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TO: Members of the Finance and Management Services LRC

FROM: Joyce Wilson
City Manager

SUBJ: Proposed Change to Financial Reporting Requirements for Boards and
Commission Members

DATE: January 5, 2012

This item is scheduled for an upcoming LRC. I am asking for your reconsideration of the annual financial reporting requirement for city volunteers who serve on boards and commissions. This is currently required under the Ethics Ordinance -- Ordinance 017112, Section 2.92.070, A.5 on page 12. Most board or commission appointments are for a period of 2 to 4 years depending on the legislation governing the particular board/commission. Volunteers who are appointed to these boards are required to complete a financial disclosure form at the time of appointment and then each year while they serve. The annual reporting requirement is tedious and serves little purpose other than to collect a lot of paperwork to file until the next year. While this requirement is appropriate for appointed and elected officials, it is an inconvenience for citizen volunteers and causes staff to spend hundreds of hours chasing down appointees and following up to ensure compliance. Typically, we end up removing volunteers who simply did not respond, which seems counterproductive when we are always asking for citizens to volunteer to serve on these various bodies.

We have 387 board and commission positions. All but nine of our boards/commissions are advisory in nature so the purpose of the annual reporting seems moot for these advisory boards. Even with those that have some sort of statutory or adjudicating powers, the annual requirements seem onerous as well.

I am recommending that we require the financial disclosure at the time of appointment and then make it clear that these same individuals need to self-disclose whenever there is a substantive change. This puts the responsibility and onus on the volunteer. In the case of the nine regulatory bodies with specific powers, we require them to complete the full financial disclosure form at time of appointment but then only require an annual certification of 'no substantive change in status' which we can do with a form they only need to sign. In those instances, the staff serving that particular board would be responsible to secure those signatures and it would limit the volume of work now placed upon the City Clerk's Office.



The boards with specific decision-making authority/powers include:

Building and Standards Commission
City Plan Commission
Civil Service Commission
Construction Board of Appeals
Ethics Review Commission
Historic Landmark Commission
Parks and Recreation Board
Public Service Board
Zoning Board of Adjustment

If there are concerns about potential abuses because of less oversight, we can impose a random audit requirement and routinely contact a random sample of board members to confirm no change in financial status from the time of initial reporting. That might be more effective than making nearly 400 people fill out paperwork each year.

The Ethics Commission has been briefed on this proposal and has raised no objections to the change in reporting requirements. If the LRC supports this change, we will draft an ordinance amendment and bring forward to the entire Council for consideration and hopefully approval. I will be available at the LRC to answer any questions you might have.