

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: DONNA L. McMAHON, CITY CLERK/EXECUTIVE ASSISTANT
MARTIN D. KOCZANOWICZ, CITY ATTORNEY
SUBJECT: BIENNIAL REVIEW OF CONFLICT OF INTEREST CODE

BACKGROUND

The Political Reform Act of 1974 as amended requires every local government agency to review its Conflict of Interest Code by October 1st of even-numbered years and determine whether it is up-to-date or in need of revision.

The Conflict of Interest Code sets out those job classifications within the City that are decision-making positions, but are not among those positions mandated by state law to file Statements of Economic Interests (Form 700). The positions mandated by state law (Government Code Section 87200) to file Statements of Economic Interests are: the City Council, City Manager, City Attorney, City Treasurer, and the Planning Commission.

The City Council determines, with input from staff, what other job classifications entail the making or participation in the making of governmental decisions which may foreseeably have a material effect on any financial interest (Government Code Section 82019). Such designated positions would then be included in the City's Conflict of Interest Code. Individuals identified as holding those positions would be required to file Statements of Economic Interests with the City Clerk.

DISCUSSION

The City's Conflict of Interest Code was last updated August 2014. Since that time, some positions have been added.

In order to ensure the City's Conflict of Interest Code is current, the following changes are necessary for the list of designated employees and advisory bodies by positions:

APPROVED FOR FORWARDING



MATTHEW BRONSON
CITY MANAGER

Please Review for the Possibility of a Potential Conflict of Interest:

- | | |
|--|----------------------------------|
| <input checked="" type="checkbox"/> None Identified by Staff | <input type="checkbox"/> Bright |
| <input type="checkbox"/> Shoals | <input type="checkbox"/> Nicolls |
| <input type="checkbox"/> Lee | <input type="checkbox"/> Shah |

Meeting Date: September 6, 2016

Agenda Item No. 5

City Employees / Advisory Bodies:

Revise:

- Police Chief/Assistant City Manager

Explanation:

Job class revised to "Police Chief"

Delete:

- Public Works Superintendent

Job class eliminated in 2012

Add:

- Associate Engineer

Job class added in 2015

- Building Official

The position is vacant (due to the use of consultant services, as needed); however, the job class is still included in the approved salary schedule

- Capital Improvement Project Manager

Job class added in 2016

- Economic Development Specialist

The position is vacant; however, the job class is still included in the approved salary schedule

- Engineering Technician

Job class added as part of the FY 15 Budget process and recruitment occurred in late 2014

- the term "Members"

Members of both Citizen Oversight Committees - Measure X-06 one-half percent sales tax and Measure K-14 street bonds

ALTERNATIVES

The following alternatives are provided for the City Council's consideration:

1. Approve the proposed changes to the City's Conflict of Interest Code and adopt the Resolution;
2. Amend the proposed changes and adopt the Resolution with job classification designations as amended; or
3. Provide alternative direction to staff.

RECOMMENDED ACTION

Staff recommends that the City Council adopt the Resolution amending the City's Conflict of Interest Code.

FISCAL IMPACT

There is no significant fiscal impact from this action.

Attachments

1. Draft Resolution regarding Conflict of Interest Code for the City of Grover Beach, Exhibit A - designated employees (added job classifications denoted with double underline, deleted job classifications denoted with ~~strikeout~~), and Exhibit B - disclosure categories

RESOLUTION NO. 16-__

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF GROVER BEACH, CALIFORNIA, ADOPTING A REVISED
STANDARDIZED CONFLICT OF INTEREST CODE FOR DESIGNATED FILERS**

WHEREAS, the Political Reform Act of 1974, California Government Code Sections 87300 et. seq., requires that governmental entities in the State of California adopt and promulgate Conflict of Interest Codes; and

WHEREAS, said Act requires that local governmental entities include within the provisions of Conflict of Interest Codes certain employees, commissioners, and committee members who make or participate in the making of decisions which may foreseeably have a material effect on financial interests; and

WHEREAS, a Conflict of Interest Code adopted pursuant to the Political Reform Act consists of two basic parts, which are: (1) the body of the code which contains the basic provisions including the manner of reporting financial interests and the procedure for filing Statements of Economic Interests, and (2) the Appendix of the Code which lists the positions of designated filers of the agency and the corresponding disclosure categories for each position; and

WHEREAS, California Code of Regulations, Section 18730 et. seq., contains provisions for the body of the Conflict of Interest Code which are applicable to all agencies; and

WHEREAS, incorporating Section 18730 et. seq., by reference as the body of the City of Grover Beach's Conflict of Interest Code would mean that all changes to the financial disclosure provisions of the Political Reform Act and Section 18730 et. seq., would automatically be a part of the City's Code; and

WHEREAS, the City's Code would always be up-to-date and in compliance with the law; and

WHEREAS, the Fair Political Practices Commission gives notice of all changes to Section 18730 et. seq., and the City would be given an opportunity to comment on the changes before adoption by the Commission; and

WHEREAS, certain job classifications within the City of Grover Beach have been added and others deleted which require the Conflict of Interest Code to be amended; and

WHEREAS, the City Council has determined that the attached Appendix, contained in "Exhibit A" and "Exhibit B", accurately sets forth those classifications which should be designated and categories of financial interest which should be disclosed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Grover Beach as follows:

1. The terms of 2 California Code of Regulations, Section 18730 et. seq., duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and with the attached Appendix shall constitute the Conflict of Interest Code of the City of Grover Beach.

2. Persons holding designated job classifications as set forth in "Exhibit A" and disclosure categories as set forth in "Exhibit B" shall file Statements of Economic Interests (Form 700) with the City Clerk of the City of Grover Beach pursuant to 2 California Code of Regulations, Section 18730(a), Section 4.

Upon motion of _____, seconded by _____, and on the following roll-call vote, to wit:

AYES: Council Members -
NOES: Council Members -
ABSENT: Council Members -
ABSTAIN: Council Members -

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** this ___ day of September, 2016.

JOHN P. SHOALS, MAYOR

DRAFT

ATTEST:

DONNA L. McMAHON, CITY CLERK

**CITY OF GROVER BEACH
CONFLICT OF INTEREST CODE**

The Political Reform Act (Government Code Section 81000 et. seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regulations, Section 18730) which contains the terms of a standard conflict of interest code, and which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of Title 2, Division 6, California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and along with the attached Appendix in which members and employees are designated and disclosure categories are set forth, constitute the conflict of interest code of the City of Grover Beach.

Designated employees shall file statements of economic interests with the City of Grover Beach who will make the statements available for public inspection and reproduction (Gov. Code Section 81008). Upon receipt of the statements of the City Council, Planning Commission, City Manager, City Attorney, and City Treasurer/Finance Director, the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Statements of all other designated employees will be retained by the City Clerk.

APPENDIX - EXHIBIT A

LIST OF DESIGNATED EMPLOYEES PER POSITION

<u>Designated Employee / Board or Committee Member of the City</u>	<u>Disclosure Category</u>
1. Financing Authority Board Members	A, B, C
2. Police Chief/Assistant City Manager	A, B, C
3. Administrative Services Director	A, B, C
4. Community Development Director	A, B, C
5. Public Works Director/City Engineer	A, B, C
6. Fire Chief (contract services)	A, B, C
7. Parks and Recreation Program Director	A, B, C
8. <u>Capital Improvement Project Manager</u>	A, B, C
9. Police Commander	A, B, C
10. Battalion Chief (contract services)	A, B, C
11. Planning Manager	A, B, C
12. <u>Economic Development Specialist</u>	A, B, C
13. Public Works Superintendent	A, B, C
14. City Clerk	A and C
15. Assistant Administrative Services Director	A and C
16. <u>Associate Engineer</u>	A, B, C
17. <u>Building Official</u>	A, B, C
18. Planner I/II	A, B, C
19. Administrative Analyst (Confidential)	A, B, C
20. Human Resources Coordinator	A and C
21. <u>Engineering Technician</u>	A, B, C
22. Parks, Recreation & Beautification Commission	A, B, C
23. Traffic Committee	B only
24. Citizen Oversight Committee <u>Members</u>	A, B, C
25. City Engineer	A, B, C
26. Assistant City Attorney (contract services)	A, B, C
27. Consultants ¹	Determined on case by case basis

¹Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation: The City Manager may determine that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

EXHIBIT B
CATEGORIES OF DISCLOSURE FOR
DESIGNATED EMPLOYEES

The following shall be the categories of disclosure covered by this Policy;

- A. **Investments**
Schedules A-1 and A-2
- B. **Interests in Real Property**
Schedule B
- C. **Income & Business Positions**
Schedule C, D, and E

The officials and employees covered by this policy shall each disclose the categories A, B, and C as designated herein above set forth.