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REPORT TO THE CITY COUNCIL

CREATION OF A CONFLICT OF INTEREST CODE FOR THE MANAGED COMPETITION
INDEPENDENT REVIEW BOARD

The California Government Code requires that local agencies adopt conflict of interest codes designating positions that involve the making of decisions, or participation in the making of decisions, that may foreseeably have a material effect on one's financial interests.

Proposition C, approved by voters on the November 7, 2006 ballot, provided that the City Manager [presently the Mayor under the Strong Mayor form of governance] create the Managed Competition Independent Review Board [MCIRB]. The MCIRB is to advise whether City employees or an independent contractor may provide certain public services more economically and efficiently while maintaining service quality and protecting the public interest. The MCIRB was created by ordinance and is now part of the Municipal Code, with the MCIRB established in section 22.3706.

The ordinance creating the MCIRB requires a Conflict of Interest Code to be adopted, subject to City Council approval, and that MCIRB members file an annual Statement of Economic Interests (Form 700 of the Fair Political Practices Commission) in compliance with that code.

The accompanying documents include a proposed conflict of interest code. The committee has yet to meet, but approval of the code is timely because the Mayor is in the process of making appointments to the MCIRB and bringing them to the City Council for consideration. If the code is enacted now, the new committee members will be able to file their "assuming office" statements at the outset of their service.

Respectfully submitted,

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