

DATE: SEPTEMBER 11, 2019

FROM: HUMAN RESOURCES

**SUBJECT: RESOLUTION NO. _____ - REVISIONS TO THE CONFLICT OF
INTEREST CODE**

SUMMARY:

Staff requests approval of a resolution which would adopt a revised Conflict of Interest (COI) Code. Recognizing the need to update its current twenty-two year old COI Code, the Harbor Department requested assistance from the City Ethics Commission (CEC). Per the City Charter, Sec. 702(i), it is the responsibility of the CEC to assist departments in developing their COI Code as required by state law. Staff reviewed and accepted the changes recommended by the CEC. These changes serve to update the list of designated Harbor Department classifications which are required to disclose certain financial information. Staff also accepted updated disclosure categories provided by the CEC which are to be used throughout the City. As this action is primarily administrative in nature, the Harbor Department is not anticipated to be financially impacted by approval of the proposed resolution.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Adopt the attached revised Conflict of Interest Code for the Harbor Department;
3. Direct the Board Secretary to transmit the revised Conflict of Interest Code to the City Ethics Commission for submission to the City Council for approval; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – The Harbor Department's COI Code, approved by the City Council on April 25, 1997, is currently being updated.

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The Political Reform Act of 1974 requires state and local government agencies to adopt a COI Code to help government employees avoid financial conflicts. Each City department has its own code. When the current COI Code was adopted by the City Council twenty-two years ago, the Harbor Department employed staff in 170 classifications totaling 676 positions. In 2019, the department employs staff in 207 classifications totaling 999 positions. A COI Code identifies classifications within the department that identifies incumbents in positions who make decisions, or influence decisions, from which they may benefit financially. The COI Code also establishes disclosure categories, which describe the types of financial interests employees must disclose, based on their classification.

The City Ethics Commission has the Charter responsibility for assisting each city department in the review of its COI Code. Accordingly, the Harbor Department requested that the City Ethics Commission staff review our COI Code and submit any proposed changes for review and evaluation. City Ethics Commission staff completed the COI Code review and recommended revisions to both Schedule A (List of Designated Positions) and Schedule B (Disclosure Categories).

The revised Schedule A (Transmittal 1) results from a review of each class specification and the identification of those that have the authority to make or influence decisions that could foreseeably have an effect on a personal financial interest. Changes to Schedule A primarily related to updating disclosure categories attributed to various current positions or adding positions which had previously not been classified as a designated position. Currently, the Harbor Department has 82 filers associated with its COI Code. Approval of the proposed COI Code will result in a total of 384 filers. Within Transmittal 1, recommended deletions have been listed in strikethrough format while recommended additions have been listed in boldface.

The revised Schedule B (Transmittal 2) streamlines the code adoption process throughout the City of Los Angeles. Prior to the standardized Schedule B, each department had a unique list of disclosure categories that were drafted specifically for a particular position in a particular department. The new standardized disclosure categories are narrowly tailored to the classification, while still using language that can be implemented across city departments and divisions.

All proposed changes have been reviewed by the Harbor Department and staff concurs with the City Ethics Commission's recommendations.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a proposed revision to the COI Code, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the proposed resolution to adopt the revised COI Code is administrative in nature and is not anticipated to have a financial impact on the Harbor Department.

CITY ATTORNEY:

The Office of the City Attorney has reviewed the Board Report and COI Code and determined that they raise no legal issues at this time.

TRANSMITTALS:

1. Tracked Revision of Schedule A
2. Current and Proposed Schedule B
3. Harbor Department Conflict of Interest Code (inclusive of proposed changes)


TISH LORENZANA
Director of Human Resources

FIS Approval: 

CA Approval: 


FOR MARLA BLEAVINS
Deputy Executive Director &
Chief Financial Officer

APPROVED:


FOR EUGENE D. SEROKA
Executive Director

TL/rg
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