
**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT**

AGENDA ITEM No. 12

DATE: August 11, 2010

TO: Fresno Local Agency Formation Commission

FROM: Jeff Witte, Executive Officer

SUBJECT: Conflict of Interest Code Revisions

Recommendation: Approve Amendments

Amend Sections 525, 526, and 527 (as shown on Exhibit A) of the Commission's Policies, Standards, and Procedures Manual, and authorize staff to submit a biennial report stating the changes required to LAFCo's current code.

Discussion:

Government Code Section 87306.5 was added to the Political Reform Act in 1990, requiring each local government agency to review its conflict of interest code biennially and to either amend the code if necessary, or report to its code reviewing body that the code is not in need of amendment. For the current review cycle, the report for LAFCo must be made to the Fresno County Board of Supervisors by October 1, 2010.

The Commission's current code, adopted in August 1998, as a part of the Policies, Standards, and Procedures Manual, is a standard Conflict of Interest Code from the Fair Political Practice Commission (FPPC). By incorporating the FPPC code, the Commission's Manual need not be amended each time changes are made to the FPPC code. However, it must be reviewed every two years to ensure that all affected personnel are appropriately designated. The Manual designates the Commissioners, Alternate Commissioners, the Executive Officer, Staff Analyst, Clerk to the Commission, and Consultants as being required to file Conflict of Interest forms.

Counsel has advised staff that additional staff and consultants hired from time to time should also be designated as being subject to the reporting requirements. The recommended changes add these categories (recommended additions are shown in bold Italics, and deletions and changes are over struck).

EXHIBIT A

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 California Code of Regulations 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	
Alternate Commissioners	
Executive Officer	
Deputy Executive Officer	
LAFCo Clerk	
LAFCo Staff Analyst	
LAFCo Counsel	
Consultant	

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
Revised August 11, 2010

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. 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.

Revised September 13, 2006
Revised August 13, 2008

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