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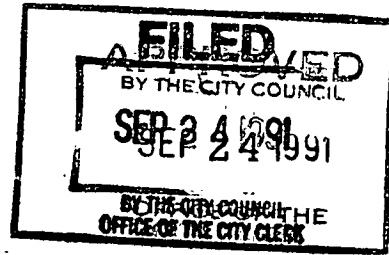
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ZOO

September 13, 1991

City Council  
Sacramento, California



Honorable Members in Session:

**SUBJECT:** Update on Arts Commission's Revised Conflict of Interest Policy

LOCATION AND COUNCIL DISTRICT

City.

SUMMARY

This is a report back to the City Council's request of August 13, 1991 that the Arts Commission develop a Conflict of Interest Policy for Commissioners, panelists, jurors, and Committee members.

COMMISSION ACTION

On September 11, 1991 a draft conflict of interest policy paper was presented to the Arts Commission for discussion. Chair Mary Anne Payne directed Commissioner Marquez and the Conflict of Interest subcommittee (Chairs of APP, Awards, and Performing Arts Committees) to meet with the City Attorney's Office to further discuss and clarify the draft policy as it relates to the Arts Commission's status under conflict of interest codes required by the Fair Political Practices Commission (FPPC) and the Political Reform Act.

STAFF RECOMMENDATION

For Council Information.

BACKGROUND

On January 14, 1991, Mayor Anne Rudin forwarded a letter to Chair Mary Anne Payne requesting the following: "that no Commission Member or an agency or organization of which the Commissioner is a member can apply for a grant during that person's term in office. We would like the Commission to establish this in a policy."

The Arts Commission has an existing conflict of interest policy (revised 8-22-90) and it does not prohibit this activity. In May 1991 Chair Mary Ann asked Commissioner Marquez, Chief Counsel to the Joint Legislative Ethics Committee, to review the Arts Commission's existing policy and to develop a revised policy statement that would address Commissioner affiliation with respect to grant applicant organizations.

On June 12, 1991 a draft policy was presented, as a first reading, to the Arts Commission.

On August 22, 1991, Commissioners Marquez and Cid; Diane Balter, Deputy City Attorney; Grants Coordinator Kim Heckes; and Acting Director Geri McBeth met to discuss participation of review panelists, committee members, and Commissioners in development of policies and procedures for funding programs, allocation of funds, and final approval of grantees.

The attached draft conflict of interest policy (Exhibit A) includes the following:

- \* Definitions of financial interest and affiliation.
- \* Official action of individuals covered in the policy.
- \* Prohibited activity.
- \* Voting procedure.
- \* Public accessibility of Disclosure Statements.

The City Attorney's office reviewed the draft statement and recommended further discussion related to the Arts Commission's status under FPCC codes. The conflict of interest subcommittee will meet within the next two weeks to discuss this.

A revised conflict of interest policy will be presented to the Arts Commission for approval on October 9, 1991 meeting. Upon review and approval of the policy, a staff report will be forwarded to City Council and Board of Supervisors recommending approval of the policy.

FINANCIAL CONSIDERATIONS

There would be no financial impact related to revision of the conflict of interest policy.

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POLICY CONSIDERATIONS

Development of a formal Arts Commission Conflict of Interest Policy for Commissioners, panelists, jurors, and committee members is consistent with Council direction and requirement of the FPPC and the Political Reform Act.

MBE/WBE

The Arts Commission will make every effort to meet the City's MBE/WBE goals.

Respectfully submitted,



Geri McBeth, Acting Director  
Metro Arts Division



Robert P. Thomas, Director  
Parks and Community Services

Approved for Information:



Walter J. Slipe, City Manager

September 24, 1991  
All Districts

Contact for more information: Geri McBeth, Acting Director  
Metro Arts Division 449-5558

Attachment: Exhibit A

PROPOSED DRAFT  
CONFLICT OF INTEREST STATEMENT

TO: Mary Anne Payne, Chair  
Sacramento Metropolitan Arts Commission

FROM: Anthony P. Marquez, Commissioner  
Sacramento Metropolitan Arts Commission

RE: Proposed Conflict of Interest Policy

DATE: September 3, 1991

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Introduction

This proposed conflict of interest policy applies to the following persons: arts commissioners, committee members, panelists, and staff personnel. As interested participants in the art and cultural life of the greater Sacramento area, such persons are required to avoid any potential conflicts of interest and refrain from any actions which may be interpreted as using his or her affiliation with SMAC to further his or her personal financial interest or that of the organization with which he or she is affiliated. To the extent that members of the Awards Committee participate in the revision of funding guidelines, SMAC recognizes that a stricter policy shall apply to persons who serve on that committee.

Each person covered by this policy is required to review his or her professional and personal affiliations and should give careful consideration to those activities which might create a conflict of interest with the duties and responsibilities of SMAC. Please read this policy statement carefully before signing the disclosure statement and indicate any and all organizations with which you are affiliated. Membership in an organization alone does not create an affiliation.

Policy

1. Definitions:

Financial interest - any remuneration, personal obligation, or contract which is received directly for any advice, service, assistance or other activity related to the duties and responsibilities of SMAC.

Affiliation - a person is affiliated with an applicant organization if one of the following applies:

- a. You serve on the applicant organization's board of directors.
- b. You are an artist participant who will financially benefit from the grant award.
- c. You are a consultant to an applicant organization.
- d. You are an officer or manager of the applicant organization.

Exception: If you are an employee of the applicant organization, such as an arts administrator, you may not advocate, influence, or otherwise participate in your employer's application for funding. In addition, the proposal and the award, if any, may not be used to support the salary or any remuneration due to the employee. Any connection between the applicant organization's proposal and the employee's benefits shall invalidate the award and disqualify the employee from serving as an arts commissioner, committee member, panelist, or staff member.

## 2. Official Action:

To the extent that any review, discussion, recommendation, or vote is required concerning any application for funds, any person affiliated with an applicant organization may not participate in any of these activities. Thus, without prejudice to the applicant organization, any person affiliated with an applicant organization may not be present at any activity which affects the funding application of the applicant organization.

Any person covered by this policy and affiliated with an applicant organization may not advocate before the arts commission, the city council, the board of supervisors, or the office of the mayor in support of that organization's application.

## 3. Prohibited Activity:

- a. Any person affiliated with an applicant organization may not serve on any review panel.
- b. Any person who has a financial interest as defined in this policy may not serve as an arts commissioner, a panelist, a staff person, or as a member of the Awards Committee.

- c. Any person who serves as a member of the Awards Committee and acquires a financial interest in an applicant organization may not continue to serve on the Awards Committee and shall resign from the committee.

#### **4. Voting Procedure:**

Any arts commissioner, committee member, or staff person affiliated with an applicant organization shall leave the room during the discussion and determination of that organization's application. They may not participate in any discussion or voting on the application in question. All applications in which there exists a conflict of interest shall be voted upon separately.

#### **5. Disclosure Statement:**

Each arts commissioner, committee member, panelist, and staff person shall file a disclosure statement describing his or her employment and affiliations and interests (financial and otherwise) in organizations eligible for SMAC funding. Such statements shall be kept current and will be filed with the City Attorney's Office. Disclosure statements shall be available to the public.

**Attachment**