DATE: September 20, 2022

TO: Mayor and City Council

FROM: City Clerk

SUBJECT Adopt a Resolution Accepting Revisions to the City of Hayward Conflict of Interest Code

RECOMMENDATION

That Council adopts a resolution (Attachment II) accepting revisions to the Conflict of Interest Code for the City of Hayward.

SUMMARY

City staff have reviewed its Conflict of Interest Code and determined that an amendment is necessary to reflect organizational changes. The City's amended code is not effective until approved by the Council.

BACKGROUND AND DISCUSSION

The Political Reform Act of 1974 requires every government agency to review its conflict of interest code biennially to determine whether amendments are required. City Administrative Rule, Section 9.1, is the City's Conflict of Interest Code (Code). The Code designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to the positions requires that all investments, business positions, interests in real property, and sources of income that may be affected materially by the decisions made by those holding designated positions be reported.

The City's last Conflict of Interest Code update was approved on September 29, 2020. The list of designated positions (Attachment III) has been updated to include new positions and minor changes shown in ***bold and red*** text.

There are three components of the Code: designated positions, disclosure categories, and terms of the Code.

Designated Positions: The Code must list all designated positions. Pursuant to Government Code Section 82019[1], a designated employee is an employee, officer, member, or consultant of

[1] **Gov. Code Section 82019**
http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=82019

an agency whose position is designated in the Code because the position entails the making or participation in the making of governmental decisions that may foreseeably have a material effect on his or her financial interest. Individuals holding positions listed in Attachment III are designated individuals who must file Statements of Economic Interests (Form 700).

The City of Hayward continues to use the State's Fair Political Practices Commission (FPPC) Form 804 (Agency Report of New Positions) and FPPC Form 805 (Agency Report of Consultants) to identify new positions and consultants who participate in making governmental decisions on behalf of the City.

The designations of Mayor, Council Member, Planning Commissioner, City Manager, City Attorney, and Finance Director are required by State law to file disclosure of their economic interests under Government Code Section 87200[2].

Individuals holding designated positions file the Form 700 with the City Clerk. Form 700 statements are available for public inspection and reproduction according to FPPC regulations.

***Disclosure Categories*:** The Code requires disclosure of the types of investment, interests in real property, sources of income, and business positions that may be affected by the decision-making of designated positions. Disclosure Categories are included in Attachment IV.

Terms of the Code: The terms of the Code comprise the main body of the Code and provide provisions for reporting financial interests and disqualification procedures among others. The FPPC recommends that cities incorporate by reference Regulation 18730, Title 2, Division 6 of the California Code of Regulations. Regulation 18730-Provisions of Conflict of Interest Codes[3] (Attachment V) contains all the information required to be contained in the City's Code.

FISCAL IMPACT

There is no fiscal impact associated with this agenda item.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to any of the projects outlined in the Council's Strategic Roadmap.

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[2] **Gov. Code Section 87200**
http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=87200&lawCode=GOV

[3] **Regulation 18730 https://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Regulations/NonsubstantiveAmendments/18730.Provisions-of-Conflict-of-Interest-Codes.pdf**

NEXT STEPS

Upon adoption of the proposed resolution, Administrative Rule 9.1 (City's Conflict of Interest Code) will be revised and distributed to Form 700 (Statement of Economic Interests) filers; added to NetFile, the City's electronic filing system; and distributed to the FPPC.

Prepared and Recommended by: Miriam Lens, City Clerk

Approved by:



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Kelly McAdoo, City Manager