



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-241

Board Meeting Date: 4/9/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive
Roberto Manchia, County Chief Financial Officer

Subject: Conflict of Interest Code Amendment for Joint Powers Financing Authority

RECOMMENDATION:

Adopt a resolution amending the County of San Mateo's Conflict of Interest Code to include the San Mateo County Joint Powers Financing Authority as it pertains to members of the County's Boards and Commissions.

BACKGROUND:

The Political Reform Act of 1974 requires every public agency, including the County, to adopt and promulgate a Conflict of Interest Code, designating employees who must file annual conflict of interest statements. The County's Conflict of Interest Code (the "Code"), as it pertains to the County's Boards and Commissions, was adopted on February 26, 2008, and has been amended from time to time to reflect the addition and deletion of various County Board and Commissions.

In 1993, this Board adopted Resolution No. 57104 approving a joint exercise of powers agreement creating the San Mateo County Joint Powers Financing Authority (the "Authority"). The Authority is a special-purpose entity engaged solely in the financing of the County's capital projects through issuance of lease revenue bonds and other bonds as authorized under California law. The Authority consists of five members appointed by this Board, and is governed by a joint powers agreement, as amended, and the Bylaws of the Authority.

The Authority Bylaws state that the Authority "shall, to the extent required by law, adopt a conflict of interest code and submit such code to this Board of Supervisors of the County, which is hereby designated as the Authority's code reviewing body." Authority Bylaws, § 1.5.

When the Authority was established in 1993, the Authority determined that it was exempt from the conflict-of-interest code requirements of the Political Reform Act because it lacked "designated employees." Authority Res. 93-1, § 6. The Authority resolution listed "supporting facts" for the exemption based on criteria apparently then in effect, specifically that "(1) the Authority does not have

regulatory, quasi-regulatory, permit, licensing or planning authority functions; (2) the Authority will not acquire real property in the foreseeable future; and (3) the annual operating budget exclusive of salaries for the Authority is less than \$70,000, as set forth in 2 Cal. Code of Regs. Section 18751(d).” Authority Res. 93-1, § 6.

The regulatory criteria have since been revised to adjust these standards and to indicate that boards that possess decision making authority may not be within the exemption. This would include boards that take actions that have “a financial effect on any person other than the governmental agency making the decision.” 2 Cal. Code of Regs. § 18751(d); and 18700(c)(2)-(4).

DISCUSSION:

In view of regulatory changes described herein, the Authority has adopted a conflict-of-interest code that incorporates the standard terms adopted by the Fair Political Practices Commission, which require that each agency to designate: (a) the positions whose duties require disclosure certain economic interests; and (b) the categories of economic interests that must be disclosed. The conflict-of-interest code adopted by the Authority is attached as Exhibit A to the proposed resolution presented to this Board.

Staff recommends that the County’s Code be amended to add the Authority. Once added, Authority members, designated employees, and designated contractors will be required to file Statements of Economic Interests (Form 700) within 30 days of the amendment and then file a Form 700 each subsequent year, upon leaving office, and should they be removed from the Committee’s list of filing officers. All Form 700s will be filed electronically or with the Authority, which shall retain a copy and forward the originals to the San Mateo County Clerk, which shall be the filing officer.

The amended Code is submitted to this Board concurrently with this item, and identified as Exhibit B.

FISCAL IMPACT:

There is no fiscal impact associated with adoption of this resolution amending the Conflict of Interest Code to include the Authority.