



**OFFICE OF THE
CITY ATTORNEY**

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**CITY OF SACRAMENTO
CALIFORNIA**

April 16, 1992

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Law and Legislation Committee
Sacramento, California

SUBJECT: Conflict of Interest Codes for City Boards and Commissions

Honorable Members in Session:

LOCATION AND DISTRICT

Citywide.

SUMMARY

This report presents for Law and Legislation Committee review information about Conflict of Interest Codes for City boards and commissions.

RECOMMENDATION

It is recommended that the Law and Legislation Committee review this report and take action as it deems appropriate.

BACKGROUND

At the April 7, 1992, City Council meeting, Councilmember Mueller asked that the Law and Legislation Committee look at criteria for Conflict of Interest Codes for various City boards and commissions.

It is our understanding that Ms. Mueller's request arises from her learning that a special Conflict of Interest Code, supplementing disclosures required by State law and City policy, has been adopted by the Metropolitan Arts Commission and approved by the City Council. The attached memorandum dated April 7, 1992, previously distributed to the Mayor and City Council members, discusses the background of the Metropolitan Arts Commission's supplementary Conflict of Interest policy.

State law requires that local governments adopt conflict of interest codes for its various boards, commissions, and administrative departments. The codes identify the boards and commissions whose members must file Statements of Economic Interests. The codes also detail the types of financial interests which board and commission members must disclose when they initially take their positions, and annually thereafter. Each affected board, commission, and department is charged to develop its own disclosure categories for the Statements of Economic Interests, based upon the functions of the board, commission, or department, and the potential economic conflicts of interest which might arise.

Law and Legislation Committee
Re: Conflict of Interest Codes
for City Boards and Commissions
April 16, 1992
Page Two

On April 7, 1992, the City Council adopted resolutions constituting the annual update of the Conflict of Interest Codes for boards, commissions and City departments.

If the Law and Legislation Committee wants to review the latest resolutions in more detail than was done at the City Council level, the City Attorney will work with the City Clerk to make a presentation at a future Committee meeting.

FINANCIAL DATA

No impact.

POLICY CONSIDERATIONS

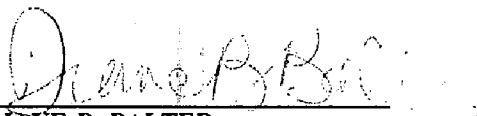
Existing Conflict of Interest codes have been approved by the City Council.

MBE/WBE

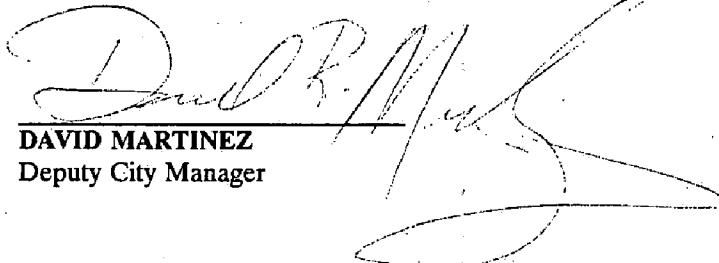
Not applicable.

Respectfully submitted,

SHARON SIEDORF CARDENAS
City Attorney

By: 
DIANE B. BALTER
Deputy City Attorney

RECOMMENDATION APPROVED:


DAVID MARTINEZ
Deputy City Manager

Contact Person to
Answer Questions:

Diane Balter, Deputy City Attorney
264-5346

Law and Legislation Committee
April 28, 1992
All Districts



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April 7, 1992

MEMORANDUM

TO: Kim Mueller, Councilmember, District 6

FROM: Sharon Cardenas, City Attorney
Diane B. Balter, Deputy City Attorney *DBB*

SUBJECT: Conflict of Interest Policy

You have asked for our thoughts regarding the special and stricter conflict of interest policy which was adopted by the Sacramento Metropolitan Arts Commission and approved by the City Council on December 10, 1991. You have indicated that you are concerned that the policy is stricter than the conflict of interest policies for other boards and commissions. You have asked:

Is there any way to bring uniformity to the Conflict of Interest Policies of City Boards and Commissions? While I supported the policy adopted for the SMAC Commissioners, I also believe the City should have uniformity in its policies. What are your thoughts on the matter?

You and those persons that have spoken to you are correct that the conflict of interest policy for the Metropolitan Arts Commission is stricter than the policies for other boards and commissions. The Arts Commission makes recommendations for grants to non-profit organizations, which recommendations are regularly

accepted by the City Council. It was our understanding, and we believe the understanding of the Arts Commission and its staff, that the City Council was concerned about the appearance of conflict of interest when a person active with a particular non-profit on a volunteer basis participates in the Commission's evaluation of grant applications from "his" or "her" non-profit as well as other non-profits.

Because volunteers do not have a "financial interest" in the organizations for which they volunteer, any conflict of interest rules designed to solve the appearance of conflict described above must go beyond the traditional rules which address financial conflicts of interest.

The Arts Commission is one of only two advisory bodies (the other being the History and Science Commission*) that make decisions on grant applications from non-profit organizations. This unusual, and nearly unique, function was the reason for differentiated conflict of interest procedures.

We do not believe that having different conflict of interest policies creates any legal problem. It is up to the Council to determine what these conflict of interest policies should be.

*The History and Science Commission has been involved in grant application review for the Sacramento County Board of Supervisors, but only for two years, and it appears that their recommendations may not have been routinely accepted by the Board. If the stricter policy for the Metropolitan Arts Commission is retained, whether the History and Science Commission should also consider a stricter conflict of interest policy is an open question.

cc: Mayor and Councilmembers
Rosanna Herber
Wendy Ceccherelli
Tony Marquez