



## CONSENT CALENDAR

### City of San Bernardino Request for Council Action

**Date:** November 6, 2024

**To:** Honorable Mayor and City Council Members

**From:** Genoveva Rocha, City Clerk

**Department:** City Clerk

**Subject:** **Adopting and Amending the Conflict of Interest Code Pursuant to the Political Reform Act of 1974 (All Wards)**

#### **Recommendation:**

It is recommended that the Mayor and City Council of the City of San Bernardino California adopt Resolution No. 2024-214, approving and adopting the amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

#### **Executive Summary**

The Political Reform Act (PRA) is a California law designed to promote transparency in government and establishes guidelines for disclosure of financial interests. Agencies are mandated to update their conflict-of-interest codes periodically to reflect changes in their operational landscape, shifts in personnel, changes in the agency's functions, and modifications in the law. Revisions also account for new positions or roles within the agency that may require disclosure of financial interests. Staff has completed a review of the city's conflict-of-interest code and identified the necessary amendments.

#### **Background**

The Political Reform Act of 1974, Government Code Section 8100 et seq. (the "Act", requires all public agencies to adopt and maintain a Conflict of Interest Code. The Act further requires that agencies regularly review and update their Codes as necessary, as directed by the code-reviewing body or when change is necessitated by changed circumstances (Sections 87306 and 87306.5). The City Council is the City's code-reviewing body. As the code-reviewing body, the City Council directed that the Code be reviewed as required under the Act. During this review, staff found that amendments to the Code are necessary. A Conflict of Interest Code requires certain employees who are most likely to be in a government decision making capacity and where potential conflicts may occur to file an annual disclosure form. This Statement of Economic Interest Form, also known as the Form 700, provides transparency and ensures accountability in two ways:

- It provides necessary information to the public about an official's personal financial interests to ensure that officials are making decisions in the best interest of the public and not enhancing their personal finances; and
- It serves as a reminder to the public official of potential conflicts of interest so the official can abstain from making or participating in governmental decisions that are deemed conflicts of interest.

### **Discussion**

Pursuant to the Political Reform Act (the "Act"), : (1) staff conducted a review of the City's Conflict of Interest Code ("Code") to determine if a change in the Code was necessary; (2) filed a biennial notice regarding the results of the review no later than required deadline and (3) amended the City's Code pursuant to the act.

Attached is a legislative (redlined) version of the proposed amended Code. The proposed revisions are based on the establishment and recognition of new positions that must be designated, the revision of titles of existing positions, and revise disclosure categories.

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which the designated position is assigned. "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the City.

The disclosure categories are:

**Category 1:** All investments and business positions and sources of income, including gifts loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the City.

**Category 2:** All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the boundaries of the City, including any leasehold, beneficial or ownership interest or option to acquire property.

**Category 3:** All investments and business positions in, business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the City.

**Category 4:** All investments, business positions and income from business entities and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the City.

**Category 5:** All investments, business positions and income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position's department, unit or division.

**Category 6:** All investment and business positions in business entities and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, licensing authority of the designated employee's department, unit or division.

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**Category 7:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, or income from a nonprofit organization, if the source is of the type to receive grants or other monies from or through the City or its subdivisions.

**Category 8:** All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against the agency in the past 2 years, or have a claim pending before the agency.

### **2021-2025 Strategic Targets and Goals**

The request for adopting the amended conflict of interest code aligns with Key Target No. 1e: Improved Operational & Financial Capacity - Minimize Risk and litigation exposure. The code helps identify potential conflicts of interest; the law requires public officials and employees in designated positions in a conflict-of-interest code to report their financial interests on a form called Statement of Economic Interests (Form 700).

### **Fiscal Impact**

There is no fiscal impact to the city in adopting the amended Conflict of Interest Code.

### **Conclusion**

It is recommended that the Mayor and City Council of the City of San Bernardino, California adopt Resolution No. 2024-214 approving and adopting the amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

### **Attachments**

Attachment 1 – Resolution No. 2024-214 Adopting the Amended Conflict of Interest Code

Attachment 2 – Conflict of Interest Code (Legislative)

Attachment 3 – Conflict of Interest Code (Final)

Attachment 4 – Notice of Intention

Attachment 5 – Regulation 18730 Provisions of the Conflict of Interest Code

**Ward:**

All Wards

**Synopsis of Previous Council Actions:**

March 1, 2023 – The Mayor and City Council adopted Resolution No. 2023-034 approved and adopted the amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

March 3, 2021 – The Mayor and City Council adopted Resolution No. 2021-048 approving and adopting the amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.