

Alameda Campaign Finance Analysis: 2008-2012 Mayor and City Council

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Mayor and City Council

Summary of the Analysis

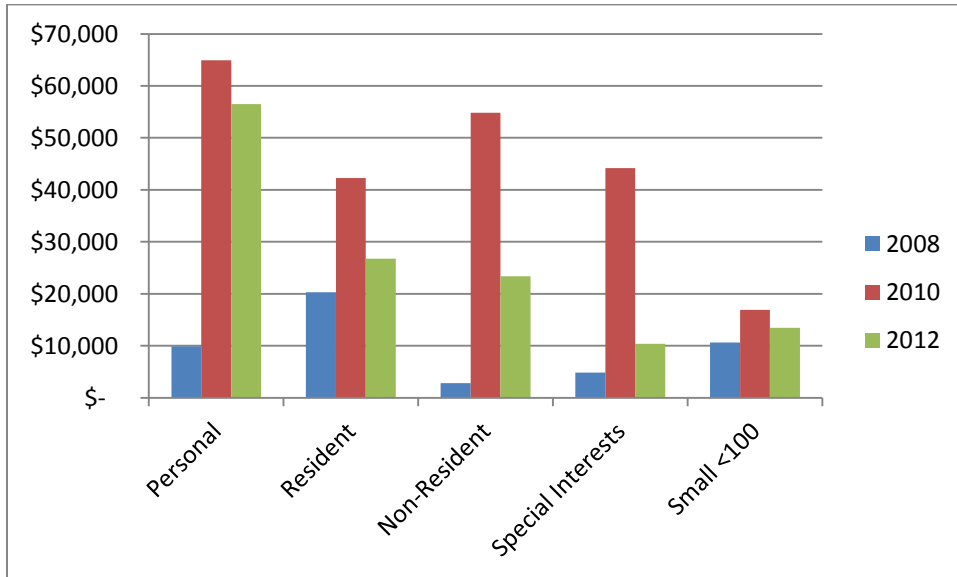
In his book *Republic Lost*, Professor Lawrence Lessig (Harvard Law) assails money in politics. He describes the “election before the election” where a candidate must do very well if they want to win the voter election. He is of course describing the “money election,” where a select few people participate, their contributions creating a gate which candidates must pass through before voters can have their ultimate say. As a result he believes “a dependency develops over time” and with it “an economy of influence.”

This campaign finance analysis provides insight into monetary contributions and spending of candidates for Mayor and City Council in Alameda during the 2008, 2010 and 2012 election cycles. The analysis summarizes amounts of funds raised by candidates and funding sources while noting parallel independent expenditures.

Key findings:

- Alameda campaign contributions increased significantly since 2008
- Contributions from smaller donors and Alameda residents have declined as a share of contributed campaign funds from 2008-2012
- Candidates raised additional funds by securing contributions from non-residents and special interests
- On average, less than 150 residents contributed more than \$100 in campaign contributions. This .36% of registered voters, along with small contributors (<\$100) provided just 32% of campaign funds on average for City Council campaigns.
- Personal contributions of candidates, non-residents and special interests made up 68% of contributions for City Council elections from 2008-2012.
- The 2010 election was largely distorted by contributions from non-residents and special interests and related spending by special interest independent political action committees. Total contributions topped \$1 million.

Alameda City Council Campaign Contributions by Category



Purpose of the Analysis and History of CFR in Alameda

This analysis is intended to help inform citizens and groups such as Alameda Citizens Task Force (ACT), the League of Women Voters, and Common Cause who may be interested in driving campaign finance reform. The analysis endeavors to be descriptive and nonpartisan in presenting the facts. The primary data source is Candidate Campaign Disclosure Reports posted on the City of Alameda website at <http://docs.ci.alameda.ca.us/weblink8/0/foi/310100/Row1.aspx>.

Alameda lacks a Campaign Finance ordinance. On June 15, 2010 City Staff submitted “Final Passage of Ordinance Amending the Alameda Municipal Code by Adding Section 2- (Election Campaign Contributions) to Article VI (Elections) of Chapter II (Administration) to Create Enforceable Limits on Election Contributions to Facilitate Local Campaign Finance Reform and Promote Broader and More Open Citizen Participation in the Electoral Process.” Council failed to adopt the ordinance. In January of 2011, Council received another transmittal with a revised Campaign Finance Reform Ordinance based on input from the City’s Sunshine Task Force. Again, the council failed to adopt the ordinance.

The Alameda Citizens Task Force (ACT) has supported a range of efforts to improve governance in Alameda. They have been vocal on the need for campaign finance reform.

The League of Women Voters Alameda supported action on Campaign Finance Reform in Alameda. The League of Women Voters U.S. and LWV California have published positions on Money in Politics which have been used in support of Campaign Finance Reform in many cities. The League of Women Voters Alameda placed City Council campaign finance reform on its action agenda in 2010. LWV Action Chair Karen Butter drafted and sent a letter to Council. On March 17, 2010 the League of Women Voters Alameda sent another letter to Council. The League’s Action Committee attempted to move the item forward in 2012 with several meetings with City Staff and the Mayor and Council members. The Action committee has planned citizen awareness efforts for 2013 and may continue to press for an ordinance.

Alameda Background Information

The population of Alameda is approximately 75,000 living on island that is about eleven square miles. The island is accessible by a tunnel, two ferries and three bridges. There are about 42,000 registered voters and about 68% of them vote, with slightly higher turnout in Presidential election years.

There are no run-off elections, nor ranked choice voting for Mayor. Hence the office goes to the highest votes received and does not require a majority (51%) of votes. Council seats are elected “at-large” as there is no districting. The minimum number of votes required to win a council seat has averaged 9,830 from 2002 to 2012.

Does Money Matter in Alameda Elections ?

Yes, money is an essential ingredient for candidate success. Doing very well in the money race is required to provide an opportunity to win election by the voters, but does not guarantee success. Incumbency or prior seat on the dais can create an exception.

The top spender was elected in each of the 2008, 2010, and 2012 City Council races, - Gilmore, Bonta, Ashcraft respectively. Likewise, in the 2010 Mayor’s race the winner, Gilmore, outspent all other opponents and was elected.

Spending more money than others is not sufficient to win. The 2010 election illustrates the point when Ashcraft spent \$63,406 yet lost to Tam (\$44,065) and Johnson (\$7,627). And again in 2012 when Cambra spent \$30,718 yet failed to win against Chen (\$25,613) or Daysog who spent just \$5,727.

However, raising little or no money dooms a candidate to failure. In 2008, two candidates raised \$2,472 (Jensen) and \$5,265 (Harrison) and lost to candidates who raised more than \$20,000 each (Gilmore, DeHaan). In 2010, Mitchell (\$3,949), Jensen (\$1,752) and Gillitt (\$449) all lost. Johnson spent an exceptionally low \$7,627 to get elected, but was a two term Mayor and former Councilmember. And in 2012, Dumuk (\$800) and Weber (no report) also lost. Voters returned Daysog to the Council after a hiatus with relatively low spending, another exception for a prior incumbent.

How Much Do Candidates Spend on Campaigns?

In the past three elections, the average City Council candidate spent \$19,803 whereas the average winning city council candidate spent \$29,347, or about .65 per registered voter. The minimum spent to win averaged just \$11,178, with the least spent to win an office being \$5,727 by Daysog in 2012.

Spending for Council seat campaigns has increased rapidly. In 2008, the average was \$12,339. City Council elections in 2010 more than doubled to \$25,511. And in 2012 the

average was \$17,545.

Mayoral candidates spent an average of \$29,795 in 2010. Direct candidate spending ranged considerably led by Gilmore (\$62,064), Matarrese (\$50,979), deHaan (\$24,099), Daysog (\$11.832) and then Kahn (no report posted).

Note these were totals based on post-election January reports, but some candidates raised money and spent funds even after the elections. See also the indirect spending by “independent committees” both for and against candidates which adds considerably and in some cases resulted in more than \$100,000 for a candidate.

Where Does the Money Come From ?

Candidates generate funds from a variety of sources including; small contributors, named residents, non-residents, businesses, unions, personal funds, family, and other politicians and political action committees. Across the three City Council elections, candidates raised an average of \$21,155 with top candidate Bonta raising over \$70,000 in 2010. Typically all candidates rely on small donations, residents and personal funds to a degree. Those who raise the more funds than average typically tap their personal funds significantly (Ashcraft in 2010 and 2012), rely on non-resident contributions (Bonta 2010, Chen 2012), and/or garner contributions from unions or other political candidates.

Small Contributors

The impact of small contributors has declined as they cannot compete with other money interests. Despite an increase in small contributions from \$10,637 in 2008 to \$15,393 in 2010, the amount contributed as a percentage of total contributions decreased from 22% to just 7%. 2012 results were just 10% of the total. Small contributors include cash donations of less than \$100 and are not required to be identified by name. These amounts are often collected at local fund raising events.

Some candidates claim to be the voice of the people, aka “the little guy.” Yet no successful candidate has relied primarily on small contributions of less than \$100 for a majority of the campaign funds in Alameda.

The impact of small contributors varied greatly by candidate and by election. In 2010, Sweeney raised 31% of her funds from small contributors whereas Ashcraft just 4%. In the 2008 Council election Gilmore and DeHaan received 22% and 23% respectively of their funds from small contributions. However in the Mayor election of 2010, deHaan’s share increased to 29% while Gilmore’s fell to just 5% of the funds she raised, with Matarrese at 19%. In the 2012 council race, Sullwold (16%) and Chen (15%) relied more on small contributors than Cambra (7%) and Daysog (0%).

Resident Contributors

Candidates who accept contributions of \$100 or more are required to report the name, address and employer of the contributor. Most resident contributions are between \$100 and \$250. Residents contributing \$100 or more make up just 22% of the funds candidates raised in Alameda council elections from 2008 to 2012. The impact of residents has declined considerably. These donations represented 42% of contributions in 2008, but only 19% and 20% in 2010 and 2012 respectively in council races.

Nearly all candidates rely on resident contributions. In the 2008 council race, the average candidate raised \$5,074 in resident contributions which represented from 25% to 55% of their funds with the winners \$9175 or 44% (DeHaan) and \$8550 or 42% (Gilmore). In 2010, Sweeney relied on residents for 64% of her funds. And in 2012, Sullwold raised 43% of her funds from residents. Neither Sweeney nor Sullwold won election.

Larger resident contributors can swing resident contributions for some candidates. For example, Seiwald contributed \$10,000 to Gilmore and \$5,000 to Tam in 2010. Without that contribution, Gilmore's share of resident contributions in the 2010 Mayor's race would have dropped from 38% to 26%.

Non-Resident Contributors

Non-residents may be family, friends, colleagues or networks of people working in behalf of the candidate while not residing in Alameda. Their contributions represent 16% of funds raised in the 2008-2012 council elections. However, that number spiked in 2010 when non-residents contributed 25% of funds. Non-residents contributed 13% of campaign funds during the 2010 Mayor election.

Non-resident contributions in the 2010 Mayor's race ranged from 0% (DeHaan) to 12% (Matarrese) to 18% (Gilmore). Chen, in the 2012 council race, garnered 51% of his funds from non-residents demonstrating a base of support in Oakland and surrounding communities. And the most significant outlier statistically was Bonta with 55% of his funds coming from non-residents in 2010. The number of contributions from various cities and states in Bonta's case revealed a significant network.

Business Contributions

On average businesses represent a rather small impact through direct contributions to Alameda Mayor and Council candidates. The share of business contributions averaged just 2% from 2008-2012 in council elections and only 5% in the mayor's race of 2010.

A few candidates and larger contributors stand out. Johnson received 10% of her funds from businesses, including a \$2500 contribution from Bay Ship and Yatch. The business share would have been higher had it included a \$10,000 contribution from Harbor Bay Isle Associated. That contribution was not counted as business as it occurred as a contribution for Alameda County Supervisor which Johnson later rolled over to her campaign for City Council. Gilmore received one business contribution of \$2500 and a few \$1000 donations during the 2010 Mayor race. Several council candidates received business contributions of \$500-\$1000 in 2012 including Ashcraft, Cambra, and Sullwold, but business contributions represent 5% or less of funds for each of them.

Union Contributions

Direct contributions to council candidates from unions represent just 4% of the campaign funds collected from 2008-2012, but a much higher 16% of funds in the 2010 mayoral election. These contributions concentrated on a few candidates creating an impactful source for the selected candidates. And the impact of some unions is amplified by their direct spending of their controlled political action committees (PACs).

Just \$1,750 in union contributions was reported during the 2008 council election and \$3,400 in 2012. However, the number ballooned to over \$12,000 during the 2010 election in support of Tam and Bonta. Mayor candidates Gilmore and Matarrese received over \$16,000 and \$8,000 respectively representing about 20% of their total funds collected.

The union with the largest spending on political elections is the Alameda Fire Fighters. They reported contributing or spending directly over \$150,000 over the past 3 election cycles to mayor, council, school board and other candidates and measure committees including a few beyond Alameda. They contributed prior to the campaigns, during the official campaign reporting cycle and after the elections. For example, Gilmore, Bonta, Tam and Johnson all received contributions after the 2010 election cycle.

Candidates Personal Funds

All candidates have funded their campaigns to some degree. Candidates frequently loaned funds to their committee to initiate the campaign hoping to recover the funds later. On average, personal funds represent a substantial 33% of campaign contributions during the 2008-2012 council elections and 12% of the 2010 mayor's race. Typically candidates will

contribute or advance as a loan to the committee amounts of \$5,000 to \$10,000.

The clear big spender of personal funds for a campaign was Ashcraft, contributing over \$45,000 in her failed 2010 bid and then another \$27,000 in her successful 2012 campaign for council. Excluding Ashcraft amounts, candidate personal funds in City Council races would have averaged just 14% instead of 33%. Cambra racked up \$20,000 in loans to his 2012 campaign. And while personal funds represented the majority share of Daysog's runs for mayor in 2010 and council in 2012, his total spending approach is characteristically low budget.

Politicians and Committee Funds

Over time, several politicians have acquired balances in their campaign accounts which they often contribute to other candidates. Officials and former officials control committee funds previously raised for their campaigns and are redirect them to Alameda candidates. These contributions provide funding for candidates while also underscoring important endorsements. Typically in each election, such funding represents less than 5% of campaign funds.

County Supervisor Wilma Chan contributed to several candidates, as did former Assembly member Sandre Swanson. Johnson contributed from her Mayor's campaign committee to Jensen's run for Council in 2008.

In addition to contributions to candidates, independent committees may also spend directly in support or opposition to a candidate. For example, Californians for Good Jobs, Safe Streets and Outstanding Schools (PAC), spent \$2601 for a 2008 mailer for Gilmore. The committee received major funding from the California Correctional Peace Officers Association and was reportedly directed by Don Perata.

When Do Candidates Raise Funds ?

Election campaigns funds are reported from July to December in a series of three reports covering July to September, 3 weeks of October and then a final report through December. However, some candidates start much earlier and campaign committees are required to report semi-annually to cover January-June and July-December. No off-cycle campaign contribution restrictions exist in Alameda.

Businesses and committees donate on off-cycle periods. Candidate contributions in off-cycle years typically benefit incumbents. For example, Johnson received \$2500 from Bay Yachts in early 2010. Matarrese received \$1500 from Harbor Bay Acquisitions in February 2008. Gilmore received \$500 from Northern California SWAPMeets in early 2008. Tam received \$5,000 from the Firefighters in February 2013, although she is termed out.

2010: A Distorted Campaign

Spending on the 2010 elections dwarfed anything seen previously in Alameda. With \$1 million in campaign spending, 2010 voters were bombarded with TV ads, mailers, signs, polling efforts, “robo-calls” and more. Candidates found themselves in a sea of accusations and acrimony.

The 2010 November election ballot included the office of Mayor and two council seats. In addition, voters participated in a February 2010 election, defeating by a wide margin (85% to 15%) a local measure titled Alameda Point Revitalization which had been sponsored by a real estate development company, SunCal. In addition, one candidate had been formally accused of improper actions.

Contributions to the mayor candidates exceeded \$150,000. In addition, 2010 City Council candidates raised nearly \$220,000 compared with less than \$50,000 by candidates in 2008. Contributions by non-residents spiked in comparison to 2008 and 2012 council elections.

Special interests raised spending levels considerably. Revitalize Alameda Point (PAC) with primary funding from Cal Land Ventures, LLC and SSC Alameda Point LLC, a SunCal company under contract with the City of Alameda, raised \$600,038 to drive adoption of their ballot measure and also to spend against candidates who opposed their measure. And in what appeared to be an attempt to connect candidates with SunCal and confuse voters, Argent Management, a SunCal affiliate, made \$250 contributions to several candidates who later returned the checks or refunded the amounts.

Finally, in addition to about \$40,000 in campaign contributions to candidates, the Fire Fighters Union spent an additional \$13,000 with direct mailers in support of candidates and nearly \$10,000 against one (deHaan).

Other Observations

Online reporting is limited to publishing PDF files of printed reports, some written by hand. The lack of a truly online system delays reporting and fails to provide data in a machine readable format to enable citizen review and analysis.

Reporting is not always complete and accurate. Donor addresses and employer information are frequently omitted. Cumulative Reporting from donors is not always accurate. The form based reporting system does not enable easy tabulation for committee treasurers. This is particularly challenges across reporting periods, but we also observe failure to appropriately accumulate totals with in a period (e.g. Gilmore 2008 Oct 23 report, donor Cross). Some treasurers appear to be able to track and report effectively probably employing robust software (e.g. Treasurer Hansen on various campaigns).