



STAFF REPORT

TO: CITY COUNCIL
MEETING DATE: JUNE 1, 2026
FROM: PAM CARONONGAN, CITY CLERK
SUBJECT: ADOPT RESOLUTION NO. 25-26-XX, THEREBY
UPDATING THE CITY'S CONFLICT OF INTEREST CODE

SUMMARY AND RECOMMENDATION

The California Political Reform Act requires that every local governmental agency review its local Conflict of Interest Code biennially to determine if it is accurate and up-to-date or, alternatively, whether the Code must be amended. Staff has reviewed the City's current Conflict of Interest Code and proposes no changes at this time.

BACKGROUND

The overarching purpose of the California Political Reform Act is to help ensure that a public officer or employee, in the course of his or her official duties, is not involved in making, or participating in the making of, decisions which may foreseeably have a material effect on any financial interest of the employee. To that end, Government Code Sections 87300, *et seq.*, requires every local agency to promulgate a Conflict of Interest Code which contains (1) a specific listing of the positions within the City which involve the making, or participation in the making, of decisions which may foreseeably have a material effect on any financial interest, and (2) for each such position, the specific types of investments, business positions, interests in real property and sources of income which are reportable. All such designated employees are required to file an annual Form 700 Statement of Economic Interest.

The City previously adopted a Conflict of Interest Code in 2004 and had made an update in 2016. Government Code Section 87306 requires an agency to amend its Conflict of Interest Code when necessitated by changed circumstances, including the creation of new positions, the elimination of positions or changes in the duties assigned to existing positions on the list. Government Code Section 87306.5 requires every agency to review its Conflict of Interest Code every two years to determine if changes are needed due to the changed circumstances listed above and, if so, to make these changes within than 90 days after such a determination has been made.

In developing a disclosure list for the conflict of interest code, a “designated employee” is an officer, employee, 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 which may foreseeably have a material effect on any financial interest. Making a governmental decision means the person: (1) votes on a matter; (2) appoints a person; (3) obligates or commits the City to any course of action; or (4) enters into any contractual agreement on behalf of the City. Participating in the making a decision means the person: (1) negotiates, without significant substantive review, with a governmental entity or private person regarding the decision; or (2) advises or makes recommendations to the decision-maker by conducting research or an investigation, preparing or presenting a report, analysis or opinion which requires the exercise of judgment on the part of the employee and the employee is attempting to influence the decision.

PROPOSED CHANGES

In reviewing the City’s Conflict of Interest Code, staff currently does not propose any updates to the Code.

FISCAL IMPACT

There are no fiscal impacts associated with the proposed revision to the Conflict of Interest Code.

ATTACHMENT

1. Draft Resolution No. 25-26-xx