

# **CALIFORNIA COUNTY ASSESSORS' INFORMATION TECHNOLOGY AUTHORITY**

## **EXPLANATION OF DESIGNATION OF POSITIONS AND THE ASSIGNMENT OF DISCLOSURE REQUIREMENTS**

Pursuant to Government Code sections 87300 and 87303, as well as 2 California Code of Regulations section 18750.1, the Capital Area Regional Tolling Authority (the "Authority") has proposed its initial Conflict of Interest Code (the "Code"). The Code must designate those employees, members, officers, and consultants who make or participate in the making of decisions which may foreseeably have a material effect on a financial interest and are therefore, subject to the disclosure and disqualification requirements of the Code.

The Code must also set forth Disclosure Categories to be assigned to the designated positions requiring individuals holding each position to disclose personal interests that may be affected by the exercise of the individual's duties.

Below is an explanation of the specific designations, their disclosure requirements and the requirements of the Disclosure Categories created.

### **"OFFICIALS WHO MANAGE PUBLIC INVESTMENTS"**

The Authority has delineated those primary officials determined to fall under the definition of "Officials Who Manage Public Investments" as required by the Fair Political Practices Commission (the "FPPC"). The Code does not establish disclosure requirements for these officials as specified in Gov. Code Section 87200.

The positions meeting the definition of "Officials Who Manage Public Investments" have full disclosure requirements under Section 8720 and are as follows:

**Members, Board of Directors and their Alternates:** The Board is the primary body responsible for "formulating or approving investment policies," a pivotal component of the management of public funds. [§18700.3]. Therefore, it has been determined that the Members of the Board of Directors and their Alternates meet the definition of "officials who manage public investments." Pursuant to Section 18700.3, these officials are subject to the conflict-of-interest provisions of the Political Reform Act (the "Act") and have full disclosure responsibilities.

**Treasurer:** The Treasurer is an Officer responsible to and who works with the Board in "formulating or approving investment policies," and "approving or establishing guidelines" for asset allocations. This position is also an Officer responsible for "directing" and/or "approving" investment transactions and requirements. These are all the critical elements in the management of public funds. [§18700.3]. Therefore, it has been determined that this Officer meets the definition of "officials who manage public investments." Pursuant to Section 18730(b)(3), this official is subject to the conflict of interest provisions of the Act and has full disclosure responsibilities.

**Financial Consultant:** This generic position has been added to cover contracting with consultants that specifically advise in portfolio development and investments, or fall under other elements of the definition of the "management of investments."

### **“DESIGNATED POSITIONS”**

The Authority’s list of Designated Positions specifically enumerates all positions within the Authority which make or participate in the making of Authority decisions which may foreseeably have a material effect on that position’s financial interests.

Disclosure Categories have been assigned to the Designated Positions on a narrow basis in relation to their official duties with the Authority to prevent requiring over disclosure.

Positions that, by virtue of their positions, are involved in all facets of Authority operations have been assigned Categories 1 indicating "full disclosure" requirements. Likewise, positions having narrower involvement and/or responsibilities with the Authority have been assigned more limiting disclosure requirements based on the duties of the position. (See Explanation of Types of Disclosure Categories, below.)

**General Counsel – Categories 1** - Added with full disclosure. This position is involved in a broad range of Authority decisions too numerous and varied to narrow

#### **Consultants and New Positions**

Consultants is a generic designated position to cover any contracted positions not specifically designated meeting the definition of Consultant under the Political Reform Act and required to file disclosure statements because they may make, participate in making or influence decisions, as defined.

New Positions covers any newly created positions for interim filing requirements pending amendment of the Code.

Consultants and New Positions have specific language appended to them indicating that these positions have full disclosure responsibilities unless specifically narrowed or waived, in writing, by the Members of the Board of Directors, based on their duties and placed on file with the Authority’s Filing Officer. Identification of New Positions and Consultants will be done on FPPC Forms 804 and 805, respectively, and place on file with the Authority’s Filing Officer.

## **EXPLANATION OF DISCLOSURE CATEGORIES**

Disclosure Categories identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property which the Designated Employee must disclose for each disclosure category to which the designated is assigned.

The Authority cannot require a Designated Position to over-disclose. Disclosure Categories must be designed and assigned **depending on the duties and responsibilities of the position held**. Therefore, Disclosure Categories one and two have been designed to be assigned to the position listed in Part "A" of the Appendix to the proposed Code. The Authority added Disclosure Categories three through five for additional designated positions in the future. This list of Disclosure Categories provides flexibility in the application of the various Categories to the different designated positions but are narrow enough so as not to require over-disclosure by a Designated Position or Consultant.

### **ASSIGNMENT OF DISCLOSURE CATEGORIES:**

#### **CATEGORY 1 – BROAD DISCLOSURE**

- (1) All sources of income, gifts, loans and travel payments;
- (2) All investments and interests in real property within the jurisdiction of the CCAITA;
- (3) All investments and business positions in business entities.

#### **CATEGORY 2 – REAL PROPERTY**

All interests in real property within the jurisdiction of the CCAITA, including interests in real property held by business entities and trusts in which the person in the designated position holds a business position or has an investment or other financial interest.

#### **CATEGORY 3 – PROCUREMENT**

All investments, business positions in business entities and sources of income, gifts, loans, and travel payments from sources which provide services, supplies, materials, machinery or equipment of the type utilized by the designated position.

#### **CATEGORY 4 – FUNDING**

All investments, business positions and sources of income, gifts, loans and travel payments, from sources which receive grants or other funding from or through the designated position.

## **CATEGORY 5 – PROVISION OF SERVICES**

All investments, business positions and sources of income, gifts, loans and travel payments, from any source that provides the same or similar service as the designated position's agency or department or provides consulting services to any source that provides the same or similar service.