



MEMORANDUM

TO: CITY COUNCIL

FROM: KELLY WETMORE, DIRECTOR OF LEGISLATIVE AND INFORMATION SERVICES/CITY CLERK

SUBJECT: CONFLICT OF INTEREST CODE BIENNIAL REVIEW AND RESOLUTION AMENDING THE CITY OF ARROYO GRANDE CONFLICT OF INTEREST CODE

DATE: SEPTEMBER 13, 2016

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution approving an amended Conflict of Interest Code for designated positions.

IMPACT TO FINANCIAL AND PERSONNEL RESOURCES:

There are no fiscal or personnel impacts as a result of the proposed action.

BACKGROUND:

The California Political Reform Act requires every local government agency to adopt a conflict of interest code. The conflict of interest code designates positions within the City required to file Statements of Economic Interests and assigns disclosure categories specifying the types of financial interests to be reported. Further, the conflict of interest code contains specific provisions setting forth any circumstances under which designated positions or categories of designated positions must disqualify themselves from making, participating in the making, or using their official position to influence the making of any decision.

Positions mandated by State law to file disclosure statements include Mayors, Members of the City Council, candidates for City elective offices, Members of the Planning Commission, City Manager, City Attorney, and City Treasurer.

ANALYSIS OF ISSUES:

In 1987, the City adopted the State's standard Conflict of Interest Code by reference which, along with the Appendix of Designated Positions and the Appendix of Disclosure Categories, constitutes the City of Arroyo Grande Conflict of Interest Code ("Code").

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CONFLICT OF INTEREST CODE BIENNIAL REVIEW
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Under the Political Reform Act, local agencies are required to review their Conflict of Interest Code biennially to determine whether the Code is accurate, or if revisions are needed due to organizational changes, including the creation of new positions, elimination of positions, position title changes, and/or relevant changes in the duties assigned to existing positions.

The City's Conflict of Interest Code was last updated in September 2014. A revision to the City's Conflict of Interest Appendix of Designated Positions is required at this time due to position changes that have been approved by the Council since the Code was last updated. These changes need to be reflected in the City's Conflict of Interest Code to ensure that it is current and accurate. An overview of the changes include the following:

1. Change the title of **Capital Projects Engineer** to **Capital Improvement Project Manager**
2. Add the position of **Utilities Manager**
3. Add the position of **Public Works Supervisor**
4. Change the title of **Accounting Supervisor** to **Accounting Manager**

ALTERNATIVES:

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

- Adopt the Resolution amending the City of Arroyo Grande's Conflict of Interest Code;
- Modify and adopt the Resolution; or
- Provide direction to staff.

ADVANTAGES:

Adoption of the proposed Resolution will meet the provisions required by the Political Reform Act concerning biennial review of the City's Conflict of Interest Code.

DISADVANTAGES:

There are no identified disadvantages related to adoption of the proposed Resolution.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF ARROYO GRANDE APPROVING AN AMENDED
CONFLICT OF INTEREST CODE FOR DESIGNATED
POSITIONS**

WHEREAS, the Political Reform Act of 1974 (California Government Code Sections 81000 et seq.,) requires that governmental entities in the State of California adopt and promulgate a Conflict of Interest Code; and

WHEREAS, in 1987 the City of Arroyo Grande adopted a standardized Conflict of Interest Code, incorporating by reference the terms of Title 2 of the California Code of Regulations, Sections 18730 et seq., which contain the terms of a Standard Conflict of Interest Code; an Appendix of Designated Positions listing employees, officials, and consultants who make or participate in the making of decisions that may foreseeably have a material effect on their economic interests, and an Appendix of Disclosure Categories assigned to the Designated Positions; and

WHEREAS, the Political Reform Act requires every local agency to review its Conflict of Interest Code biennially to determine if it is accurate and up-to-date or, to make amendments to the Code when necessitated by changed circumstances; and

WHEREAS, certain positions within the City of Arroyo Grande have been reclassified or added which requires the Conflict of Interest Code to be amended; and

WHEREAS, the City Council has determined that the attached Appendices, marked Exhibit "A" and Exhibit "B", respectively, both of which are incorporated herein by this reference, accurately set forth those positions which should be designated and categories of economic interests which should be disclosed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Arroyo Grande does hereby approve the amendments to the City's Conflict of Interest Code as follows:

1. The City's "Appendix of Designated Positions" is hereby amended and replaced in its entirety with Exhibit "A", attached hereto and incorporated herein by this reference.
2. The City's "Appendix of Disclosure Categories", attached hereto as Exhibit "B" and incorporated herein by this reference, is approved.

BE IT FURTHER RESOLVED that the terms of 2 California Code of Regulations Sections 18730 et seq., duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and with the attached Exhibits "A" & "B" shall constitute the Conflict of Interest Code of the City of Arroyo Grande.

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BE IT FURTHER RESOLVED that this Resolution supersedes Resolution No. 4621 adopted September 9, 2014.

On motion by Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 13th day of September, 2016.

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

ROBERT MCFALL, INTERIM CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

CONFLICT OF INTEREST CODE
FOR THE CITY OF ARROYO GRANDE

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 California Code of Regulations Section 18730, which contains the terms of a standard conflict of interest code, 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 of the 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 appendices, Exhibit "A" and Exhibit "B", in which positions are designated and disclosure categories are set forth, constitute the conflict of interest code of the City of Arroyo Grande, which is considered the "agency" within the purview of this code.

Designated employees, committees, commissions, boards, and consultants shall file statements of economic interests with the City Clerk of the City of Arroyo Grande, who shall be and will perform the duties of filing officer for the City of Arroyo Grande and who will make the statements available for public inspection and reproduction (Gov. Code Section 81008). Upon receipt of the statements of those positions designated in Government Code Section 87200 (members of the City Council and Planning Commission, City Manager, City Attorney, and City Treasurer), the City Clerk shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Statements of all other designated positions will be retained by the City Clerk in accordance with State law.

EXHIBIT "A"

APPENDIX OF DESIGNATED POSITIONS

The following positions entail the making or participation in the making of decisions which may foreseeably have a material effect on financial interests:

<u>Designated Position:</u> ²	<u>Disclosure Category:</u>
City Engineer	A, B, C
Capital Improvement Projects Engineer <u>Manager</u>	A, B, C
Associate Engineer	A, B, C
Assistant Engineer	A, B, C
Senior Engineer	A, B, C
Building Official	A, B, C
Building and Fire Safety Inspector	A, B, C
Police Chief	A, B, C
Police Commander	A, B, C
Director of Public Works	A, B, C
<u>Utilities Manager</u>	A, C
<u>Public Works Supervisor</u>	A, C
Director of Administrative Services	A, B, C
Director of Recreation Services	A, B, C
Accounting Supervisor <u>Manager</u>	A, C
Director of Legislative and Information Services/City Clerk	A, C
Information Technology Manager	A, C
Human Resources Manager	A, C
Director of Community Development	A, B, C
Planning Manager	A, B, C
Associate Planner	A, B, C
Assistant Planner	A, B, C
Executive Assistant/Deputy City Clerk	A, C
Assistant City Attorney	A, B, C
Deputy City Attorney	A, B, C
Architectural Review Committee Member	A, B, C
Downtown Parking Advisory Board Member	A, B, C
Historical Resources Committee Member	A, B, C
Parks and Recreation Commission Member	A, B, C
Traffic Commission Member	A, B, C
Successor Agency Board Member	A, B, C
Consultants ³	Determined on case by case basis
Exempt Officials ⁴	A, B, C

² In the event that State law or regulations regarding the filing of Conflict of Interest Statements should be amended, this Exhibit shall be changed to include the designated position and category of each official as required by said amendment.

³ Consultants 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 in writing that a particular consultant, although a "designated position", is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described herein. 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.

⁴ Exempt Officials include the Mayor, Members of the City Council, candidates for City offices, Members of the Planning Commission, City Manager, City Attorney, and City Treasurer who are all otherwise required to file disclosure statements pursuant to State Law.

EXHIBIT “B”

APPENDIX OF DISCLOSURE CATEGORIES

**CATEGORIES OF DISCLOSURE FOR
DESIGNATED POSITIONS**

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

A. Investments

California Fair Political Practices Committee (“FPPC”) Form 700,
Schedules A-1 and A-2

B. Interests in Real Property

FPPC Form 700, Schedule B

C. Income & Business Positions

FPPC Form 700, 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.