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**MEMORANDUM**

**TO: FRESNO LAFCo COMMISSIONERS  
MR. RICK BALLANTYNE, LAFCo EXECUTIVE OFFICER**

**FROM: KENNETH J. PRICE  
BAKER MANOCK & JENSEN, PC**

**RE: ITEM 9(B): ADOPT LAFCo BI-ANNUAL CONFLICT OF INTEREST  
CODE**

**DATE: August 7, 2008**

The Fresno Local Agency Formation Commission ("LAFCo") has received notice from Bernice Seidel, Clerk to the Fresno County Board of Supervisors, that it is required to review, and amend if necessary, its Conflict of Interest Code. No later than October 1, of each even-numbered year, LAFCo must submit to the County Board of Supervisors a notice indicating whether or not an amendment to its Conflict of Interest Code is necessary and provide a copy of the amended Code.

I have reviewed LAFCo's Conflict of Interest Code and recommend that the Commission approve several non-substantive amendments to the document. The Code incorporates by reference the model conflict of interest code contained in the California Fair Political Practices Commission's regulations. The revisions merely ensure that there is no ambiguity between LAFCo's Conflict of Interest Code and the state regulations. We have not modified the requirement that the LAFCo Commissioners, Executive Officer, Deputy Executive Officer, Clerk, Legal Counsel, and Consultants file a Statement of Economic Interests (Form 700) with the LAFCo Clerk with respect to real property owned, investments, income received, employment, and gifts provided by any party doing business in Fresno County.

**RECOMMENDATION**

Approve the non-substantive amendments to the LAFCo Conflict of Interest Code.

**SECTION 525**

**CONFLICT OF INTEREST CODE**

**Note:**

**Additions are underlined and italicized and deletions shown by crossed out words.**

# **CONFLICT OF INTEREST CODE FOR THE LOCAL AGENCY FORMATION COMMISSION**

## **SECTION – 525**

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to promulgate and adopt conflict of interest codes. Furthermore, the Fresno Local Agency Formation Commission's Policies, Standards, and Procedures Manual ("LAFCo Policy Manual) Section 525 requires that LAFCo bi-annually adopt a Conflict of Interest Code.

The Fair Political Practices Commission (the "FPPC") has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contain the terms of a standard conflict of interest code. This Section and any subsequent amendments by the FPPC are hereby incorporated by reference and, along with the Exhibit "A" (reflected in LAFCo Policy Manual Section 526) and Exhibit "B" (reflected in LAFCo Policy Manual Section 527), in which members and employees are designated and the disclosure categories are set forth, constitute LAFCo's Conflict of Interest Code.

Pursuant to Section 4(A) of the standard code, designated employees shall file statements of economic interests with the agency. Upon receipt of the statements by the LAFCo Executive Officer, LAFCo shall make and retain a copy and forward the original of these statements to the Clerk of Fresno the Board of Supervisors. Statements for all other designated employees will be retained by the agency.

Revised: August 26, 1998

Revised: August 23, 2000

Revised: September 13, 2006

## 526 **EXHIBIT A**

<u>Designated Employees</u>	<u>Categories</u>
Commissioners	I
Alternate Commissioners	I
Executive Officer	I
Deputy Executive Officer	I
LAFCo Clerk	I
<u>LAFCo</u> Staff Analyst	I
LAFCo Counsel	I
Consultant	I

Note: 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 LAFCo Executive Officer may determine in writing that a particular consultant, although a "designated position" under this Code, 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 Executive Officer's determination is a matter of public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Revised August 23, 2000

Revised September 13, 2006

Revised August 13, 2008

527 **EXHIBIT B**

An investment, interest in real property, or income is reportable if the business entity in which the investment is held, the interest in real property, or the income or source of income may materially be affected by any decision made or participated in by the designated officer or employee by virtue of the employee's position.

Category I. Designated employees in this category must report:

01 Interest in real property which is located in whole or in part within Fresno County, including any leasehold, beneficial, or ownership interest or option to acquire such interest in real property, ~~if the fair market value of the interest is greater than \$1,000.00.~~ Interests in real property of an individual includes a share of interest in real property of any business entity or trust in which the designated employee or his or her spouse owns directly or indirectly or beneficially a ten percent interest.

02 All investments in, income (including gifts, loans, and travel payments) from, and employment with any business entity which has within the last two years done business or may in the future do business in Fresno County.

~~"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 governmental agency. "Income" does not include dividends, interest, or any other return on a security which is registered by the Securities and Exchange Commission of the United States Government.~~

~~No investment or interest in real property is reportable unless its fair market value exceeds \$1,000.00. No source of income is reportable unless the income received by or promised to the designated employee aggregates \$250.00 in value (\$50.00 in value if it is a gift) during the preceding 12-month period.~~

Revised September 13, 2006

Revised August 13, 2008