

September 21, 2006

City Council Meeting
September 26, 2006

Mayor and Members
of the City Council

RESOLUTION REVISING THE CITY'S CONFLICT OF INTEREST CODE FOR DESIGNATED POSITIONS

Recommendation:

It is recommended that the City Council adopt the attached resolution revising the City's Conflict of Interest Code for designated positions.

Background:

As required on a biennial basis by the Political Reform Act, the City Clerk reviewed the City's existing Conflict of Interest Code and determined that it was no longer accurate and up to date and, therefore, required amendment. The Code has been revised and is presented this evening for Council adoption.

The City's Conflict of Interest Code was last updated and adopted October 22, 2002 (Council Resolution No. 02-6237). No change was required in 2004. Because our Code incorporates by reference the Fair Political Practices Commission's standard model conflict of interest code (Commission Regulation 18730), which contains all of the provisions required for the body of a conflict of interest code, any changes to those provisions automatically become a part of the City's Code, thus enabling our Code to always be up to date and in compliance with State law in that regard.

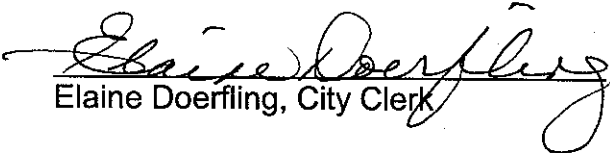
However, there is no standard model for the Code's appendix, which specifies an agency's designated positions (those that involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest). Since position titles and duties vary from agency to agency, the appendix for each individual agency is unique and is subject to change from time to time as changes occur within the agency. The addition of new positions that fall into that category, as well as the reclassification, renaming or deletion of previously designated positions, requires amending the Code.

The change that necessitates amendment of the City's Code at this time is the elimination of the in-house staff position "Information Systems Technician." That position has been contracted out and is no longer deemed to involve the making or participation in the making of decisions having a material effect on financial interests.

The disclosure categories established in the previous Conflict of Interest Code remain unchanged, and the disclosure categories assigned to the various positions conform to those previously established.

Since a public hearing is not required by local government agencies for conflict of interest codes, this item has been scheduled as a municipal matter to provide the opportunity for interested persons to present their views (pursuant to Government Code Section 87311).

Alternative: Refer the proposed Code back for additional revision and resubmission within 60 days.


Elaine Doerfling, City Clerk

Noted:

Stephen R. Burrell, City Manager

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RESOLUTION NO. 06-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, RESCINDING RESOLUTION NO. 02-6237, APPROVING AN AMENDED CONFLICT OF INTEREST CODE FOR DESIGNATED POSITIONS (EMPLOYEES, BOARD/COMMISSION MEMBERS), AND DESIGNATING THE CITY'S FILING OFFICER

WHEREAS, the Political Reform Act, Government Code Section 81000 et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes;

WHEREAS, amendments to the Political Reform Act, Government Code Section 81000, et seq., have in the past and foreseeably will in the future require conforming amendments to be made in conflict of interest codes adopted and promulgated pursuant to its provisions;

WHEREAS, the California 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, and which can be incorporated by reference;

WHEREAS, incorporation by reference of the terms of the aforementioned regulation and amendments to it in the City's Conflict of Interest Code will save the City time and money by minimizing actions required to keep the Code in conformity with the Political Reform Act;

WHEREAS, Government Code Section 87306.5 requires every local government agency to review its conflict of interest code biennially, in even-numbered years, subject to the provisions of Sections 87302(a) and 87303, and to make amendments when necessitated by changed circumstances;

WHEREAS, on October 22, 2002, the City Council adopted Resolution No. 02-6237, thereby amending the City's previous Conflict of Interest Code, incorporating by reference the Fair Political Practices Commission's Standard Model Conflict of Interest Code and establishing designated positions and disclosure categories; and

WHEREAS, certain changes to the City's organizational chart during the past two years require amendment to the City's current Conflict of Interest Code.

1 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERMOSA**
2 **BEACH, CALIFORNIA, DOES HEREBY RESOLVE, AND ORDER AS FOLLOWS:**

3 **SECTION 1.** That Resolution No. 02-6237 is hereby rescinded in its entirety.

4 **SECTION 2.** That the terms and provisions of 2 California Code of Regulations
5 Section 18730, as may be amended from time to time and duly adopted by the Fair Political
6 Practices Commission, are hereby incorporated by reference and, along with the attached
7 Appendix "A," and Exhibit "A" (in which positions are designated), and Exhibit "B" (in which
8 disclosure categories are set forth), shall constitute the Conflict of Interest Code of the City of
9 Hermosa Beach.

10 **SECTION 3.** That the persons holding designated positions shall file statements of
11 economic interests pursuant to the provisions set forth in the City's Conflict of Interest Code.

12 **SECTION 4.** That in accordance with Section 4 of the Fair Political Practices
13 Commission's Standard Model Conflict of Interest Code, Section 18730, 2 California Code of
14 Regulations, the City Clerk of the City of Hermosa Beach is hereby designated as the filing
15 officer to receive all statements of economic interests filed by all persons holding designated
16 positions.

17 **SECTION 5.** That this resolution shall take effect and be in force immediately upon its
18 adoption.

19 **SECTION 6.** That the City Clerk shall certify to the passage and adoption of this
20 resolution and cause the same to be entered into the book of original resolutions of the City.

21 **PASSED, APPROVED AND ADOPTED ON THE 26TH DAY OF SEPTEMBER, 2006.**

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23 _____
24 **PRESIDENT of the City Council and MAYOR of the City of Hermosa Beach**

25 **ATTEST:**

26 **APPROVED AS TO FORM:**

27 _____
28 City Clerk

City Attorney

APPENDIX "A"

CONFLICT OF INTEREST CODE FOR THE CITY OF HERMOSA BEACH, CALIFORNIA

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 Regs., Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs., 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 Hermosa Beach.

Designated employees, commission/board members and others shall file statements of economic interests with the City Clerk, the City's filing officer, who will make the statements available for public inspection and reproduction (pursuant to Government Code Section 81008). Upon receipt of the statements of those positions designated in Government Code Section 87200, the City Clerk shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Statements for all other designated positions will be retained by the City.

EXHIBIT "A"

DESIGNATED POSITIONS

DISCLOSURE CATEGORIES

Boards and Commissions

Board of Appeals	1, 2, 3, 4, 5, 6
Civil Service Board	1, 2, 3, 4, 5, 6
Parks, Recreation and Community Resources	1, 2, 3, 4, 5, 6
Public Works	1, 2, 3, 4, 5, 6

City Clerk

City Clerk	1, 2, 3, 4
Deputy City Clerk	1, 2, 3, 4

City Treasurer

Deputy City Treasurer	1, 2, 3, 4, 5
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City Attorney

Assistant City Attorney	1, 2, 3
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City Prosecutor

City Prosecutor	1, 2, 3
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Community Development Department

Community Development Director	1, 2, 3, 4, 5, 6
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Building and Safety Division

Senior Building Inspector	1, 2, 3, 4, 5, 6
Building Inspector	1, 2, 3, 4, 5, 6

Planning Division

Senior Planner	1, 2, 3, 4, 5, 6
Associate Planner	1, 2, 3, 4, 5, 6
Planning Assistant	1, 2, 3, 4, 5, 6

Community Resources Department

Community Resources Director	1, 2, 3, 4
Recreation Supervisor	1, 2, 3, 4

Finance Department

Finance Director	1, 2, 3, 4, 5
Accounting Supervisor	1, 2, 3, 4, 5
Citation Records Administrator	1, 2, 3, 4

Fire Department

Fire Chief	1, 2, 3, 4, 5, 6
Assistant Fire Chief	1, 2, 3, 4, 5, 6
Fire Captain (acting as inspector)	1, 2, 3, 4, 5, 6
Fire Engineer (acting as inspector)	1, 2, 3, 4, 5, 6
Firefighter/Paramedic (acting as inspector)	1, 2, 3, 4, 5, 6
Firefighter (acting as inspector)	1, 2, 3, 4, 5, 6

Personnel Department

Personnel/Risk Management Director	1, 2, 3, 4, 5
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Police Department

Police Chief	1, 2, 3, 4, 5, 6
Police Captain	1, 2, 3, 4, 6
Police Lieutenant	1, 2, 3, 4, 6
Records Administrator/System Manager	1, 2, 3, 4
Hearing Officer (part-time)	1, 2, 3, 4
Administrative Review Investigator	1, 2, 3, 4

Public Works Department

Public Works Director/City Engineer	1, 2, 3, 4, 5, 6
Associate Engineer	1, 2, 3, 4, 5, 6
Assistant Engineer	1, 2, 3, 4, 6
Public Works Inspector	1, 2, 3, 4, 6
Public Works Superintendent	1, 2, 3, 4, 6

Miscellaneous

Consultant*	1, 2, 3, 4, 5, 6
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*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 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.

(The following City positions are designated in Article 2, Section 87200 of the Political Reform Act: City Council members, City Treasurer, City Attorney, City Manager, and Planning Commission members.)

EXHIBIT "B"

DISCLOSURE CATEGORIES

Category 1

Persons in this category shall disclose all interests in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if it is located within or not more than two miles outside the boundaries of Hermosa Beach or within two miles of any land owned or used by the City of Hermosa Beach.

For purposes of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer or any other property which the filer utilizes exclusively as the personal residence of the filer.

Category 2

Persons in this category shall disclose all investments. Investment means:

Any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this Code. No asset shall be deemed an investment unless its fair market value exceeds one thousand dollars (\$1,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency. Investments of an individual includes a pro rata share of investments of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a ten percent (10%) interest or greater.

Category 3

Persons in this category shall disclose all income, including loans, aggregating \$250 or more in value during the reporting period, received from any source located or doing business within the jurisdiction or expecting to do business within the jurisdiction. Gifts aggregating \$50 or more received during the period from any source shall be disclosed. Income received from a public agency need not be disclosed. Income of persons in this category also includes a pro rata share of any income of any business entity located or doing business within the jurisdiction in which the person or spouse owns, directly, indirectly or beneficially, a ten percent (10%) interest or greater.

Category 4

Persons in this category shall disclose all income from and investments in any business that manufactures or sells services and/or supplies of the type utilized by the department in which the person is employed, or recommended by the commission or board on which the person serves.

Category 5

Persons in this category shall disclose all investments in and income from all banks, savings and loan associations, insurance companies, investment companies, stockbrokers, title companies, financial consultants, data processing firms or consultants.

Category 6

Persons in this category shall disclose all income from and investments in business entities in the construction or building industry.