

**CITY OF SEBASTOPOL  
CITY COUNCIL  
STAFF REPORT**

**Meeting Date:** June 7, 2016  
**To:** Honorable Mayor and City Councilmembers  
**From:** City Manager-City Attorney Larry McLaughlin  
City Clerk Mary Gourley  
**Subject:** Biennial Review of the Conflict of Interest Code  
**Recommendation :** Staff is recommending that the City Council Direct City Staff To Review the Conflict of Interest Code  
**Funding:** Currently Budgeted: \_\_\_\_\_ Yes \_\_\_\_\_ No XX N/A  
Net General Fund Cost:  
Amount: \$

**INTRODUCTION:** This item is to request that the City Council direct City Staff to review the Conflict of Interest Code and return to the City Council with recommendations for amendments, if any, to the Conflict of Interest Code for the City of Sebastopol.

**BACKGROUND:**  
The Political Reform Act requires local government agencies to adopt and promulgate a conflict of interest code and to conduct a review of the code every two years. It requires every local government agency to review its conflict of interest code biennially to determine if it is accurate or, alternatively, that the code must be amended.

**DISCUSSION:**  
The Political Reform Act requires many state and local public officials and employees to disclose certain financial holdings. Once the determination has been made whether or not the code requires an amendment, a notice must be submitted to the code reviewing body no later than October 1st of even numbered years.

In accordance with Government Code § 87306.5, no later than July 1st of each even-numbered year, the City Council shall direct staff to conduct a biennial review of the City's Conflict of Interest Code, and if a change in the Code is required because of changes in changed circumstances, submit an amended Conflict of Interest Code in accordance with subdivision (a) of § 87302 and § 87303 to the City Council no later than October 1st of the same year.

Under the Political Reform Act, all public agencies are required to adopt a conflict of interest code and make amendments as needed A code designates positions required to file FPPC Statements of Economic Interests (Form 700), and assigns disclosure categories specifying the types of interests to be reported. The Form 700 is a public document intended to alert public officials and members

of the public to the types of financial interests that may create conflicts of interests. Designated positions must complete two hours of AB 1234 Ethics training every even-numbered year by December 31<sup>st</sup>.

If an amendment to the agency's code is necessary, the code must be forwarded to the City Council for approval within ninety days (90 days). For example, if an agency files its notice on October 1, 2016, indicating that an amendment is necessary, the amendment is due to the City Council by December 30, 2016. An agency's amended code is not effective until it has been approved by the City Council.

Review of the Conflict of Interest Code consists of: (1) Evaluating the City's organizational structure to determine if any changes have occurred since the last review that would necessitate adding or deleting positions in order to accurately reflect all the positions that make or participate in the making of governmental financial decisions; and, (2) any changes that may need to be incorporated into the designated disclosure categories.

#### GOVERNMENT SECTION 87200 FILERS

The following positions are not covered by this Conflict of Interest Code because they file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

1. City Council
2. Planning Commission
3. City Manager
4. City Attorney
5. City Treasurer

#### **RECOMMENDATION:**

City Staff is requesting that the City Council, who is the code reviewing body for the City of Sebastopol, direct the City Clerk and City Attorney to: 1) review the City of Sebastopol Conflict of Interest Code as it applies to designated employees, Planning Commission, Design Review Board, and consultants and 2) return to the City Council with recommendations no later than October 1, 2016.