

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

For the Agenda of: January 25, 2007

To: Board of Directors
Sacramento Metropolitan Air Quality Management District

From: Larry Greene
Air Pollution Control Officer

Subject: Amendments to Sacramento Metropolitan Air Quality Management District's
Conflict of Interest Code

Recommendation

Adopt the attached Resolution (Attachment 1) amending the Sacramento Metropolitan Air Quality Management District's (District) Conflict of Interest Code

Purpose

Update the District's Conflict of Interest Code (Code) to add positions to the list of Designated Employees that must file public disclosures of economic interests and amend the Disclosure Categories to be reported.

Background

The Fair Political Practices Commission requires local agencies to adopt Conflict of Interest Codes that designate which employee positions must file economic interest disclosure statements and create categories of economic interests that delineate the type of information that must be reported. Agencies are also required to review and, if necessary, update their Conflict of Interest Codes every two years. The District adopted its Code on June 1, 1995. (A copy of the District's Code is included as Exhibit 1 to the attached Resolution.) The Code has not been revised since its adoption.

The Code and any amendments must be filed with the Sacramento County Board of Supervisors. All financial disclosures must be filed with the Clerks of the District and the Board of Supervisors.

Discussion

The purpose of a conflict of interest code is to eliminate conflicts of interest created when a public employee or agency consultant with an economic interest in a government agency decision is involved in making that decision. One of the principal mechanisms for eliminating potential conflicts is to require that public employees and agency consultants that make or participate in making government decisions are: (i) listed in the

agency's Conflict of Interest Code, and (2) required to file economic disclosure statements. These economic statements, commonly referred to as Form 700's, must be made available for public review.

While at some level almost all employees are arguably involved in agency decision-making, the agency can not simply require all employees to disclose all reportable economic interests. This is because people have a constitutional right to privacy in their financial affairs. Consequently, in developing the list of designated positions, the agency must balance the public's need to identify possible conflicts of interest against an individual's right to privacy. In practice, the positions that are only tangentially involved in the decision-making process, or those whose recommendations are merely advisory, should not be listed as designated positions subject to the reporting requirements.

The District applied this principal to its most recent Conflict of Interest Code review (see Exhibit 2 in the attached Resolution). The current list consists of the following designated positions:

- The Board of Directors
- The Hearing Board
- The Air Pollution Control Officer
- The Administrative Officer

The Staff determined that this list was too narrow, because other positions have become increasingly involved in the District's decision-making process. These positions are summarized below and listed in Exhibit 3 in the attached Resolution.

- All Division Managers
- All positions at the Program Supervisor level
- All positions at the Program Coordinator level
- Several positions at the air quality engineer and specialist level
- The District Accountant

The Staff also determined that other District positions, while loosely involved in decision-making, did not have a sufficient role to justify reporting. These include clerical positions, secretarial positions, and technical staff (see Exhibit 2 in the attached Resolution).

In addition to identifying Designated Positions, the staff also identified the appropriate Disclosure Categories for each listed position.

The District published notice of the proposed revisions (see Exhibit 4 in attached Resolution) to provided an opportunity for public comment. No comments were received, nor did anyone request that the District hold a hearing on the revisions.

Summary

This proposed action will update the District's Conflict of Interest Code to (i) include a revised list of Designated Positions that accurately reflects the staff positions that make or participate in the decision-making process and who must therefore file financial disclosure statements, and (ii) list the Disclosure Categories for each listed position.

Fiscal Impact

None

Respectfully submitted,

Larry Greene,
Air Pollution Control Officer

Reviewed By:

Kathrine Pittard,
District Counsel

Attachments