PETTY F. SANTOS EXECUTIVE OFFICER City of Los Angeles

CALIFORNIA



KAREN BASS MAYOR OFFICE OF THE CITY CLERK

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June 7, 2023

Honorable Members of the Los Angeles City Council c/o Room 395, City Hall 200 North Spring Street Los Angeles, CA 90012

SUBJECT: CERTIFICATION OF SUFFICIENCY OF AN ORDINANCE INITIATIVE PETITION: LIMITS ON HEALTHCARE EXECUTIVE COMPENSATION

Honorable Members:

Transmitted herewith are the certified results from the Los Angeles County Registrar-Recorder/County Clerk (RR/CC) of the signature verification of the Initiative Petition regarding: Limits on Healthcare Executive Compensation.

On February 14, 2023, signed petitions in support of the above mentioned Initiative were submitted to the Office of the City Clerk (City Clerk). As provided in City of Los Angeles Election Code Section 711 (b), the City Clerk completed the random sampling signature review process and concluded that the valid number of randomly sampled signatures fell within the range that requires all petition signatures submitted to be examined. Since the City Clerk does not have the capacity to conduct a full examination of all of the submitted signatures in a timely manner, the City Clerk requested the RR/CC to provide election services to examine the signatures.

On April 5, 2023, a Resolution was sent to City Council to request that the Los Angeles County Board of Supervisors authorize the RR/CC to conduct a full examination of all the submitted signatures for the Initiative Petition. City Election Code Section 105(e) authorizes the City to request the County to render specified election services to the City Clerk.

On April 11, 2023, the Resolution was adopted forthwith by Council (Council File: 23-0386).

On April 12, 2023, the Initiative Petition was delivered to the RR/CC to conduct a full signature review. The RR/CC has completed their review of the signatures and have provided us with their results.

In order to qualify for presentation to the City Council under the Charter, the Initiative Petition must contain at least 139,497 valid signatures of registered voters of the City of Los Angeles.

Based on the RR/CC's examination of the signatures compared with the voter registration records which they maintain, the RR/CC has determined that the Initiative Petition contains more than the minimum number of valid voter signatures required to qualify for presentation to the City Council. Thus, the attached certified results have determined that the Initiative Petition is SUFFICIENT and I hereby present the attached Certification of Sufficiency to the City Council.

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Charter Section 452 generally provides that when presented with a certified Initiative Petition, the Council must take one of the following three actions within 20 days of the transmittal of the attached Certificate of Sufficiency to the City Council:

- 1. Adopt the proposed ordinance, without alteration; or
- 2. Call a Special Election to be held not earlier than 110 days nor more than 140 days after Council action on the petition to submit the proposed ordinance, without alteration, to a vote of the electors of the City; or
- 3. Determine to submit the proposed ordinance, without alteration, to a vote of the electors of the City at the next regular City and Statewide election conducted by the County of Los Angeles to be held more than 110 days from the date of Council action.

The second option, ordering a stand-alone Special Election, is not recommended since it is by far the most expensive option (approximately \$28.7 million). The City's regularly-scheduled Primary Nominating Election, which will be conducted on March 5, 2024, meets the requirements of the third option as it occurs more than 110 days from the date of Council action with no additional cost because there will already be Citywide measures on the ballot.

ELECTION COSTS

Option 1: Adopt the proposed ordinance, without alteration.

There would be no additional financial impact relative to Election costs.

<u>Option 2:</u> Call a stand-alone Special Election (Citywide) to be held not earlier than 110 days or more than 140 days after the Council's action to submit the ordinance to a vote.

This option would require a Citywide Special Election to be held no earlier than October 15, 2023 and no later than November 14, 2023, assuming Council takes action on June 27, 2023. A standalone, Citywide Special Election would cost approximately \$28.7 million [\$27 million for the cost incurred by the RR/CC to conduct the Special Election and \$1.7 million for preparing and mailing Voter Information Pamphlets (VIPs)]. This option may also entail possible voter fatigue due to City of Los Angeles voters being asked to vote in two elections within a few months.

Option 3: Determine to submit the proposed ordinance, without alteration at the City's 2024 Primary Nominating Election to be held March 5, 2024.

If the City Council determines to submit the proposed ordinance to the electorate at the March 5, 2024 Primary Nominating Election and funds for ballot measures are already budgeted, there will be zero to minimal additional financial impact relative to Election costs since there will be Citywide races included on the ballot.

COST OF PROCESSING THE SIGNATURES

As a result of the Initiative Petition requiring a full review, the RR/CC has provided the City Clerk with an estimate of \$2.9 million for the cost of processing a full review of the Initiative Petition signatures.

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RECOMMENDATION

That if the City Council wishes to hold an election in response to the certified Initiative Petition:

Determine to submit the proposed ordinance, without alteration, to a vote of the electors of the City at the regularly-scheduled Primary Nominating Election scheduled for March 5, 2024.

FISCAL IMPACT

There is zero to minimal cost for adopting the recommendation in this report, since there will be a moderate number of Council-sponsored measures on the March 2024 ballot.

If, however, the City Council chooses to place this measure before the voters in a Special Election, the cost of that Election is estimated to be \$28.7 million.

Sincerely,

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Holly L. Wolcott City Clerk

Attachment

HLW/PFS/JP/AM:ih/tj EXE-031-23



Los Angeles County Registrar-Recorder/County Clerk

June 5, 2023

Ms. Jinny Pak, Division Manager City of Los Angeles, Office of the City Clerk, Election Division 555 Ramirez Street, Space 300 Los Angeles, California 90012

Dear Ms. Pak:

We have completed the signature verification submitted on April 12, 2023, for An Initiative Ordinance entitled LIMITS ON HEALTHCARE EXECUTIVE COMPENSATION.

The results of the signature verification are as follows:

Number of signatures filed	237,359
Number of signatures verified	205,144
Number of signatures found sufficient	145,650
Number of signatures found not sufficient	59,494
Not sufficient because duplicate	3,840

Please call Tiffany Olsen, Head, Data Entry and Signature Verification at (562) 462-2376 if you have any questions regarding the signature verification of this petition.

DEAN C. LOGAN

DEAN C. LOGAN Registrar-Recorder/County Clerk County of Los Angeles