nothing but the truth in

18 your testimony before this committee and to respond

19 honestly to Council Member questions?

20 EXECUTIVE DIRECTOR LOPREST: I do.

21 COMMITTEE COUNSEL: Thank you.

22 EXECUTIVE DIRECTOR LOPREST: Good morning

23 Chair Cabrera and members of the Committee on

24 Governmental Operations. My name is Amy Loprest and I

25 am the Executive Director of the New York City

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2 Campaign Finance Board. I am joined by Eric Friedman,  
3 Assistant Executive Director for Public Affairs.

4 Thank you for the opportunity to testify today. As

5 you know, New York City's Campaign Finance Program

6 has long been a model for reformers across the United

7 States seeking to limit the influence of money in

8 elections. Our Program remains strong because the

9 CFB and the Council have worked together over the

10 last 30 years to make improvements that further the

11 Program's goals of lowering the barriers to run for

12 office, amplifying the voices of small contributors,

13 and reducing corruption or the appearance of

14 corruption. The Charter amendment overwhelmingly

15 approved by New York City voters in November seeks to

16 build on the Program's success, further limiting the

17 corrupting influence of large contributions and

18 making it possible for more candidates to rely on

19 small-dollar contributions. The approval of Ballot

20 Question One was a show of support for the

21 exceptional system that we have built together. One

22 implementation challenge of the Charter amendment is

23 that it allows candidates to choose which version of

24 the Program they will participate in for the 2021

25 election cycle. Participating candidates can opt to

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2 run under the existing program or Option B with  
3 contribution limits up to \$5,100 for citywide offices  
4 and a matching rate of six to one up to the first 175  
5 dollars of qualifying contributions, or under the new  
6 program, Option A, with lower contribution limits—up  
7 to \$2,000 for citywide offices, and an increased  
8 matching rate of eight to one for the first 250  
9 dollars of qualifying contributions. Intro. Number  
10 1288 would offer this same choice to candidates  
11 running in the February 2019 special election for  
12 Public Advocate, who would be able to continue  
13 fundraising under the existing matching funds  
14 program, or opt into the new program. The intent of  
15 this bill is to further the policy aims we jointly  
16 support: limiting the influence of large donors  
17 while increasing the value of small contributions.  
18 Since the Charter Revision Commission issued its  
19 proposals in September, CFB staff has been working to  
20 determine how we will implement these changes for the  
21 2021 elections, particularly the choice between  
22 programs. The parallel sets of contribution limits,  
23 matching rates, match amounts, and public funds caps  
24 will require significant modifications to all of the  
25 CFB's major information systems, including our

2 internal database, CFIS, the disclosure platforms for  
3 candidates, C-SMART, and our online fundraising  
4 platform, NYC Votes Contribute. Our staff has  
5 already begun the extensive work that is needed, and  
6 we have been keeping to an aggressive timeline in  
7 order to complete it in time for the 2021 elections.  
8 Providing the choice for candidates in the special  
9 election compresses our implementation timeline  
10 considerably. It is important to be clear about the  
11 implications it will have for candidates. Put  
12 simply, it is not feasible to complete the work of  
13 redeveloping all of our systems before a special  
14 election is declared in January. While we work as  
15 diligently as possible to make the process run as it  
16 usually does, there is a real possibility that we  
17 have to operate in two systems. This means that for  
18 candidates who choose the existing program, Option B,  
19 everything will proceed as normal; candidates who  
20 choose the new program, Option A, will undergo a more  
21 manual and time-intensive process. All candidates  
22 will be able to file disclosures electronically  
23 through C-SMART; however, many of the regular  
24 administrative reviews done systematically by CFIS  
25 will need to be done manually. For instance,

2 determinations about whether candidates have met the  
3 threshold to qualify for public funds and  
4 calculations of their matching funds payments may  
5 have to be done on paper. This will also affect the  
6 manner in which candidates receive public funds.  
7 Currently, we conduct payments almost entirely  
8 through electronic funds transfer, which is enabled  
9 by CFIS. Because payments for Option A candidates  
10 will not be calculated in our system, we will have to  
11 pay those candidates by paper check. It typically  
12 takes payments by check longer to appear in a  
13 candidate's bank account, whereas electronic funds  
14 transfers clear a candidate's bank account in the  
15 same day they are sent. Any delay in the  
16 availability of funds during a compressed special  
17 election period could potentially make a material  
18 difference in a race with a crowded field.  
19 Additionally, it is unlikely we will be able to  
20 program the regular checks and warnings into C-SMART  
21 that help candidates with compliance. While we will  
22 provide comprehensive guidance to candidates, we also  
23 recognize that errors happen even with the best  
24 training. Without these systematic checks in place,  
25 heightened vigilance will be required of candidates

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2 and their staff to avoid inadvertent violations and  
3 penalties. We also want to be clear that there will  
4 be other downstream impacts of manually implementing  
5 Option A. Because we will be auditing matching  
6 claims, determining threshold, and calculating  
7 payments manually rather than systematically,  
8 statement reviews for the special election may take  
9 longer than they typically would, as will statement  
10 reviews for 2021 candidates. This will also take  
11 resources away from completing the audits for  
12 candidates in the 2017 election. We have engaged with  
13 the Council and worked together on improvements to  
14 the bill that will alleviate some of our  
15 administrative concerns, although these will not  
16 entirely resolve the issues that I outlined above.  
17 For example, the bill requires that candidates in the  
18 special election conduct their entire campaign under  
19 the system that they choose, eliminating the January  
20 12th cutoff for 2021 candidates and applying the  
21 contribution limits, matching rates, and matchable  
22 amounts retroactively to the entire cycle. We  
23 believe making the system a straightforward choice  
24 will significantly reduce the possibility for human  
25 error as we perform our calculations. Additionally,

2 the bill would lower the threshold to qualify for  
3 matching funds in special elections so that  
4 candidates for citywide offices will only need to  
5 raise half the dollar amount as for regular  
6 elections, or \$62,500 rather than \$125,000. This will  
7 ensure that candidates can actually get the benefit  
8 of public matching funds during a tight special  
9 election calendar. Finally, the bill cuts the  
10 threshold to qualify for CFB debates in half, which  
11 will help ensure that candidates running competitive  
12 campaigns will have access to this important  
13 opportunity to communicate with voters. Again, we  
14 share the aims of Intro. 1288. We want to be clear  
15 about the challenges we will face during the bill's  
16 implementation. We appreciate the open communication  
17 we've had with the Council about our administrative  
18 concerns. While many issues remain, we want to  
19 acknowledge those concerns that were taken into  
20 account during the drafting of the bill, which will  
21 help simplify the system for candidates running in  
22 this special election, and for our staff who will be  
23 operating with some administrative limitations on  
24 this timeframe. Thank you again for the opportunity



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2 to testify today, and I am happy to answer any  
3 questions.

4                   CHAIRPERSON CABRERA: Thank you so much,  
5 and I'm just going to ask a couple of questions and  
6 turn it over to the sponsor of the bill and anyone  
7 else who have questions today. But look, we're  
8 talking about, I believe there's 22 candidates. Out  
9 of those 22, I'm estimating probably we're going to  
10 end up with 10 of them. Out of those 10, my guess  
11 just looking at the-- many of-- many of them already  
12 have done fundraising. Some of them have half of a  
13 million dollars in the bank already, and therefore  
14 they're very less likely to opt-in into Option A.  
15 so, if I were to guess, maybe we're talking about  
16 five candidates who may opt-in, and I have confidence  
17 in the CFB, and I want to thank you for your  
18 intentionality that you, you know, in concept you  
19 believe that what the voters, you know, loudly vote--  
20 I don't remember the last time we had so many of our  
21 constituents vote on a particular issue. So, I thank  
22 you for that, and I carry those sentiments, but if  
23 we're only talking about maybe five candidates I  
24 mean, it seems to me that will be manageable. And I  
25 heard your concerns, and you know, they're valid

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2 concerns, but we're only talking about maybe five of  
3 those, six max. Is it that we need to hire more  
4 people to accomplish this goal? What would get us to  
5 the finish line?

6 EXECUTIVE DIRECTOR LOPREST: well, I  
7 mean, as I-- as you know, we will do whatever we can  
8 to make sure that the program runs smoothly for the  
9 special election. We have, you know, the difficulty  
10 is that you have to run two sessions [sic] at the  
11 same time, and you know, while we are planning for  
12 that for the 2021 election, and we will-- it'll be  
13 much more compressed timeframe to get it done.  
14 You're right, even if there are only-- it's only one  
15 candidate we'd obviously have to run, the second  
16 system for that one candidate, so the talent is  
17 building a computer system is the same for one  
18 person, you know, versus 100. So, we would still  
19 have the same challenges, but of course, we will try  
20 and make sure that the system runs as smoothly as  
21 possible. We've already begun, you know, thinking  
22 about ways to work the system to make sure that it  
23 does run smoothly. I just wanted to make sure that  
24 you and the public were aware that there, you know,

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2 there are some challenges and some risks in the way  
3 that we have to accomplish this.

4 CHAIRPERSON CABRERA: And I appreciate  
5 you sharing those challenges, because they are real  
6 challenges. You know, this-- we're talking about a  
7 short amount of time between now and the special  
8 election, and so we recognize that. You know I want  
9 you to know that we're not blind to that, but I'm  
10 also very confident in your capacity and competency  
11 to be able to get this done. With that, let's move  
12 on to the sponsor of the bill, Council Member Ben  
13 Kallos. I want to acknowledge we've been joined by  
14 Council Member Powers and Council Member Yeger who  
15 was here right from the beginning as always. He's  
16 always here to the very end as well.

17 COUNCIL MEMBER KALLOS: I want to start  
18 by thanking the Campaign Finance Board for working  
19 with us, and in the interest of transparency,  
20 including some of the great work we were able to do  
21 together in your testimony specifically. I agree  
22 with you, I think that Question One should be applied  
23 to retroactively. I don't think that people should be  
24 able to take large money and then come back in and  
25 then participate in a system with less big money and

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2 have to compete against people who aren't going to  
3 take big money, and then similarly, I really  
4 appreciate working with you to lower the amount of  
5 money threshold. I've heard a lot of criticism that  
6 candidates for Mayor had difficulty reaching that,  
7 and so being able to change that citywide is  
8 incredibly helpful. Additionally, the Chair brought  
9 up a question about people who had already raised  
10 money. In your post-election review, it seems that  
11 the Campaign Finance Board already has an opinion on  
12 people who have non-city accounts who already have  
13 what in the lingo might be called "war chests." If  
14 you can just share what the Campaign Finance Board's  
15 position is on somebody bringing money that is not  
16 from a city account into the city system, what would  
17 normally be called a "war chest?"

18 EXECUTIVE DIRECTOR LOPREST: Well, you  
19 know, the law has-- and our rules have protections to  
20 make sure that any money that's brought from a  
21 different camp-- raised for a different campaign  
22 follows the same laws and regulations that money that  
23 is in-- you know, in-- that's raised under the  
24 current limit. So, we analyze any-- all of that money  
25 that's transferred to ensure that it doesn't include

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2 prohibited contributions, contributions that are over  
3 the limit, and don't allow those to be transferred  
4 into your current campaign.

5 COUNCIL MEMBER KALLOS: And if we could  
6 go further, what was your recommendation, I believe  
7 number 12?

8 EXECUTIVE DIRECTOR LOPREST: You're going  
9 to have to make me remember. I think that, you know,  
10 in general the CFB would think that it's probably  
11 best for people to start raising their contributions  
12 for each election separately.

13 COUNCIL MEMBER KALLOS: I agree. I would  
14 like to get rid of war chests, and I would also like  
15 to kill the "zombie committees." Those are  
16 committees that are formed for an election and then  
17 have enormous amounts of money left over for  
18 candidates who will never run again or may actually  
19 already be dead. That's why I call them the "zombie  
20 committees," and I'm all about killing zombies. The-

21 -

22 EXECUTIVE DIRECTOR LOPREST: [interposing]  
23 And I only ever heard that yesterday for the first  
24 time, that term "zombie committee."

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2 COUNCIL MEMBER KALLOS: Fair enough. In  
3 terms of one of the times you raised, you indicate  
4 you might wish to pay by paper check, I do not have  
5 CFIS. As a candidate for City Council I submitted to  
6 you wire transfers, because the way the candidates  
7 for City Council pay for our mail and other covered  
8 transactions is through wire transfer because with  
9 the timeline from when we get paid in August to when  
10 the mail drops a week or two later, the check  
11 wouldn't clear, as just you mentioned, and you have  
12 to buy the paper, the ink, and send it to tens of  
13 thousands of people. Would the Campaign Finance  
14 Board, similarly rather than using CFIS to  
15 automatically generate the wire transfer, be able to  
16 go to a bank and manually initiate the wire transfer?

17 EXECUTIVE DIRECTOR LOPREST: We have--  
18 the way we do the wire transfers is through the  
19 system and it's through a bank. Obviously we don't  
20 have funds. That is one of the most challenging and  
21 one of the things that we are working most vigilantly  
22 to make sure that we don't have to issue paper  
23 checks, because we do understand the implications of  
24 that, but of course, the payments are the most  
25 complicated part of the program, paying people at two

2 different rates, up to two different matchable  
3 amounts is the most complicated part of the system,  
4 and also the place where you want to have the best  
5 assurances that you're not doing anything wrong.

6 COUNCIL MEMBER KALLOS: I'm just narrowly  
7 asking about the paper check, and whether it is a  
8 check that is being cut by the Comptroller or the  
9 Office of Payroll Administration or if it's being  
10 maintained at a different banking institution, and if  
11 there's the capacity to issue a wire transfer outside  
12 of the CFIS system?

13 EXECUTIVE DIRECTOR LOPREST: I just don't  
14 know the answer to that question. That's one thing  
15 we can look into. I mean, we just begun to look into  
16 all the administrative--

17 COUNCIL MEMBER KALLOS: [interposing] And  
18 just to be fair, you asserted that you would need to  
19 do paper check but you weren't able to answer whether  
20 or not the electronic transfer was available, so I  
21 just would just say you shouldn't-- I would ask in  
22 the future that you have the answer that you fully  
23 explored on the electronic. In terms of on the C-  
24 SMART and the CFIS, you're indicating that you're  
25 concerned about some challenges with the system

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2 changes. Now, my understanding is that last year, in  
3 2017, the maximum contribution for a citywide  
4 candidate was 4,950 dollars. Is that correct?

5 EXECUTIVE DIRECTOR LOPREST: Yes.

6 COUNCIL MEMBER KALLOS: This year it is  
7 now 5,100, is that also correct?

8 EXECUTIVE DIRECTOR LOPREST: Yes.

9 COUNCIL MEMBER KALLOS: Does C-- has C-  
10 SMART been updated to accommodate the change in  
11 contribution limit?

12 EXECUTIVE DIRECTOR LOPREST: Yes.

13 COUNCIL MEMBER KALLOS: How long did that  
14 take?

15 EXECUTIVE DIRECTOR LOPREST: I am not  
16 sure, but again, the complication is doing two. I  
17 mean, you know, doing one is-- you know, making one  
18 change is different than making it, you know, change  
19 for the same office for the two different limits.

20 COUNCIL MEMBER KALLOS: So, I would argue  
21 that right now there are people who have un-- so  
22 let's just talk about in 2017. In 2017, or at least  
23 between 2014 and 2017 there are candidates running  
24 for City Council at the same time as there were  
25 candidates running in a special election for council.



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2 I believe that my colleague Rafael Salamanca had to  
3 run in three special elections. Sorry, a special  
4 election, a primary, and a general. So during that  
5 point you are running the Option B and then you are  
6 running special election. That special election had  
7 different limits, different everything. So you  
8 already have experience running a regular election,  
9 and an election with completely different rules. Do  
10 you not?

11 EXECUTIVE DIRECTOR LOPREST: Yes, but  
12 those are two different election cycles. So we have  
13 to consider all of the-- all of the places we  
14 disclosed. So there's public disclosure issues.  
15 There are in addition to the candidate, you know, the  
16 candidate's disclosure. So those are three different  
17 election-- two different election cycles. A special  
18 election is a different election cycle than an off-  
19 year election.

20 COUNCIL MEMBER KALLOS: So we're looking  
21 at a special election. How long did it take to set  
22 up this C-SMART for the pending election that folks  
23 are expecting, though it has not been called yet,  
24 because it has new limits, new thresholds, new

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2 everything, regardless of the implementation of this  
3 law.

4 EXECUTIVE DIRECTOR LOPREST: That's  
5 already been done.

6 COUNCIL MEMBER KALLOS: How long did it  
7 take?

8 EXECUTIVE DIRECTOR LOPREST: I mean, I  
9 don't know the exact number, but it doesn't--  
10 changing the limits for one office for one election  
11 cycle doesn't take a large amount of time again, the  
12 complexity is that we're doing two limits at the same  
13 time for the same election for the same election  
14 cycle. So it's different.

15 COUNCIL MEMBER KALLOS: technically  
16 speaking wouldn't it be just a matter of adding  
17 another special election into the C-SMART CFIS system  
18 saying okay, here's one Public Advocate race, and has  
19 the one set of limits which you've already set up.  
20 Here's a second Public Advocate's race which has a  
21 different limit and what have you?

22 EXECUTIVE DIRECTOR LOPREST: That's one  
23 idea that we are exploring. As I said, we're  
24 exploring different administrative ways to accomplish  
25 this. Of course, there are public disclosure issues

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27

2 with two different special elections. So, those peop-  
3 - the candidates would show up as in two different  
4 election cycles if we did it that way. So, that's one  
5 of the ideas that we are exploring to make it more  
6 efficient, but again, there are other downstream  
7 implications from that.

8 COUNCIL MEMBER KALLOS: You're indic--  
9 so, I just-- I appreciate you're willing to work  
10 together. Did you happen to know that I'm a software  
11 developer?

12 EXECUTIVE DIRECTOR LOPREST: We have  
13 staff who are very familiar with our software and our  
14 system, and our legacy system CFIS and are diligently  
15 working on that.

16 COUNCIL MEMBER KALLOS: If you believe  
17 that for whatever reason you are having difficulty,  
18 would you be willing to let me sit down with your  
19 software development team and your source code so I  
20 can see exactly where there may be room for debugging  
21 and improvement and better software code that would  
22 help facilitate things moving quicker.

23 EXECUTIVE DIRECTOR LOPREST: We are-- I  
24 mean, thank you, that's very nice.

25 COUNCIL MEMBER KALLOS: I won't--

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2 EXECUTIVE DIRECTOR LOPREST: [interposing]

3 I do have--

4 COUNCIL MEMBER KALLOS: [interposing] I'm

5 not allowed to have outside--

6 EXECUTIVE DIRECTOR LOPREST: [interposing]

7 staff of professionals who are working very

8 diligently on that. So hopefully we will not need to

9 take you up and you can continue doing your regular

10 day job.

11 COUNCIL MEMBER KALLOS: I appreciate it.

12 The last item which I just want to follow the Chair

13 on is you've indicated that you are concerned that

14 rolling out an additional option would have a

15 detrimental effect on audits for 2017. When you set

16 your budget, which you get on your own for the Fiscal

17 Year, did you contemplate that there would be a

18 citywide election?

19 EXECUTIVE DIRECTOR LOPREST: The special

20 elections, yes, but this will probably-- more audit

21 resources than we had anticipated because of the two

22 systems. Again, this is-- we're working on the plan

23 for how to accomplish this, but because there may

24 need to be additional manual reviews or additional

25 more detailed reviews because of the two options. It

2 may divert more audit resources than we had  
3 anticipated for the citywide special election.

4 COUNCIL MEMBER KALLOS: Is it possible to  
5 modify something like the City's budget to add the  
6 staff necessary to accommodate this and continue to  
7 walk and chew gum and text while walking across the  
8 street as it were?

9 EXECUTIVE DIRECTOR LOPREST: Again, as I  
10 said, we're looking into the administrative issues.  
11 We would like to try and-- we might need to add audit  
12 resources, and thank you for the offer to increase  
13 our budget. you know, again, it is a very short  
14 timeframe so we want to use the experienced staff  
15 that it's already trained in doing the audits to work  
16 on the 2019 special election.

17 COUNCIL MEMBER KALLOS: Those are my  
18 questions. I want to thank the Chair, and I had  
19 thanked him in my opening statement, I want to thank  
20 Keith Powers for being a co-prime initial sponsor on  
21 this.

22 CHAIRPERSON CABRERA: Thank you so much.  
23 I want to recognize we've been joined Council Member  
24 Perkins, and with that, let me just call on the way,  
25 Council Member Powers--

1 <INSERT TITLE OF MEETING>

30

2 COUNCIL MEMBER POWERS: [interposing]

3 Sure. Thank you. I'm sorry I missed your testimony.

4 This is the most well-attended hearing today if you

5 didn't recognize it. I was [inaudible] across the

6 street, so I had a-- so you're very lucky. I-- but

7 thank you for your testimony as always. I want to

8 just pick up. When Council Member Kallos was

9 introducing the bill and I thought that the voters

10 had just spoken on this issue and that we should

11 recognize their willingness. Plus, the

12 Administration has put this forward on the ballot,

13 and recognized that that was what I thought was to

14 put it into effect today, recognizing special

15 elections have different sets of rules, just sort of

16 all around. This-- I don't know if I heard this

17 question asked, so let me just repeat it or ask it.

18 This election is very quick. It's in February and I

19 recognize the difficulty for that. There are folks

20 who are in this body who-- in this body who are

21 running for that seat. There are others who are

22 pursuing other seats before 2021. Is there a

23 timeline by which you think you could implement?

24 It's not February. By which this could be

25 implemented for other special elections so that we're

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2 not waiting to 2021 to implement what the voters have  
3 just voted on in this Administration and, you know,  
4 initiated which was to do eight to one matching  
5 amongst-- essentially the eight to one matching.

6 EXECUTIVE DIRECTOR LOPREST: SO, you  
7 know, we're committed to, you know, to doing what--  
8 if the Council passes a law for the special election  
9 to meeting that deadline, and I appreciate Council  
10 Member Cabrera's confidence in our staff. I mean, I  
11 just wanted to point out some of the possible  
12 pitfalls that might happen in the quick  
13 implementation. I don't-- haven't really  
14 contemplated that, you know, when we could, and we  
15 had been planning for 2021. Obviously, the 2021 is  
16 ongoing, so we were making plans for implementing it  
17 for-- some fixes for the first disclosure statement  
18 where the full choice would be implemented, which is  
19 in July, and then in January, so you know, certainly  
20 by next January we should have most of the  
21 implementation done for those-- for the 2021  
22 election.

23 COUNCIL MEMBER POWERS: Okay, that's  
24 great. And the-- and this would leave people the  
25 option to run under two systems, immediately, sort of

2 today and immediately, is that right? And then to  
3 Council Member Kallos' question, if you are a  
4 candidate who has already raised money, that money  
5 can be rolled over, but it wouldn't be subject to  
6 matching funds if you raised money in prior, I guess,  
7 cycles? Or like, the oddity of this race plus-- the  
8 oddity of this race, I think, really is that you have  
9 the timing of it and then the different sort of  
10 systems that are set up here. So, if you-- just to  
11 follow up on his question, if you have money raised  
12 today, that is not subject-- that money is not  
13 subject to matching funds, but you can them imp--  
14 then you can choose one of your programs and go into  
15 one of the-- if this bill passed-- into A or B, six  
16 to one, eight to one, with different limits, and  
17 you'd have to start all of your fund raising from  
18 there to get the matching funds, is that correct?

19 EXECUTIVE DIRECTOR LOPREST: Yes.

20 COUNCIL MEMBER POWERS: Confusing  
21 question, I know.

22 EXECUTIVE DIRECTOR LOPREST: [inaudible]

23 COUNCIL MEMBER POWERS: For me, too.

24

25



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2 EXECUTIVE DIRECTOR LOPREST: [inaudible]  
3 just the answer, yes, yes, you'll have that right,  
4 yes.

5 ERIC FRIEDMAN: They'll-- if they raised  
6 2,550 they would have to give back 1,550 dollars if  
7 they chose.

8 COUNCIL MEMBER POWERS: If they choose  
9 Option B.

10 ERIC FRIEDMAN: Yes.

11 EXECUTIVE DIRECTOR LOPREST: Yeah.

12 COUNCIL MEMBER POWERS: Okay.

13 EXECUTIVE DIRECTOR LOPREST: But  
14 everybody-- I mean, so in a special election the  
15 contribution limits are already half. So people who  
16 had been raising money anticipating a 2021 election  
17 were already going to have to return contribution--  
18 half the contributions that they had raised, because  
19 the contribution limit for a special election is  
20 already half the--

21 COUNCIL MEMBER POWERS: [interposing] And  
22 if you had money rolled over from the last election  
23 cycle, you would have to refund contributions to get  
24 them down? If you chose the eight to one--

25

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2 EXECUTIVE DIRECTOR LOPREST: [interposing]  
3 Yes.

4 COUNCIL MEMBER POWERS: and the thousand  
5 dollar or whatever the limit is citywide, you'd have  
6 to then refund money.

7 EXECUTIVE DIRECTOR LOPREST: Yes, and my  
8 point is that both people, you know, under either  
9 system you would have to-- either under Option A or  
10 Option B, the new system--

11 COUNCIL MEMBER POWERS: [interposing]  
12 Right, because it's a thousand dollars, or whatever,  
13 right, right, okay, right. So everybody's got to--  
14 if you have raised you have to refund. I understood  
15 [sic] this question is practical because this is a  
16 good opportunity actually for the 25 candidates who  
17 are running for Public Advocate to understand what  
18 the system is they'll be living under for the next  
19 few months. What other challenges do you have? It's  
20 how to pay, just I think timing to get the software  
21 up. What are the other challenges in terms of-- I  
22 mean, is the amount of candidates a challenge for you  
23 today if they all made the ballots?

24 EXECUTIVE DIRECTOR LOPREST: I mean, we--  
25 you know, we would handle the amount, you know, the

2 candidates. It's really-- it's really programming  
3 the system, all of our administrative systems. We  
4 have our internal database system, CFIS which does--  
5 helps with the audit staff do their audit reviews and  
6 to calculate the payments and to determine whether  
7 candidates have met the threshold, so that would have  
8 to be altered, and there's a chance that if we cannot  
9 alter it we would have to do some of those reviews  
10 manually. Then there's the warnings and information  
11 that our disclosure software C-SMART gives to  
12 candidates as they collect contributions to warn them  
13 when they're accepting a contribution over the limit,  
14 so those would all have to be changed for two  
15 different limits, also two different matching rates  
16 in that knowing whether you've entered a matchable  
17 amount.

18 COUNCIL MEMBER POWERS: Right, right.

19 EXECUTIVE DIRECTOR LOPREST: You know,  
20 [inaudible] 135, 250, and then also the same concerns  
21 with our software NYC Votes Contribute, the online  
22 platform to collect credit card contributions.

23 COUNCIL MEMBER POWERS: Got it, thank  
24 you. And my last question is, I guess, special  
25 elections are so much different in so many different

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2 ways, not partisan, contribution side. Have-- I know  
3 this is a-- from a prior Administration, a prior  
4 time, but has there been any conversation or effort  
5 to maybe make the special-- I mean, the idea that  
6 special election pops up and you now have to live by  
7 a whole set of rules that are different than the way  
8 you're raising money before that. Has there ever  
9 been an effort to try to make the laws in governing  
10 special elections and campaign finance sort of  
11 resemble those that would be ordinary here?

12 EXECUTIVE DIRECTOR LOPREST: You know,  
13 there have been some changes to the way special  
14 elections. So, a few years ago the matchable amount  
15 also was half for special elections, and so that was  
16 the Council on our recommendation changed that to  
17 make it match because that made it much more  
18 difficult. This bill also have the threshold which  
19 will make it easier for candidates in special  
20 election to meet the threshold, which is always a  
21 challenges in the compressed timeframe. The  
22 contribution limits match kind of the- currently,  
23 contributions limits apply across the entire election  
24 cycle for a primary and general election and that's  
25 the theory why the contribution limit is half, eh

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2 spending limit for a primary, then there's--  
3 depending on from the general election. So, it's  
4 the spending on [inaudible] is the same as the  
5 spending for a single election, so it's the same.

6 COUNCIL MEMBER POWERS: Got it. And my--  
7 sorry, this is my actual last question. Any  
8 challenges you have heard from the candidates today  
9 who are running? About fundraising for this election  
10 either in terms or around the law that have come up  
11 with common questions or complaints or concerns?

12 EXECUTIVE DIRECTOR LOPREST: I mean, you  
13 know, we have been in the process, you know, of  
14 answering questions and providing guidance for all of  
15 the potential candidates in that question. You know,  
16 a lot of questions transferring money, a lot of  
17 questions about the contribution limits. So they've  
18 all be trained on what the alw-- rules are at this  
19 moment. You know, we will do our best to do to reach  
20 and to explain the two different options if this law  
21 passes.

22 COUNCIL MEMBER POWERS: Okay, I  
23 appreciate that, and it's a lot candidates, and not  
24 everybody can afford a lawyer to help them go through  
25 compliance or stuff like that. So more--I have to

2 stay, you guys do-- you are very proactive. I have  
3 no concern about that, but I certainly think in this  
4 particular incident with the timing and the amount of  
5 candidates, proactive is a good approach. And I think  
6 some of the smaller candidates who are getting in are  
7 state candidates who have never run under this system  
8 certainly will need some assistance here to help  
9 them.

10 EXECUTIVE DIRECTOR LOPREST: I mean, we of  
11 course have our candidate division who will provide  
12 guidance and prepare documents for the candidates and  
13 do training for them to make sure that everyone  
14 understand the rules that they're operating under.

15 COUNCIL MEMBER POWERS: Thank you. I'm  
16 sorry for taking so much time, and I do have to run,  
17 I'm sorry. But I thank you for your willingness to be  
18 cooperative with our effort here. Thanks.

19 CHAIRPERSON CABRERA: Thank you so much,  
20 Council Member Yeger?

21 COUNCIL MEMBER YEGER: Thank you Mr.  
22 Chairman. Good morning, Madam Director. I share my  
23 colleagues' confidence by the way in your ability to  
24 work well under limitations that are not of your  
25 making. After 9/11 the agency was able to regroup at

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2 Fordham and managed to get the payments out. After  
3 Sandy you were able to regroup in a new location. So  
4 I am confident that even though you are literally in -  
5 - this is not of your own making, and if you have to  
6 comply you will I know you can. Doesn't mean I agree  
7 with it and doesn't mean I think you should have to,  
8 but I just wanted to tell you that. During the  
9 course of the charter commission's conversations that  
10 they were having about how to implement Question One  
11 and when to make it, and obviously they made a choice  
12 that the question they would present to the voters  
13 was to make it effective for the 21 municipal  
14 elections and to specifically exclude elections held  
15 prior thereto. Did you have conversations, did your  
16 agency have conversations with the Charter Revision  
17 Commission to let them know that there would be some  
18 kind of problem or it'd be difficult for the agency  
19 to comply if it was asked to do this effectively  
20 immediately as it were?

21 EXECUTIVE DIRECTOR LOPREST: Yes, we did  
22 have those conversations.

23 COUNCIL MEMBER YEGER: So, presumably,  
24 the Charter Revision Commission, the wise beings that  
25 they are, when they presented the question to the

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2 voters and the voters, the wise beings that they are,  
3 were aware of the choice that they would be making  
4 which is to make this effective the 2021 election.

5 EXECUTIVE DIRECTOR LOPREST: Yes.

6 COUNCIL MEMBER YEGER: Okay. My  
7 district, by the way, the voters chose no. My  
8 district is the only district where the voters chose  
9 no on all three questions. We are very wise there,  
10 but my voters in my district did not wish to abide by  
11 the Charter Revision Commission's demands on them.  
12 but my point is that your agency had conversations  
13 with the body that was presenting this question, that  
14 was designing the question that was framing a  
15 framework-- didn't mean to phrase it that way-- for  
16 what the charter would look like and presented it to  
17 the voters based on your knowledgeable and  
18 experienced conversations, and that was what the  
19 voters chose.

20 EXECUTIVE DIRECTOR LOPREST: Yes.

21 COUNCIL MEMBER YEGER: Okay. I'm going to  
22 read something to you. "We are disappointed the  
23 Council is considering these significant changes to  
24 the Campaign Finance Program only 10 months before  
25 many of its members will appear on primary ballots.



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2 The Act require the Board to issue its  
3 recommendations for legislative changes three years  
4 before the next election. The timeline provides for  
5 the ample time to assess the potential impact of  
6 changes, discuss the policy, and ensure there's  
7 smooth implementation. These recommendations are  
8 informed and supported by comprehensive analysis of  
9 the data from the previous election and our  
10 experience administering the program."

11 EXECUTIVE DIRECTOR LOPREST: Yes, I  
12 recognize.

13 COUNCIL MEMBER YEGER: And you made a lot  
14 of sense when you said that, and this is not a  
15 critique in any way. This is to bring out and this  
16 is the only way I know how to ask questions in this  
17 format; it's my training unfortunately. But when the  
18 Council four two years ago deliberated about  
19 significant changes in some view, insignificant in  
20 other view, important changes in some views, maybe  
21 not in important in other views, the position of your  
22 agency was, "don't change the rules in the middle of  
23 the game." Is that a fair way to paraphrase the  
24 position that you were taking?

25

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2 EXECUTIVE DIRECTOR LOPREST: Yes,  
3 especially at the late date that that was in the  
4 election cycle.

5 COUNCIL MEMBER YEGER: Literally adopted  
6 10months before the primary.

7 EXECUTIVE DIRECTOR LOPREST: Yes.

8 COUNCIL MEMBER YEGER: And candidates were  
9 raising for three years prior thereto.

10 EXECUTIVE DIRECTOR LOPREST: Yes.

11 COUNCIL MEMBER YEGER: Okay. You've had  
12 some experience with special elections, your agency.  
13 I have as well with your agency. And so at this  
14 point in the calendar, you can make an educated guess  
15 as to approximately how far away we are from the  
16 special election.

17 EXECUTIVE DIRECTOR LOPREST: Well, the  
18 vacancy will occur on January 1<sup>st</sup>. The Mayor will  
19 issue probably a proclamation on January 2<sup>nd</sup>. The  
20 election has to occur within 45 days. So, I think,  
21 if I might-- our calculations are correct, the latest  
22 it could be is February 26<sup>th</sup>.

23 COUNCIL MEMBER YEGER: So, that's my  
24 calculation as well, and either February 19<sup>th</sup> or 26,

25

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2 the Mayor's like to make these on Tuesdays. It's  
3 about 80 days. It's much less than 10 months.

4 EXECUTIVE DIRECTOR LOPREST: Yes.

5 COUNCIL MEMBER YEGER: Okay. We urge the  
6 council to delay consideration of many of these  
7 proposals until after the 2017 election. This would  
8 allow for a thoughtful analysis of their impact and  
9 deflect accusations that members are seeing advantage  
10 for their own campaigns. Enacting these proposals  
11 now will disrupt the Boards' preparation for the  
12 election year and require hasty decisions about  
13 limitation. Do you think that there's been  
14 thoughtful analysis of the impact of the changes?  
15 Well, let me rephrase that. Withdraw that. Have you  
16 been able to-- I'll leave out the word thoughtful.  
17 But has your agency been able to fully analyze the  
18 implications of the changes that you're being forced  
19 to undertake?

20 EXECUTIVE DIRECTOR LOPREST: Well, we  
21 had, obviously, you know, started thinking about the  
22 implementation of the 2021 charter changes after they  
23 were passed, after they were recommended in  
24 September. We started talking about them. And we  
25 have, you know, as this bill has been introduced been

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2 thinking about how to administer and the implications  
3 of it, and that's the basis of my testimony.

4 COUNCIL MEMBER YEGER: Referring to when-  
5 -

6 EXECUTIVE DIRECTOR LOPREST: [interposing]  
7 I guess.

8 COUNCIL MEMBER YEGER: no, go ahead.

9 EXECUTIVE DIRECTOR LOPREST: I mean, the  
10 recommendations that were in the charter, the charter  
11 referendum, and the same-- these are based on those  
12 same recommendations, were based on the analysis from  
13 our analysis of the 2017 election. So, I don't want  
14 to leave you with the impression that the-- the--  
15 each one and the 250, all of those were based on our  
16 analysis of the program in eh 2017 election and part  
17 based on our recommendations.

18 COUNCIL MEMBER YEGER: And Madam  
19 Director, that's my point to you is that you engaged  
20 in a thoughtful analysis-- I believe you did it in a  
21 thoughtful analysis about the implications of the  
22 discussions that the Charter Revision Commission was  
23 undertaking as it relates to 2021 with the specific  
24 knowledge that if the voters were to adopt it, this  
25 would be in effect in 2021. If the voters were not

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2 adopt it, you know, all systems go as they were. But  
3 that was the thoughtful analysis that you undertook  
4 because that was the set of facts that you were  
5 presented. And here we are, 80 days or thereabout  
6 prior to an election, and you're being asked- you're  
7 being told to this council because this will passed.  
8 You know, this-- a bill doesn't get introduced on  
9 Tuesday, heard on Wednesday if it's not going to  
10 pass. So, you know, it's not going to have my vote,  
11 but it will pass. You're being forced to engage in  
12 this notwithstanding the fact that your thoughtful  
13 analysis came to the conclusion that this not a  
14 workable thing for you to do.

15 EXECUTIVE DIRECTOR LOPREST: You know, as  
16 I said, you know, before, I mean, these are there  
17 concerns. We absolutely will do the best that we can  
18 to make sure that we protect the tax payer money as  
19 we always do, that we pay out the public funds to  
20 candidates as they're entitled, that people will have  
21 the guidance of our staff, and to the extent possible  
22 for our computer systems.

23 COUNCIL MEMBER YEGER: Okay. In your view,  
24 does it make sense for the candidates in the same  
25 race to operate in the different sets of rules? It's

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2 a matter of good government. It's a matter of the  
3 overseer in fair elections in the City. Two  
4 candidates in the same race-- three candidates in the  
5 same race can be operating under three separate sets  
6 of financing rules. Do you think that's fair?

7 EXECUTIVE DIRECTOR LOPREST: Well,  
8 they're not three sets. I mean--

9 COUNCIL MEMBER YEGER: [interposing] non-  
10 participant, Option A, Option B.

11 EXECUTIVE DIRECTOR LOPREST: Well, the  
12 non-participants are for these elections until the--  
13 until the Charter fully takes effect after the 2021  
14 election when there's no option. They're-- non-  
15 participants operate under Option B. So, there will  
16 always be--

17 COUNCIL MEMBER YEGER: [interposing] Well,  
18 no, non-participants-- forgive me, I'm sorry. Non-  
19 participants operate under Option "none of the  
20 above," because they can self-fund if they choose to.

21 EXECUTIVE DIRECTOR LOPREST: Self-funders  
22 are different, yes--

23 COUNCIL MEMBER YEGER: [interposing] And  
24 so that's a whole new set of rules for the very  
25 special wealthy. So, really three different kinds of

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2 groups of people may be running, or non-participants  
3 who don't choose to self-fund, but can go out and  
4 raise, and I guess those people would be Option B  
5 people, except that they're not taking public funds,  
6 but of course, they wouldn't have caps. So, three  
7 separate rules broadly speaking for three different  
8 kinds of candidates.

9 EXECUTIVE DIRECTOR LOPREST: I can say  
10 that we, you know, were not in favor of giving  
11 candidates a choice. We thought it was best to have  
12 one system for candidates.

13 COUNCIL MEMBER YEGER: I couldn't agree  
14 more.

15 EXECUTIVE DIRECTOR LOPREST: Obviously,  
16 non-participants, you know, self-funders always  
17 operated under a different system under the  
18 Constitution, so there's no difference, but we  
19 didn't-- we were not a proponent of giving people a  
20 choice between two different systems.

21 COUNCIL MEMBER YEGER: And are you able  
22 to share any insight into why that was ultimately the  
23 offer that was made?

24

25

2 EXECUTIVE DIRECTOR LOPREST: I mean,  
3 that's the Charter Revision Commission's  
4 recommendation.

5 COUNCIL MEMBER YEGER: I think it was  
6 because some candidate said to the Charter Revision  
7 Commission, hey, we don't want you take away our  
8 money, and if you're going to change the rules of the  
9 game, let us keep what we have? Because we can take  
10 up to 5,100-- Eric, it's okay.

11 EXECUTIVE DIRECTOR LOPREST: I'm not going  
12 to speculate on their--

13 COUNCIL MEMBER YEGER: [interposing] We  
14 can take up the 5,100 dollars right now and, you  
15 know, you're going to change the rules and they're  
16 we're not going to be able to take the \$5,100-- don't  
17 take away our money. By the way, 20 years ago the  
18 same thing happened when corporations were no longer  
19 able to give after 1998. And in 2007, when LLCs were  
20 being banned, the same thing happened. It was this  
21 rush. Everybody knew the rules were changing would  
22 suck up all that money about to be banned prior to  
23 the deadline, after which they will no longer be  
24 allowed. So, here are these candidates, whoever was  
25 smart enough, fortuitous enough,-- me not being one



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2 of them, I don't have a committee open yet-- for a  
3 different cycle. They were sucking up the big cash  
4 and they didn't want to have the rules changed and  
5 required the money to go back. So what we were given  
6 as a choice, voters in my community having wisely au  
7 pined otherwise, was don't worry about it candidates  
8 who have already sucked up the big cash. You're  
9 going to be able to keep that money, and we're going  
10 to make a whole new set of rules with a big fat tax-  
11 payer check for those people, and you'll still get  
12 your fat tax-payer check, it'll just be a little tiny  
13 less. And to illustrate, right now at 55 percent  
14 which would be the Option B, candidate for Public  
15 Advocate can get 2.5 million dollars if they full  
16 raise-- it's a lot of money. I mean, we can-- 2.5  
17 million dollars hires at least a couple of school  
18 teachers. And under this system, Option A, the  
19 maximum would be 3.4 million dollars, a 911,000-  
20 dollar increase. 911,000 dollars hires at least nine  
21 cops. And you know, clearly what-- the system that  
22 we're setting up here is a system which has inherent  
23 hypocrisy. You don't have to say yes or no on that.  
24 Inherent on fairness because we have candidates who  
25 will be able to, in this special election in 80 days

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2 from now, we have candidates who will abide by Option  
3 A and say I'm only going to take 1,000 dollars and we  
4 have candidates who are going to say, "That's okay by  
5 you, but you can do that if you want to, but I'm  
6 taking \$2,550." Is that fair. Beside the Valley of  
7 Buckley [sic] people who can spend whatever they  
8 want, but is that fair? That within a public  
9 financing system itself, we have--

10 EXECUTIVE DIRECTOR LOPREST: [interposing]

11 Well, as I said, we were not supporters of the  
12 choice. I mean, the-- we are proponents of the goals  
13 that-- lowering the contribution limit and increasing  
14 the matching rate will increase the amount of small  
15 donors in the process, reduce the influence of big  
16 money and the appearance of corruption. So, the  
17 recommendations, you know, the Option A  
18 recommendations are based on our--

19 COUNCIL MEMBER YEGER: [interposing]

20 Madam--

21 EXECUTIVE DIRECTOR LOPREST: you know,  
22 the stated goals of the public financing program.

23 COUNCIL MEMBER YEGER: So, I appreciate  
24 the diplomatic answer, but honestly, you know, you're  
25 a voice on this issue, not just here in the Council.

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2 You travel to other cities. You talk about the  
3 program here in New York. It's nationally  
4 recognized. I mean, it's the first of its kind. It  
5 still is the first of its kind. It still is the  
6 best. I don't think there's something better out  
7 there that's fairer that encourages more people to  
8 get in. you know, I was outspent three or four or  
9 five to one, but if-- you know, and I was stuck in  
10 the campaign finance room; can't get out after a  
11 certain point in time. but the program was good to  
12 me, because I complied with the rules, and because of  
13 that the covenant between myself and my government is  
14 that if I do my part, the government will help me  
15 because I'm limiting my ability to take money from  
16 various sources, and I'm abiding by a cap which my  
17 component did not the government will say, "Here's  
18 \$100,000." In this race we're basically saying-- the  
19 government's going to say you get 100, you get 150.  
20 Or to be more precise, you get 2.5, you get 3.4. So,  
21 my point is, I appreciate the diplomatic way you're  
22 saying it, but my question really is because you are  
23 a voice on this, but is it fair that we're in an  
24 election where there-- and leave aside the self-  
25 funders how have the constitutional right to do as

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2 they please-- that we have two sets of candidates  
3 both of which have their hands out at your front door  
4 asking for you to give them a check of our  
5 community's tax dollars. And one candidate says,  
6 "I'm willing to limit who I take money from to an  
7 appropriately low level of a thousand dollars a  
8 person." And the other candidate says, "No, no,  
9 \$2,550 is mine. Give me my money." Is it fair for  
10 two sets of rules in the same race? Is it fair for a  
11 government to set up rules deliberately, leaving  
12 aside the things that are out of our control like the  
13 constitutional requirements. Is that fair?

14 EXECUTIVE DIRECTOR LOPREST: I mean,  
15 again, this was the choice that the Charter Revision  
16 Commission gave the voters and that the voters voted  
17 on. So, I mean, again, you know, as I said before--

18 COUNCIL MEMBER YEGER: [interposing] Your  
19 opinion, your--

20 EXECUTIVE DIRECTOR LOPREST: [interposing]  
21 Our opinion is that having a choice is not, you know,  
22 is not the best.

23 COUNCIL MEMBER YEGER: I take that as no,  
24 because you don't want to say no because you're  
25 diplomatic. Okay, got it. Alright, fair enough.

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2 I'm going to let you go on that. There was a  
3 conversation about paper checks, and I just want to  
4 state for the record that-- and you can answer if you  
5 wish, but I'm going to state it because I feel it  
6 needs to be said, that it's a paper check issued by  
7 the City of New York. It clears overnight if you  
8 take it to your teller window. It's good money.  
9 Promise you, the City had 90 billion dollars. We  
10 have it. It's good money. After 9/11 when the  
11 offices had to move-- be moved over to Fordham, the  
12 agency was issuing paper checks requiring people to  
13 come and pick them up, and I don't know if that was  
14 always the process then, the paper check process, but  
15 paper checks were a thing in the 90s or a thing in  
16 the 2000s. It's not a big deal, by the way, in my  
17 campaign. Nearly every single bill was paid by  
18 check. I think it's the best practice for the book-  
19 keeping back and forth so that there can be an actual  
20 printed record of how the item was negotiated versus  
21 a wire transfer. So, I don't have a problem with the  
22 paper checks, and I check your agency in issuing the  
23 paper checks. We'll be fine with that.

24

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2 EXECUTIVE DIRECTOR LOPREST: I mean, you  
3 are correct that in the past, you know, certainly in  
4 2001, all checks were issued by paper.

5 COUNCIL MEMBER YEGER: Okay. And the  
6 automatic transfers were something that was really  
7 just done in the last decade. My recollection, since  
8 2009- 2005--

9 EXECUTIVE DIRECTOR LOPREST: [interposing]  
10 I think it might have been in the 2005--

11 COUNCIL MEMBER YEGER: 2005, yeah.

12 EXECUTIVE DIRECTOR LOPREST: election. I  
13 just-- we have to look.

14 COUNCIL MEMBER YEGER: Real quickly on  
15 war chests. I know you-- you didn't put a clock on  
16 me, Mr. Chairman. How-- you want-- I have nothing on  
17 my calendar today. I'm here all day. When I have  
18 one of these things on I block off the rest of my  
19 day, and I came in early. I've been here since 4:00  
20 a.m. I'm kidding. I really wasn't. I want to  
21 clarify a misconception, perhaps, that-- Ben is not  
22 here, but we talk about this, and I guess he'll be  
23 back. The war chest thing, there's two different  
24 pieces of war-- I get the notion of, you know, we  
25 don't want politicians accumulating huge, you know,

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2 these gigantic barrels of money and that they could  
3 go spend it on whatever they want. But your agency  
4 under the act of your rules has very, very strict  
5 limitations on how previously raised funds can be  
6 used. So, in essence, there are two sets of war  
7 chests that apply to this race, if you will, and  
8 there may be others for our purposes here and based  
9 on what I know about the candidates. War chest is  
10 the candidates who has been raising for this race,  
11 but because the Mayor hasn't issued the order to  
12 declare an election. You have not set up a system for  
13 a special election. This is the way the process is  
14 supposed to work, so therefore, they're raising under  
15 21 rules, but they know there's going to be a special  
16 election. We all know that. So, that's war chest A,  
17 and that's not really a war chest, because that's--

18 EXECUTIVE DIRECTOR LOPREST: [interposing]

19 Yeah, that's not a war chest.

20 COUNCIL MEMBER YEGER: Going to refer to  
21 the current committee. That's the way it works. And  
22 then there's candidate B who has a pre-existing city  
23 committee with an accumulated amount of funds, has no  
24 repayment obligation, so therefore the money is just  
25 sitting there, and now can take the money, float it

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2 into a new committee using LIFO and also subject to  
3 limitations.

4 EXECUTIVE DIRECTOR LOPREST: Yes.

5 COUNCIL MEMBER YEGER: That's probably  
6 right.

7 EXECUTIVE DIRECTOR LOPREST: It's the  
8 current limitation.

9 COUNCIL MEMBER YEGER: Okay. So, every  
10 dollar-- Eric?

11 UNIDENTIFIED: Whether or not you--

12 EXECUTIVE DIRECTOR LOPREST: Yeah, yes.  
13 It's whether or not you're a participant in the  
14 program, that money--

15 COUNCIL MEMBER YEGER: [interposing]  
16 Whether or not, either way correct, that ws the 2016  
17 amendment, okay. So, the notion that a war chest  
18 somehow is inherently bad, the money-- the only funds  
19 that we permit under the act to be freely transferred  
20 are funds that were raised under ACT rules, and even  
21 then they can only be freely transferred subject to  
22 life eliminations, and even then they can only be  
23 transferred in subject to within the existing  
24 committee, that particular contributor to whom that  
25 contribution is being attributed cannot then give.



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2 So, for example, if I gave my good friend Jumaane  
3 Williams a check for, you know, \$2,750 when he was  
4 running for City Council last year, and he still has  
5 money in that committee and he wishes to transfer  
6 over the \$2,750 that has from me, he can't do that.  
7 He can transfer under Option A, only up to a thousand  
8 dollars, and then I can never write him a check again  
9 in this special election.

10 EXECUTIVE DIRECTOR LOPREST: That's  
11 correct.

12 COUNCIL MEMBER YEGER: Okay, so, war  
13 chest--

14 EXECUTIVE DIRECTOR LOPREST: [interposing]  
15 That was my point about that we have a lot of  
16 protections to make sure that the money is--

17 COUNCIL MEMBER YEGER: [interposing] I  
18 agree, and I want to make sure that when we talk  
19 about war chests, we are very, very clear that in the  
20 City of New York under our system, war chests are not  
21 a thing. It's-- because the prophylactic measures  
22 put in place to prevent candidates from simply  
23 walking around with huge chunks of money. The only  
24 thing that we can't do is prevent the self-funding.  
25 But other than that, it's not a-- we don't have a war

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2 chest. I mean, we do have a candidate who has a  
3 committee open, but that candidate will be required  
4 to abide by-- I mean, it was a 2017 committee with  
5 some funds left over. That candidate will be  
6 required to abide by the transfer and using LIFO and  
7 of course those who have contributed will be limited  
8 in what they can give. Okay, alright. That was a  
9 nod.

10 EXECUTIVE DIRECTOR LOPREST: Yes, yes.

11 COUNCIL MEMBER YEGER: Okay, I wanted to  
12 make sure. They transcribe the video--

13 EXECUTIVE DIRECTOR LOPREST: [interposing]  
14 Yeah, yes.

15 COUNCIL MEMBER YEGER: onto a transcript.  
16 Alright, I don't want-- I appreciate your time, and I  
17 want to say this because, you know, you know me for a  
18 little while and, you know, we don't have a personal  
19 relationship. We're not friends. We're not enemies.  
20 I've known you for a long time. I'm looking at my  
21 Chairman. But you know my work, I know your work,  
22 and I do admire very much the work that you do. I  
23 think that-- I just want to say this while I have the  
24 mic here that it's not often said that I agree with  
25 you. I'm going to say that out loud, I do agree with

2 you. I think this is something that's being forced  
3 and it's-- you know, I don't believe you're going to  
4 make mistakes on purpose, but I believe that your  
5 agency will make mistakes by accident because you do  
6 have a large number of people running. You have the  
7 number of staff that you have now. Going out and  
8 hiring 16 more auditors or campaign finance people is  
9 not going to help. They need to be trained. There's  
10 an election happening tomorrow. This is not-- this  
11 is not something that you pick up overnight and you  
12 just read a manual and now you can go out and do  
13 this. And I am very, very concerned about-- and I've  
14 always been concerned about this with regard to your  
15 agency and rules as they apply to candidates when the  
16 rules that are in effect serve to perhaps hinder the  
17 choices and the availability of choices and the  
18 ability of people to get out their message, and when  
19 people think that they're operating under a set of  
20 rules and all of a sudden they find out that what  
21 they thought isn't the case, and obviously in a very  
22 limited amount of time a mistake can't quickly be  
23 reversed to undo the mistake, because by the time you  
24 turn around, and you know, it's over; the election's  
25 passed. And I am very, very concerned, and I share

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2 your concern. Maybe I'm wording it a little  
3 differently, but I share the concerns that you've  
4 brought forth in the testimony that no agency should  
5 be forced, not yours, which is not a mayoral agency,  
6 but not any agency should be forced by this body to  
7 undergo a set of changes that don't allow for a  
8 thoughtful analysis of the impact, and surely that  
9 will disrupt the Board's preparations for the  
10 election year, require hasty decisions about  
11 implementation. I thought that you had a good point  
12 two years ago, I did. I thought you were wrong,  
13 because I think that the changes being made then--  
14 Eric and I have had conversations. I think that the  
15 changes that were being made then didn't require you  
16 to change the systems, which was a key difference in  
17 what the Council did to you two years ago, before  
18 you, if you will, and what's happening now. We  
19 didn't have the change the system, we just had to  
20 change some policies, which is different. But here,  
21 you're being forced not to just blow up your existing  
22 system, but to create these competing systems that  
23 run side by side that test each file. I mean, you  
24 didn't discuss this, but I know this and you know  
25 this, that each filing is tested by your system for

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2 compliance in certain aspects. It's run against  
3 doing business database. That's not a human being  
4 that does that. That's machinery.

5 EXECUTIVE DIRECTOR LOPREST: Machine.

6 COUNCIL MEMBER YEGER: Right, and it's  
7 run against contribution limits database, and you  
8 know, but for the guy who pushes the wrong button,  
9 but someone who's operating under Option A, Option B,  
10 all of a sudden he gets a report, "You're being  
11 denied public funds because you took in over the  
12 limit of contribution." What are you talking about?  
13 I'm an option B. I don't have an over-the-limit  
14 contribution. These are real concerns that I have. I  
15 know you have them, too. I know you're going to work  
16 hard to make sure that that's not the case, but human  
17 error is human error. Machines are machines. These  
18 things are going to happen, and I am very concerned.  
19 I do share your concern. I will not be voting for  
20 this bill, not as currently written, that's for sure.  
21 Although, I think that Option A is wise in the sense  
22 that it does serve to lower the contribution limits  
23 and ultimately take money out of politics and make it  
24 a fair election. I will also point out that in the  
25 last election cycle, the average individual

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2 contribution to the public advocate's race was 354  
3 dollars. The most frequent individual contribution  
4 was 100 dollars. I don't see the big money people of  
5 New York falling all over themselves to throw money  
6 at this job. I think I've made the case that not  
7 really many people know what it does. I sure don't,  
8 and you know, I think that this is a solution in  
9 search of a problem that really doesn't exist, and  
10 there is a good reason that the Charter Revision  
11 Commission took your advice on not implementing it or  
12 earlier than 2021. And with that, Mr. Chairman,  
13 thank you very much for your indulgence. Madam  
14 Director, thank you.

15 CHAIRPERSON CABRERA: Thank you.

16 COUNCIL MEMBER YEGER: Thank you.

17 CHAIRPERSON CABRERA: I-- you know, we  
18 often we agree, and this one, I disagree with you,  
19 which is good. It's what we do here. The fact is  
20 that, if I may, people already have thrown big money  
21 into this race. There are candidates that have  
22 revised large amount of money from big time donors  
23 already, because that's the way it was established. I  
24 do believe that Option A is superior to Option B, but  
25 we're talking about transition. I wish we could just

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2 go with Option A for all of the candidates, but in  
3 fairness, to those who were under the assumption as  
4 they were collecting the, you know, the checks and  
5 contributions, in fairness to those who had that  
6 assumption, I think that option should be given and  
7 so I think at the heart of the furnace that I see  
8 here is for those who for a few years they were not  
9 anticipating for this to take place. And again, I'm  
10 going to close with what I said at the beginning. I  
11 have full confidence in your leadership. Both of you  
12 are veterans. This is-- you have bigger tasks that  
13 you have confronted before. We're talking about a  
14 few candidates. As a matter fact, I think this is  
15 going to be a grand opportunity to prepare you for  
16 the larger election that we're going to have in 2021.  
17 And so with that, I thank you. Thank you so much for  
18 taking up this challenge and for all the information  
19 you've provided today. I really appreciate that.

20 And so let me move on to the last panel. We have--

21 EXECUTIVE DIRECTOR LOPREST: [interposing]

22 Let me take the opportunity to thank you and to wish  
23 you a happy New Year.

24

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2 CHAIRPERSON CABRERA: Thank you. Thank  
3 you so much. Likewise. Morris Pearl from Patriotic  
4 Billionaires? Yes.

5 MORRIS PEARL: Hi.

6 CHAIRPERSON CABRERA: Hi. Feel free to  
7 start whenever you're ready.

8 MORRIS PEARL: Yeah, thank you, Chairman  
9 Cabrera, and thank you members of the Council. I  
10 appreciate the opportunity to appear before you and  
11 for the thoughtful you're giving to this important  
12 issue. I agree with Member Yeger that New York City  
13 has the greatest campaign finance system of any place  
14 in the country and frankly any place in the world.  
15 We're currently also advocating system like New York  
16 for statewide elections and in fact for federal  
17 elections as part of HR1. My group, the Patriotic  
18 Millionaires represents hundreds of wealthy people  
19 from around the country who are really profoundly  
20 concerned at the growing inequality and the growing  
21 influence of just the wealthy people here in our  
22 country and among our politicians. I'd like very  
23 much, as the goal that you all share, to get big  
24 money out of politics, especially my own money. I  
25 have far too many people running for office, for the



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2 senate, for the house from all over the country who  
3 are not spending time with their people, but who are  
4 instead coming and visiting me, and talking to New  
5 Yorkers about making large donations and funding  
6 super PACs and things like that, and so I'm hoping  
7 very much that New York can continue taking the lead  
8 to get big money out of politics. This is not to  
9 help the politicians. This bill, the one thing I  
10 disagree with Member Yeger about, is this is not to  
11 help him. This is not to help you running for  
12 office. this is to help the people of Brooklyn make  
13 their voices known, and so you as Council Members, as  
14 people running for elected office, do not have to go  
15 around and be talking to the wealthy business  
16 developers and real estate people about getting  
17 thousand-dollar donations so you can spend your time  
18 not with people like me, but talking to your  
19 constituents that you represent, and giving them the  
20 same kind of power that the wealthy and the elite  
21 have now. I supported campaign finance reform. I  
22 spoke in favor of this bill, and many occasions in  
23 October and before the election in November, and I  
24 was in favor of it implemented in 2021. So I'm in

25

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2 favor of implementing it now for the elections that  
3 are upcoming also. Thank you.

4 COUNCIL MEMBER YEGER: Thank you, Mr.  
5 Chairman. I don't know what-- I assume all  
6 millionaires are patriotic, at least America  
7 millionaires, but I like the name of your  
8 organization.

9 MORRIS PEARL: We have noticed a few who  
10 are not actually, unfortunately.

11 COUNCIL MEMBER YEGER: Fair enough. I'm  
12 going to ask you the same question I asked Director  
13 Loprest. Do you think it's fair for candidates in  
14 the same election to operate under different sets of  
15 rules, and in this case, three different sets of  
16 rules as it pertains to campaign finance?

17 MORRIS PEARL: Well--

18 COUNCIL MEMBER YEGER: [interposing] If  
19 we're talking about leveling the playing field and  
20 making it reasonable for our voters to know that the  
21 government that they're going to get is one that  
22 didn't solicit the \$5,100 contribution. Is it fair  
23 for people in the same race to have two different  
24 sets of rules?

25

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2 MORRIS PEARL: Well, I mean, as you  
3 noted, there's the constitutional issue around self-  
4 funding.

5 COUNCIL MEMBER YEGER: That's why I left  
6 out the self-funders.

7 MORRIS PEARL: But putting that aside,  
8 sure, I would be in favor of the option for the new  
9 rules for all candidates for all offices.

10 COUNCIL MEMBER YEGER: Do you think that  
11 it-- if we're not doing that, because we're not-- I'm  
12 not going to say-- you know, it's not a secret. The  
13 bill is what the bill is. This is what the bill is  
14 going to be, or this is what the law will be. Do you  
15 think it's better to just do it partially? In other  
16 words, leave it up to those candidates who decide,  
17 you know, I want a little bit extra in the public  
18 funds, so I want the eight-to-one on the 250 instead  
19 of the six-to-one on the 175, so therefore I'm not  
20 going to take 250s which probably couldn't get anyway  
21 because being honest, it's the Public Advocate's race  
22 and nobody cares. So therefore I'm going to just  
23 limit myself to the thousand dollars, and then one or  
24 two candidates say, no thank you, I know where I can  
25 get my 2,550s from, and I'm just going to take those.

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2 MORRIS PEARL: Well, obviously each  
3 candidate has the option to choose whichever they  
4 want.

5 COUNCIL MEMBER YEGER: Why is that right?  
6 Why is that fair? Why is that a good thing that  
7 we're doing that we're letting-- that we're giving  
8 the candidates a choice? Candidates are not supposed  
9 to decide what's fair in an election? The government  
10 decides and the people decide. The candidates are  
11 going to decide-- my Chairman-- I'm going to wait  
12 until he comes back. Okay, well then I'm going to  
13 say it without him. My Chairman-- but I'll tell him  
14 later that I said it. My Chairman said it's about  
15 fairness for the candidates. Why do we care about  
16 fairness to the candidates?

17 MORRIS PEARL: Well, as you said, it's  
18 not up for the-- I mean, I agree that there's no  
19 public purpose for the candidates to make the rules,  
20 and I defer to you as the Council Members.

21 COUNCIL MEMBER YEGER: So, can you tell  
22 us that we're wrong? Because I know we're wrong, but  
23 some others in the council may not know that we're  
24 wrong. Isn't it better to say, no, we're not going  
25 to give the candidates a choice between the fat

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2 largess of that gigantic check that they're going to  
3 get from the tax payers or that fat largess of the  
4 check that they may or may not be able to solicit  
5 from the wealthy patriotic millionaire, but instead,  
6 we're going to say no, this is the rule, and the rule  
7 is a thousand dollars is the limit, not \$2,550  
8 dollars. Shouldn't we say no to this because it's a  
9 bad bill?

10 MORRIS PEARL: If I was a member of the  
11 Council, I would support--

12 COUNCIL MEMBER YEGER: [interposing] There  
13 we go.

14 MORRIS PEARL: limit of a thousand dollars  
15 for all--

16 COUNCIL MEMBER YEGER: [interposing] Okay.

17 MORRIS PEARL: of the candidates.

18 COUNCIL MEMBER YEGER: And right now this  
19 bill says that the candidate, you decide, Mr. Pearl,  
20 to run for Public Advocate. Maybe you're a great  
21 person. I assume you are. You seem like a fine  
22 person, and you say, you know what, it's wrong. I'm  
23 not going to take \$2,550. Because I have a lot of  
24 wealthy friends, but I'm not going to take \$2,550s.  
25 I'm going to limit myself to a thousand dollars. But

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2 maybe you say, I want to win and know where the  
3 money's at, and the election is in 80 days from now,  
4 and I got a lot to friends who are also patriotic  
5 millionaires and they're going to write me checks.  
6 Should you have that choice, or should the rules be  
7 the rules for everybody?

8 MORRIS PEARL: Well, I'm not running for  
9 Public Advocate--

10 COUNCIL MEMBER YEGER: [interposing] Well,  
11 you're--

12 MORRIS PEARL: any elected office.

13 COUNCIL MEMBER YEGER: You and this table  
14 are the only few people in New York who aren't.

15 MORRIS PEARL: That's either-- certainly  
16 I'm glad there are many people who do want to be  
17 involved in running for office who are running for  
18 Public Advocate and other offices. I think that's  
19 very fortunate that we live in the City of New York  
20 that has many people that do want to get involved,  
21 and sure, yeah, I would be in favor of lower  
22 contribution limits to apply to everyone if I was,  
23 you know, drafting the bill.

24 COUNCIL MEMBER YEGER: So, shouldn't we  
25 say no to this bill unless it makes it not a choice,

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2 but an obligation that this is the rule for this  
3 election?

4 MORRIS PEARL: Well, I defer to you as  
5 the elected member of the City Council.

6 COUNCIL MEMBER YEGER: If you were  
7 sitting right here between me and my friend,  
8 Councilman Kallos, what would you-- how would you  
9 vote?

10 MORRIS PEARL: Well, I think having some  
11 people use the new system is better than no people  
12 using the new system.

13 COUNCIL MEMBER YEGER: That's where we  
14 disagree, because I think that's inherently unfair  
15 that people are-- people will unilaterally disarm, if  
16 you will, and they'll have one set of rules, but  
17 we'll have another set of rules for other people and  
18 then the chips will fall where they may, and you  
19 know, because you're a business man, you will know  
20 that people are going to make the decision that makes  
21 the most sense for them, and they're going to say,  
22 "Well, I have a better shot at getting those low-  
23 dollar contributions, so I'm going to roll the dice  
24 that my eight-to-one is going to work out because I  
25 can't get the \$2,550s anyway," and somebody else is

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2 going to say, "You know, I may do okay with the low  
3 dollars, but at six-to-one that's generous enough. I  
4 have a lot of people who are going to write me  
5 \$2,500s. Let me roll the dice with that."

6 MORRIS PEARL: You know, you obviously  
7 represent hundreds of thousands of people in  
8 Brooklyn, and I defer to your judgment and what's  
9 best for your constituents.

10 COUNCIL MEMBER YEGER: [interposing] Very  
11 diplomatic, thank you. Thank you very much, and I  
12 appreciate that you came down to testify. Very-- I  
13 appreciate your involvement very much.

14 MORRIS PEARL: I appreciate the effort  
15 that you and your colleagues are making on this work.

16 COUNCIL MEMBER KALLOS: So, I just want  
17 to thank Morris Pearl from Patriotic Millionaires for  
18 coming down. You've had a chance to see the  
19 democratic process more and more upfront from  
20 Community Board meetings on bike lanes to this. I  
21 will say that Council Member Yeger is one of the  
22 foremost experts on election law and campaign  
23 finance. He actually-- that was his previous  
24 occupation before he gave it up to serve in the  
25 legislature, and I look for-- and he will, I assume,



2 as a citizen legislature it is something that he will  
3 one day go back to doing. So, I will just jump in  
4 with my colleague to just say, sometimes I go to a  
5 restaurant and I order something, and they get my  
6 order wrong, and sometimes I look at it and I say,  
7 "Okay, how wrong is it?" And so like you, I'm  
8 Kosher, not like you on kosher style. So, I'll eat  
9 vegetarian outside, and so like if I ordered  
10 something and I said please no meat, and they give it  
11 to me and it's covered in bacon and sausage and other  
12 pork products, I'm going to send it back, because in  
13 my faith if it's touched, the treif-- I believe the  
14 word is "tumah." And so like--

15 COUNCIL MEMBER TREYGER: [interposing]

16 This is not the only reason we get along so well.

17 COUNCIL MEMBER KALLOS: But that being  
18 said, if they send it to me, and I said, "You know, I  
19 wanted the eggs over easy and I wanted hash browns,  
20 but they give me a salad instead." I think I'm okay,  
21 and so I would say that I too agree. I would prefer  
22 the United States Constitution be read a lot  
23 differently than the current Supreme Court. I would  
24 prefer to not have to have a system with options  
25 where billionaires like Michael Bloomberg could run

2 on their own system and spend hundreds of million  
3 dollars while everyone else has a different system.  
4 But I will say that having another option to me is  
5 not-- doesn't make the whole thing treif.

6 COUNCIL MEMBER TREYGER: But my friend,  
7 it's your bill.

8 COUNCIL MEMBER KALLOS: Yes.

9 COUNCIL MEMBER TREYGER: And just write  
10 it the way you really want it, and you're ordering  
11 from the menu. Decide what you want and say Option A  
12 should be what it is. We don't have an Option B, not  
13 when Ben Kallos writes the bill, and that's the bill  
14 because you should write that bill. What we're  
15 talking, and that's what-- by the way, this is the  
16 rare time that we get to debate, so-- in front of  
17 open mics. Don't-- really, don't judge us wrong  
18 because we are good friends, and he's very right on  
19 this. His goal, Ben's goal is to get big money out  
20 of politics. He's going down the road that he thinks  
21 that can pass, and what I'm saying is that if this is  
22 really what we want to do, we have an election in 80  
23 days. Tell those people who want to raise \$2,550's  
24 no, not in New York.

2 COUNCIL MEMBER KALLOS: And what I will  
3 say is in talking and reaching out to various  
4 candidates, I think one of the things that I've heard  
5 from candidates, I know you had asked the CFB, is  
6 they felt the threshold might be a bar, and I've  
7 heard that from Mayoral candidates in the last  
8 election, and that's why we're lowering the  
9 threshold. I will tell you that a lot of the  
10 candidates are very concerned about the fact that  
11 we're saying that this has to be retroactive, and if  
12 they took, \$2,550 that they have to return it. So, I  
13 can tell you right now I believe it will limit  
14 participation, but I think it's the right thing to  
15 do, and ultimately in 2021 we will not have how every  
16 many systems, Option A will come off the table, and I  
17 think I was just trying to do it as simply as  
18 possible, as close to Question One as possible if  
19 those additional two changes--

20 COUNCIL MEMBER YEGER: [interposing] This  
21 is what happens when Mr. Chairman's not here to watch  
22 us.

23 COUNCIL MEMBER KALLOS: It's okay. And  
24 so I guess to Morris, do you have occasion to have  
25 elected officials call you?

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2 MORRIS PEARL: More often than I'd  
3 prefer, actually. I turned off my phone during the  
4 hearing here.

5 COUNCIL MEMBER KALLOS: Because the  
6 assumption being that in the hour that you had been  
7 here that you would have gotten multiple  
8 solicitations for money?

9 MORRIS PEARL: Unfortunately, that's all  
10 too common.

11 COUNCIL MEMBER KALLOS: So, you're a--  
12 you are the person that people in office, in this  
13 case there's 14-- my colleague says 14 candidates for  
14 public-- there are more than a dozen candidates for  
15 Public Advocate. Many of them are elected officials.  
16 I believe many of them are reaching out to you. Why  
17 pass this? Why support Question One, versus being  
18 the one that they talk to versus other people?

19 MORRIS PEARL: I hope that we can come to  
20 a system where they don't have to have lots of call  
21 time, where they don't have to be stuck in little  
22 offices dialing people like me who are hanging around  
23 in, you know, my living room trying to explain to me  
24 what the Public Advocate does. You know, I would  
25 hope that you and your colleague, those who are

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2 running for Public Advocate would have more time to  
3 actually deal with the legislation of this city, and  
4 with dealing with figuring out the needs of your  
5 constituents, particularly those who don't make 5,000  
6 dollar donations.

7 COUNCIL MEMBER KALLOS: Thank you.

8 CHAIRPERSON CABRERA: Okay, thank you so  
9 much. With that, last panel, Alex Camarda, Reinvent  
10 Albany. Thank you, and thank you for your patience,  
11 Alex. You can begin as soon as you're ready.

12 ALEX CAMARDA: Good morning, Chair  
13 Cabrera. My name is Alex Camarda. I'm the Senior  
14 Policy Advisor for Reinvent Albany. Reinvent Albany  
15 is a government watchdog organization which advocates  
16 for open and accountable government. The bill before  
17 the Council today will enable candidates running for  
18 special elections beginning in 2019 to voluntarily  
19 opt into the new campaign finance requirements  
20 approved by voters on Election Day in 2018 and placed  
21 on the ballot by the 2018 Charter Revision Council  
22 Member convened by Mayor de Blasio. The new campaign  
23 finance requirements will lower campaign contribution  
24 limits to \$2,000 for candidates opting into the  
25 city's public matching program and \$3,500 for non-

2 participants, matched donations eight to one for the  
3 first \$175 of any contribution, and enables  
4 candidates to raise 75 percent of their campaign  
5 money from public funds. And as has been pointed out  
6 today for special elections, these contribution  
7 limits are half the amount. Reinvent Albany is a  
8 strong supporter of these voter-approved campaign  
9 finance reforms, believing they will amplify the  
10 voice of small donors and ensure all New Yorkers can  
11 participate in our democracy. We testified six times  
12 before the 2018 Charter Revision Commission,  
13 including experts on campaign finance reform and  
14 worked with Council Member Ben Kallos to get a  
15 majority of Council Members to support his  
16 legislation to increase the public match cap in 2017  
17 and 2018. We emphatically supported these reforms  
18 overall, because they were substantial improvements.  
19 However, we opposed at the time the new campaign  
20 contribution limits, public match rate and public  
21 match cap being phased in instead of taking effect  
22 immediately. Reinvent Albany supports this bill  
23 because it puts in place the reforms for special  
24 elections between 2019 and through 2021. The  
25 benefits of implementing these reforms immediately

2 for special elections outweighs our one reservation  
3 which is changing the rules of the game mid-course  
4 for the upcoming Public Advocate Special Election.  
5 However, most candidates in the Special Election for  
6 Public Advocate, at least according to the most  
7 recent filings, have not raised a lot of money and  
8 would therefore likely opt-in to and benefit from the  
9 public matching system. In the last race for an  
10 open seat for Public Advocate, Tish James, Dan  
11 Squadron, and Reshma Saujani all raised more in  
12 public than private funds. This demonstrates the  
13 need for the voter-approved campaign finance measures  
14 so special election candidates can rely more heavily  
15 on public funds for their campaigns. Reinvent Albany  
16 believes this bill could be strengthened by also  
17 immediately putting into effect the lower  
18 contribution limits passed by the voters for  
19 candidates who choose not participate in the public  
20 matching system and run for office in a special  
21 election. For Public Advocate, non-participants will  
22 be able to raise \$2,550 per donor rather than the  
23 new, lower contribution limit of \$1,750 passed by the  
24 voters in November, but not going into effect until  
25 2022. Maintaining the current contribution limit of

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2 \$2,550 will discourage candidates from participating  
3 in the public matching system. We also believe the  
4 Council should repeal the option allowing candidates  
5 to remain in the old system in the 2021 primary and  
6 general elections. The voters have made clear they  
7 want a reduction in contribution limits, and a higher  
8 public match rate and cap. This should be put into  
9 effect immediately. Reinvent Albany also notes this  
10 bill halves the contributions and money raised  
11 thresholds to qualify for the public funds program  
12 for citywide office. It also lowers the amount  
13 candidates have to spend to qualify for the first  
14 debate sponsored by the Campaign Finance Board. Both  
15 of these amendments we also support. Thank you for  
16 the opportunity to testify today, and I welcome any  
17 questions you may have.

18 CHAIRPERSON CABRERA: Council Member

19 Kallos?

20 COUNCIL MEMBER KALLOS: Thank you, Mr.

21 Camarda, for your advocacy. Can you tell me a little  
22 bit about how you were able to get a majority of  
23 Council Members signed onto the original full public  
24 match? Is it advocacy that was just done by your  
25 organization, or were there other folks who were



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2 impassioned about lowering the amount of money in  
3 politics?

4                   ALEX CAMARDA: Well, as you know, Council  
5 Member, you had convened a group of-- I think there  
6 was maybe 20 something groups at the time who were in  
7 support of your legislation, and we and other groups  
8 notably represent us, which is a national  
9 organization. We made many communications to Council  
10 Members via email, phone calls, and other forms of  
11 contacts to talk to them about the legislation at  
12 that time, and we were able to get a majority support  
13 on the bill, and I would also note in 2017 at the  
14 Speaker's Forum that Citizens Union held, every one  
15 of the speaker candidates also supported the bill at  
16 that time. And then Mayor, of course, picked it up  
17 when the 2018 commission was convened and it became  
18 part of the measures that were on the ballot and  
19 approved by the voters with over 80 percent of the  
20 vote.

21                   COUNCIL MEMBER KALLOS: In your prior  
22 position that you held was at Citizens Union which  
23 engaged in endorsement activity, is that correct?

24                   ALEX CAMARDA: Yes.

25

2                   COUNCIL MEMBER KALLOS: My colleague  
3 feels that it is unfair, and not to put too many  
4 words in his mouth, but that it is unfair for those  
5 to be multiple systems. Do you believe that  
6 organizations like Citizens Union where you  
7 previously worked or even Reinvent Albany or partners  
8 that you worked with like common cause or even  
9 editorial boards like the Daily News and New York  
10 Post and New York Times might help in terms of  
11 encouraging candidates one way or another by setting  
12 as a standard that if a candidate does not opt into a  
13 system with less big money, that that might be litmus  
14 test such as getting rid of outside income or lose.  
15 Is that something that groups such as yourselves and  
16 others that you work with have done in the past and  
17 are likely to do?

18                   ALEX CAMARDA: I really can't speak for  
19 the other groups. I will say that when I was  
20 involved in Citizens Union in the endorsement process  
21 certainly like any organization that runs an  
22 endorsement process, they have positions on issues,  
23 and they tend to evaluate candidates based on those  
24 positions, and obviously the good government groups  
25 here in the City and the State, they've tended to

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2 support campaign finance reform including the public  
3 matching program. So I think that was part of their  
4 evaluations, but I can't really speak to specifically  
5 whether it's been a litmus test, not to my knowledge.

6 COUNCIL MEMBER KALLOS: I would argue  
7 that I don't believe outside of one particular  
8 billionaire that there's ever been an endorsement of  
9 a candidate who didn't participate in a campaign  
10 finance system, and I would caution if we were able  
11 to pass this through this committee, despite some  
12 objection, that I hope that groups like yours and  
13 others would consider this as a litmus test, and that  
14 certainly the New York Times, Daily News and New York  
15 Post would also consider whether candidates  
16 completely opt out, choose Option A, or in this case,  
17 choose Option B, and I would also hope that the  
18 Campaign Finance Board in its voter guide include an  
19 indication of whether somebody has opted out, chosen  
20 Option A or Option B, because I think that is  
21 something that would be important to the voters. Do  
22 you think that having such a disclosure in the voter  
23 guide that is mailed to all voters in the next  
24 however-- in 80 days or so would be helpful for voter  
25 decision-making? There's no-- there's no voter guide

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2 in-- okay, I've been advised by my colleague to my  
3 right and a member of the audience that there's only  
4 going to be an online voter guide, but would an  
5 online voter guide disclosure of participation in the  
6 system be instructive for voters?

7 ALEX CAMARDA: You're asking whether the  
8 voter guide would be instructive or the proposal that  
9 you made about the voter guide?

10 COUNCIL MEMBER KALLOS: Whether or not  
11 the voter guide including what type of-- whether they  
12 chose not to participate, Option A or Option B, would  
13 be helpful in an online voter guide for voters?

14 ALEX CAMARDA: I think more information,  
15 more transparency is always beneficial. The more we  
16 can educate voters about candidate's positions on the  
17 issues, including whether they opt into a public  
18 matching system I think is something that voters will  
19 be interested in.

20 COUNCIL MEMBER KALLOS: And then I will  
21 just note that I believe you and my colleague Council  
22 Member Yeger agree that the option shouldn't be  
23 there, and I would be happy to work with you and  
24 and/or he should he wish to introduce legislation on  
25 this point to make it so, but if we aren't able to

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2 add this request that you're making, is the order  
3 wrong enough that you have to send it back, or would  
4 you support it if we were not able to make that one  
5 amendment?

6           ALEX CAMARDA: As we indicated in our  
7 testimony, so we support the bill as is. The  
8 amendment that we were suggested was actually  
9 lowering the contribution limit for non-participants  
10 effective immediately, which I believe is not, and we  
11 think that would help encourage people to opt in to  
12 the public matching system for not only the upcoming  
13 special election for Public Advocate, but for also  
14 for subsequent special elections. And--

15           COUNCIL MEMBER KALLOS: [interposing]  
16 Consider--

17           ALEX CAMARDA: if the Council was to  
18 consider putting this into effect immediately for all  
19 races, meaning the measures of proof by the voters in  
20 2018, we would certainly support that even more.

21           COUNCIL MEMBER KALLOS: Consider the  
22 legislative request submitted.

23           CHAIRPERSON CABRERA: Thank you so much.  
24 Really appreciate your testimony today, and with  
25 that, I want to thank all the staff and my colleagues

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2 for today's hearing. I'm looking forward to getting  
3 this bill passed in the very near future. And  
4 actually-- no, actually, I did have one more  
5 question. Sorry. I did have one question. I'm  
6 sorry. I was doing the closing before. Will you--  
7 With Reinvent Albany what are your thoughts regarding  
8 people who already had an account open and  
9 grandfathering those who want to be in Option A? so,  
10 for example, if I have an account open, I want to go  
11 on Option A, now I'm obligated to go back to my  
12 donors, give them their checks back to get it back  
13 again, what are your thoughts of just grandfathering  
14 anyone who wants to go and option-- it is a superior  
15 and a better option.

16 ALEX CAMARDA: I'm not sure exactly what  
17 you're asking. So, Option A, being the measures that  
18 the voters approved--

19 CHAIRPERSON CABRERA: [interposing]  
20 Exactly.

21 ALEX CAMARDA: and you're asking whether?

22 CHAIRPERSON CABRERA: To grandfather  
23 those in. So, people who want to run in 2021, for  
24 example, going back-- and I have an account open  
25 right now, and I want to choose Option A. now, I

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2 have to wait until January-- what is it-- 12 or 14  
3 before all of the contributions after that, then it  
4 will qualify for Option A, or I'm obligated to return  
5 checks and have them write a new check or give them  
6 mine, because anything prior to that does not  
7 qualify.

8                   ALEX CAMARDA: So, my understanding, and  
9 obviously defer to the Campaign Finance Board on  
10 this, and I think Council Member Yeger spoke about it  
11 before, my understanding is if you're raising at the  
12 current contribution limits or the contributions  
13 limits for Option A, that that money could then be  
14 rolled over into your new account, and if the amount  
15 is above the contribution limit, would just have to  
16 be refunded to the donors. But if you are actively  
17 in your mind thinking I'm going to abide by Option A,  
18 you could just raise contributions now under those  
19 limits and then move the money over. That was my--

20                   CHAIRPERSON CABRERA: [interposing] But  
21 that's up to-- that's up to 2021. So everyone who's  
22 running 2021 does not have the options. So, for this  
23 bill right now, it only allows for people, as I  
24 understand it, only allows for people who are running  
25 in the special election or any election between now

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2 and 2021, but it does not cover people who want to  
3 run in 2021 who receive contributions prior to  
4 January the 14<sup>th</sup>. Did I confuse you?

5 ALEX CAMARDA: Yes.

6 CHAIRPERSON CABRERA: So, let me use  
7 myself as an example. Let's say I raised \$100,000  
8 prior to January 14<sup>th</sup>, which would be nice. So, I  
9 raise \$100,000 and I got checks of-- any checks that  
10 I got there. None of the monies that are raised  
11 prior to January 14<sup>th</sup> will qualify for option A,  
12 none. I would not get the eight times one. Only  
13 people who are running in this special election all  
14 the way to 2021. So will you be open and support  
15 because it is a superior option, for people who are  
16 right now in this situation to be able to  
17 automatically opt in and not have to return checks?

18 ALEX CAMARDA: It seems to me the easiest  
19 thing to do would just be put into effect immediately  
20 what the voters passed in 2018. Otherwise,  
21 mechanically I would think that would be very  
22 complicated to administer. We've already placed a  
23 burden on the Campaign Finance Board by having to  
24 administer these two separate systems in 2021. Seems  
25 like the easiest, most efficient, cleanest way to do



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2 this is just to put it into effect immediately. I  
3 mean, the reason we support this bill is it gets us  
4 part of the way there. It does it for special  
5 elections, and we are looking beyond the immediate  
6 special election for Public Advocate, and we think it  
7 will be beneficial for all the special elections  
8 which may occur between now and then, and that  
9 outweighs the concern that Council Member Yeger  
10 raised which is that we're changing the rules of the  
11 game for this one particular special election part of  
12 the way.

13 CHAIRPERSON CABRERA: And since you  
14 mentioned Council Member Yeger, he gave me the nod  
15 that he would like to make a statement.

16 COUNCIL MEMBER YEGER: Thank you, Mr.  
17 Chairman. It is a concern that I raised, but I'm not  
18 the first to raise it because as I indicated earlier,  
19 I'm sure you were in the room. Director Loprest  
20 indicated her disappointment that the Council was  
21 considering these significant changes to the Campaign  
22 Finance Program only 10 months before many of its  
23 members will appear on primary ballots in 2017. She  
24 also indicated that the delay of considering it so  
25 short before an election would allow for a thoughtful

2 analysis of their impact and deflect accusations that  
3 members are seeking advantage for their own  
4 campaigns. Do you think that's something that merits  
5 concern, that the Council with at least four members  
6 of the Council, some prior members of the Council but  
7 at least four members who are current members today,  
8 is about to pass a law that's going to open up the  
9 City's safe to all who wish to enter and grab the  
10 case.

11 ALEX CAMARDA: I think it's concerning  
12 any time you change the rules of the campaign finance  
13 system during the election cycle.

14 COUNCIL MEMBER YEGER: Ideally we would  
15 have a system in which the Campaign Finance Board  
16 issues its annual report and then the changes are  
17 subsequent to that for the next election cycle.  
18 Unfortunately, you know, the realities are things--  
19 people tend to focus on things when they're occurring  
20 rather than an advance, and so we have to balance  
21 that with making the system better. But it's  
22 definitely a concern, and it's something we  
23 acknowledge and di in our testimony.

24 COUNCIL MEMBER YEGER: You indicated a  
25 few minutes ago that you would have-- I'm

2 paraphrasing, because I didn't take a note-- but that  
3 you would have preferred that there be one system  
4 that the referenda adopted a few weeks ago would have  
5 created one system for the entire deal, the cycle,  
6 essentially from January 12<sup>th</sup> of 20-- that's when the  
7 cycle begins under the Campaign Finance Act through  
8 the 2021 elections. That would be your preference.

9           ALEX CAMARDA: Right, although I would  
10 note even with the measure the voters approved, I  
11 mean. One of the arguments that commission members  
12 raised at the time was even with the voters'  
13 approving measures, we were making changes in the  
14 middle of the cycle, because as to your point and it  
15 already started at the time the voters considered the  
16 measures.

17           COUNCIL MEMBER YEGER: And my point is  
18 that in the past when the Council had made changes to  
19 what is a-- what constitutes a permissible  
20 contribution, and three times that I can think of  
21 then of the Council having done so in the last two  
22 decades. In 1998-- I'm sorry, in 1998 it was the  
23 charter passed a law requiring that city candidates  
24 can no longer accept corporate contributions. So up  
25 until December 31<sup>st</sup> of 1998, candidates were running

2 around the City to anybody who wanted to write a  
3 corporate contribution-- give me the money. And in  
4 2007 the Council passed a law banning LLC and LLP  
5 contributions and also instituting a doing business  
6 law that took effect later. So, again, until the  
7 taking effect date of that law, everybody was running  
8 around town getting the LLCs/LLPs, and then even  
9 though everybody knew that the Doing Business Law would  
10 take effect, that wasn't put into effect until  
11 sometime-- over phases till sometime in 2008 and then  
12 other remainder at 2009. So, in the same cycle that  
13 somebody was running, either in 2001-- some had  
14 corporates. Some had-- while they were running in an  
15 enrolment that corporates are no longer legal. In  
16 2009 people were running. Some had LLC/LLP doing  
17 because contributions exceeding the limit. So, it's  
18 true that rules get instituted in the middle of the  
19 game. Buy my point, the point of my question was  
20 that the voters voted on this. You're not here to  
21 tell us voters are done. Voters had a date in their  
22 question. This is when it would take effect. What  
23 was-- would you like ,-- what is your message to the  
24 voters? You made a mistake?

2                   ALEX CAMARDA: No, I mean, I think we  
3 agree with you. We believe that the changes the  
4 voters approved should go into effect immediately.  
5 So we are on the same page in that regard.

6                   COUNCIL MEMBER TREYGER: [interposing] But  
7 the voters--

8                   ALEX CAMARDA: I was merely pointing out  
9 that when the voters voted on it, we were also in the  
10 middle of a cycle. In an ideal world, any changes to  
11 campaign finance reform would get into effect in the  
12 next cycle. As you pointed out, in many instances  
13 that's not the case. In the real world--

14                   COUNCIL MEMBER YEGER: [interposing] the  
15 changes that the voters voted on had a date in the  
16 question. It had a date of when it would take  
17 effect. It's not that the voters voted on something  
18 and then we're deciding when it would take effect.

19                   ALEX CAMARDA: I would say--

20                   COUNCIL MEMBER YEGER: [interposing] But  
21 the voters won't have a choice.]

22                   ALEX CAMARDA: I would say most of the  
23 voters who voted on that ballot proposal did not know  
24 the effect of taking all the different--

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2 COUNCIL MEMBER YEGER: [interposing]  
3 Voters are dumb, is that what you're saying?

4 ALEX CAMARDA: No, it's when you looked  
5 at the question. I mean, first of all, we can talk  
6 about the ballot design, but the question was on the  
7 back of the ballot or page four as Council Member  
8 Kallos said. The print was incredibly small, and in  
9 that summary there was I believe a reference to the  
10 effective date, but I'm not sure that every voter who  
11 went in and voted on that clearly understood all the  
12 nuances. You would have to read the language that  
13 actually amended the Charter.

14 COUNCIL MEMBER YEGER: Well, I presume  
15 all the voters are fully-educated on all the  
16 questions that they were presented with. That's the  
17 presumption I go into it with. As I said before, in  
18 my district, all three questions lost. It was the  
19 only district in the City where all three questions  
20 lost. I hope you're not telling me that my voters  
21 don't know what they're doing.

22 ALEX CAMARDA: I'm not making any  
23 statements--

24 COUNCIL MEMBER YEGER: [interposing] Okay.

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2                   ALEX CAMARDA: about your voters. I'm  
3 merely saying I don't think every voter understood  
4 all the nuances of the effective dates of the  
5 amendment they voted for.

6                   COUNCIL MEMBER YEGER: So, having been  
7 stuck with the ramifications of the voters' actions,  
8 which is a referenda adopted, a series of questions,  
9 and now-- and the questions are what they are. There  
10 was a commission with unopen [sic] process. They  
11 decided what the questions would be. Everybody knew  
12 what the questions would be. It had a date on it.  
13 Nobody was running around-- I mean, I-- maybe I  
14 missed it. I don't remember hearing from you in  
15 September that maybe- tell me if I'm wrong, that --  
16 Charter Commission, you're wrong, don't do this.  
17 You're wrong. It should take effect immediately.  
18 What are you doing? Did I hear-- maybe I missed it.  
19 Did your organization say that without any kind of  
20 release that said Charter Revision Commission's  
21 wrong, and they ought to do it right away, and what  
22 kind of back room deal is this, just like the 1989  
23 back room deal that created the office that I'm  
24 trying to get rid of?

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2 ALEX CAMARDA: We actually did oppose the  
3 implementation that was created, but at--

4 COUNCIL MEMBER YEGER: [interposing] Did  
5 you urge a no vote?

6 ALEX CAMARDA: No, because we looked at  
7 the totality of the proposal, and even now as we are  
8 doing with this bill, we thought the benefits  
9 outweighed the cost, and so we support more public  
10 funds for candidates. We supported lower  
11 contribution limits. We would have preferred that it  
12 went into effect immediately. It did not. So when  
13 we looked at all those things together, we supported  
14 the proposal, but we did at the time, and it came  
15 about after the end of the public hearing process.  
16 We did at the time communicate that we supported  
17 having it go into effect immediately rather than an  
18 option for candidates in 2021.

19 COUNCIL MEMBER YEGER: As I described  
20 earlier, the-- which you've alluded to-- two  
21 candidates in the race or three, one can decide to  
22 not participate at all, has the \$2,550 limit, can  
23 self-fund, so can raise \$2,550 from people, but also  
24 can just take in whatever they want from their own  
25 pocket, and then there's Option and Option B. Option



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2 A is the \$1,000 limitation of which they get eight to  
3 one or \$250, an extra \$2,000 in tax money that won't  
4 go towards hiring a teacher, and Option B is a lesser  
5 among, six on the \$175 which gives them a total of  
6 about \$1,500, there about. And so you're going to  
7 have in a race people whose-- you know, and as I  
8 said, candidates are going to make the choices--  
9 let's be honest, right, a lot of people running are  
10 my friends. I like them very much, but the  
11 candidates in this race are going to choose what  
12 makes the most sense for their success, and if a  
13 candidate decides that what makes the most sense for  
14 his or her success is Option A, because they don't  
15 have access to \$2,550's, but they know they can raise  
16 a lot of small-dollar contributions on the internet  
17 and whatnot, and that's what they're going to do.  
18 And if a candidate says, you know, "My small-donor  
19 universe is not that great, but I know a lot of  
20 \$2,550 fellows, I'm going to go do that." And so  
21 you're going to have in a race people who are taking  
22 different monies from different places. It's not a  
23 level playing field because they're all making  
24 guesses about what makes the most sense. You think  
25 that's fair for a city to set up a system like that,

2 deliberately, not by accident. We're not doing--  
3 this is not an accident. It's not something that's  
4 just going to happen because nobody was watching.  
5 This is something that we're doing. We're making  
6 this happen, an unfair system. Do you think that's  
7 fair?

8                   ALEX CAMARDA: I'm not exactly sure what  
9 you're asking. What we've testified is we think that  
10 the ballot measures approved by the voters should go  
11 into effect immediately.

12                   COUNCIL MEMBER YEGER: So shouldn't we  
13 reject--

14                   ALEX CAMARDA: [interposing] We think  
15 that's the idea, that's the most desirable. I mean,  
16 to your point about candidates having different  
17 circumstances, some with access to larger donors,  
18 some with access to only smaller donors, I mean,  
19 that's just the reality of those candidates'  
20 experiences. I don't know whether that makes it fair  
21 or unfair. It's just they're coming into it at  
22 different points base on--

23                   COUNCIL MEMBER YEGER: [interposing] Mr.  
24 Camarda,--

25                   ALEX CAMARDA: different backgrounds.

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2 COUNCIL MEMBER YEGER: as you know,  
3 because you've been involved here and Citizen's  
4 Union, bills get written here in the Council. Then  
5 they get heard by a committee. They get passed on  
6 the floor. They go to the Mayor. He approves or  
7 disapproves, etcetera. The starting point is the  
8 Council, and there's a bill that provides this  
9 choice. Shouldn't we say no unless that bill is  
10 right? Why we-- why should-- wouldn't you tell me as  
11 a Council Member, "Vote no on that bill. It's not  
12 right. This is what we prefer."

13 ALEX CAMARDA: With every bill you have  
14 to balance the ideal versus something that you think  
15 is good, and we think there's a lot of good in this  
16 bill, and that we're not just looking at this  
17 immediate--

18 COUNCIL MEMBER YEGER: [interposing] You  
19 have the authors of the bill--

20 ALEX CAMARDA: special election. I mean,  
21 you have the special--

22 COUNCIL MEMBER YEGER: [interposing] You  
23 have the authors of the bill right here.

24 ALEX CAMARDA: You have a special  
25 elections that for the next four years you'll have

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2 candidates who raise more public funds and are able  
3 to opt in. We think that is an overarching good  
4 thing and outweighs, as I mentioned, the one  
5 reservation we had about changing the rules of the  
6 game for this one particular race. So, for us, it  
7 rises to the level of being good for the reasons I  
8 just mentioned, and therefore we support it. Would  
9 we prefer that the changes went into effect  
10 immediately for all races, not just for special  
11 elections, but also primary and general elections,  
12 yes?

13 COUNCIL MEMBER YEGER: Okay. Alright,  
14 thank you, Mr. Chair.

15 CHAIRPERSON CABRERA: Thank you so much,  
16 and I want to recognize that we were joined also by  
17 Council Member Maisel. I want to thank you.

18 ALEX CAMARDA: Thank you.

19 CHAIRPERSON CABRERA: Thank you for your  
20 advocacy. Thank you for your voice. You are making  
21 a difference. And with that, I want to thank again  
22 the staff for the wonderful work that you put into  
23 today's hearing, and we conclude today's hearing.

24 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date January 7, 2019