



**DATE:** September 29, 2020

**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**

The City has 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 City 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 28, 2018. The list of designated positions (Attachment III) has been updated to include new positions or changes due to the re-organization structure shown in **bold and red**, and designated positions that have been eliminated are shown by blue ~~strikeout~~.

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<sup>1</sup>, a designated employee is an employee, officer, member, or consultant of 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 positions of Mayor, Council Members, Planning Commissioners, City Manager, City Attorney, and Finance Director are required by State law to file disclosure of their economic interests under Government Code Section 87200<sup>2</sup>.

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<sup>3</sup> (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.

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<sup>1</sup> Gov. Code Section 82019

[http://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?lawCode=GOV&sectionNum=82019](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=82019)

<sup>2</sup> Gov. Code Section 87200

[http://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?sectionNum=87200&lawCode=GOV](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=87200&lawCode=GOV)

<sup>3</sup> Regulation 18730 <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Regulations/Index/Chapter7/Article2/18730.pdf>

## **STRATEGIC ROADMAP**

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

## **PUBLIC CONTACT**

This action item does not require public input.

## **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 and added to NetFile, the City's electronic filing system.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:



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Kelly McAdoo, City Manager