

RESOLUTION NO. 7154

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS AMENDING THE CITY OF REDLANDS' CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974 AND RESCINDING RESOLUTION NO. 6996

WHEREAS, the Legislature of the State of California enacted the Political Reform Act of 1974, Government Code section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the City of Redlands (the "City"), and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the City adopted a Conflict of Interest Code pursuant to the Political Reform Act of 1974 by Resolution No. 3290 on October 5, 1976; and

WHEREAS, the City has amended its Conflict of Interest Code periodically as mandated by law and as deemed necessary by the City; and

WHEREAS, the City last amended its Conflict of Interest Code by Resolution No. 6996 on September 21, 2010; and

WHEREAS, the City wishes to update its Conflict of Interest Code to identify the current designated City employees and consultants that are subject to the Conflict of Interest Code;

NOW, THEREFORE, be it resolved by the City Council of the City of Redlands that the Conflict of Interest Code as set forth in Resolution No. 6996 is hereby rescinded in its entirety and replaced with the Conflict of Interest Code, attached as Exhibit "1," which is hereby adopted.

ADOPTED AND APPROVED this 1st day of May, 2012.



Pete Aguilar, Mayor

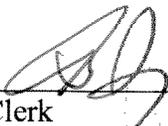
ATTEST:



Sam Irwin, City Clerk

I, Sam Irwin, City Clerk of Redlands, hereby certify that the foregoing Resolution No. 7154 was duly adopted by the City Council at a regular meeting thereof, held on the 1st day of May, 2012, by the following vote:

AYES: Councilmembers Harrison, Bean, Foster, Gardner; Mayor Aguilar
NOES: None
ABSENT: None
ABSTAIN: None



Sam Irwin, City Clerk

EXHIBIT "1"

CITY OF REDLANDS CONFLICT OF INTEREST CODE

Adopted: October 5, 1976
Amended: July 15, 2003
Amended: December 7, 2004
Amended: April 18, 2006
Amended: December 2, 2008
Amended: September 21, 2010
Amended: May 1, 2012

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CONFLICT OF INTEREST CODE
OF THE
CITY OF REDLANDS

A. Purpose/Incorporation by Reference.

1. Statement of Purpose. It is the purpose of this Code to provide for the disclosure of designated employee assets and income which may be materially affected by such employees' official actions, and, in appropriate circumstances, to provide that designated employees should be disqualified from acting in order that conflicts of interest may be avoided. Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974 (Government Code section 81000 et seq.) (the "Act").

2. Incorporation by Reference. 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 regulations (2 Cal. Code of Regs. section 18730 et seq.) which contain the terms of a standard conflict of interest code, and which can be incorporated by reference in an agency's code. After public notice and hearing, the agency's conflict of interest code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the provisions of 2 California Code of Regulations section 18730 et seq., and any amendments to them duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference. These regulations, and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the City of Redlands ("City").

Designated employees shall file their statements with the City, which will then make the statements available for public inspection and reproduction (Government Code Section 81008). Statements for designated employees will be retained by the City.

B. Definition of Terms. This Conflict of Interest Code contains a number of key terms, such as "designated employee," "interests in real property within the jurisdiction," "investments in business entities," "income," and decisions "made" or "participated in" by a designated employee, which are defined in the Political Reform Act of 1974 and the regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. section 18110 et seq.). These definitions and regulations, and any amendments to the Act or regulations, are incorporated by reference into this Code. Summaries of certain definitions are contained in the attached Addendum which is provided for convenience of reference only, and are not a part of this Conflict of Interest Code. The definitions of key terms contained in the Act or the regulations are amended and changed from time to time. The summaries of definitions contained in the Addendum will be updated accordingly on a periodic basis.

C. Disclosure Statements.

1. Designated Employees. The persons holding positions listed in Exhibit "A" of the Appendix of this Code are "designated employees." It has been determined that these officers and employees make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

2. Disclosure Requirements. Each designated employee shall file annual statements disclosing interests in real property within the City's jurisdiction, investments in business entities, business positions held or received during the previous calendar year, and income or sources of income which might foreseeably be affected materially by the operations of the City. The City has determined that it is foreseeable that the types of investments, interests in real property, business positions held or received during the previous calendar year, and income, and sources of income listed in Exhibit "B" of the Appendix may be affected materially by decisions made or participated in by the designated employee by virtue of his or her position, and are reportable if held by the designated employee.

3. Statements of Economic Interests: Time of Filing Statements; Contents Thereof.

(a) Initial Statements. All designated employees employed on the effective date of this Code, as originally adopted, promulgated and approved by the City Council, shall file statements within thirty (30) days after the effective date of this Code. Thereafter, each person already in a position when it is designated by an amendment to this Code shall file an initial statement within thirty (30) days after the effective date of the amendment. Initial statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the twelve (12) months prior to the effective date of this Code.

(b) Assuming Office Statements. All new designated employees who are appointed, promoted or transferred to a designated position after the effective date of this Code shall file statements within thirty (30) days after assuming the designated position, disclosing any reportable income, investments, interests in real property and business positions held or received during the twelve (12) months prior to the date of assuming office.

(c) Annual Statements. Annual statements shall be filed by all designated employees on or before April 1 of each year, disclosing any reportable investments, interests in real property, income and business positions held or received in the period since the closing date of the employee's previously filed statement and December 31.

(d) Leaving Office Statements. Every designated employee who leaves office and does not assume another designated position for the City shall file a statement within thirty (30) days after leaving office disclosing any reportable investments, interests in real property, income and business positions held or received during the period since the last previous statement was filed.

(e) Candidates' Statements. Candidates for election to City positions shall file a statement no later than the final date for filing Declarations of Candidacy, disclosing reportable investments and interests in real property held on the final date for filing Declarations of

Candidacy. This subsection shall not apply to candidates who filed statements with the City within the previous twelve (12) months under subsections (a), (b) or (c) of this Section.

4. Statement for Persons Who Resign 30 Days After Appointment. Persons who resign within 30 days of initial appointment are not deemed to have assumed office or left office provided they did not make or participate in the making of, or use their position to influence any decision and did not receive or become entitled to receive any form of payment as a result of their appointment. Such persons shall not file either an assuming or leaving office statement.

5. Place of Filing Statements. All designated employees required to submit a statement of economic interests shall file the original with the City Clerk. The City Clerk shall make and retain a copy of all statements filed by members of and candidates for the City Council of the City of Redlands, the City Manager and City officials who manage public investments, and the City Attorney, and forward the original of each such statement to the Fair Political Practices Commission (FPPC). The City Clerk shall retain the originals of the statements of all other designated employees.

6. Forms for Statements. Forms for filing disclosure statements will be made available by the City Clerk, and will adhere to the forms prescribed by the Fair Political Practices Commission.

D. Manner of Reporting.

The designated employee shall report all economic interests as required under California Code of Regulations section 18730.

E. Disqualification.

Designated employees must disqualify themselves as required pursuant to California Code of Regulations section 18730(9).

F. Opinions of the Commission and Counsel.

1. Request for Opinion and Reliance. Any designated employee who is unsure of any duty, right, or privilege of participation in any matter under this Code or under the provisions of the Political Reform Act of 1974 may request a formal opinion or letter of advice from the Fair Political Practices Commission, or an opinion from the City Attorney, provided that nothing in this Code requires the City Attorney to issue any formal or informal opinion.

2. Evidence of Good Faith. If an opinion or a letter of advice is rendered by the Fair Political Practices Commission stating in full the facts and law upon which the opinion is based, compliance therewith by the designated employee is evidence of good faith in any criminal proceeding and is a presumption affecting the burden of proof of any civil proceeding brought under the Act or this Code. The designated employee's good faith compliance with such opinion shall also constitute a complete defense to any disciplinary action brought by the authority under section 91000 et seq. of the Act or this Code.

G. Legislative or Judicial Amendments. All amendments or changes to the provisions of the Political Reform Act of 1974, occurring as the result of legislative amendment or judicial decision, shall automatically and immediately be incorporated into this Code and this Code shall, without further action, thereupon be deemed amended and changed to reflect such legislative or judicial amendment or decision.

H. Force And Effect of Code. This Code has the force and effect of law. Designated employees violating any provision of this Code are subject to the administrative, criminal and civil sanctions provided by the Political Reform Act of 1974, Government Code section 81000 et seq.

EXHIBIT "A"

DESIGNATED POSITIONS

The Mayor, Members of the City Council, the City Manager, and other City officials who manage public investments, and the City Attorney, are included in and governed by this Conflict of Interest Code only with respect to its disqualification provisions. For purpose of disclosure, the Mayor, Members of the City Council and Planning Commissioners, the City Manager, City Attorney, City Treasurer, and the City officials who make public investments are governed by the statutory conflicts of interest provisions of Article 2 of Chapter 7 of the Political Reform Act of 1974 (Government Code section 87200 et seq.).

DESIGNATED EMPLOYEE'S TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Revenue Manager	All Disclosure Categories (1-4)
Finance Director	All Disclosure Categories (1-4)
Assistant Finance Director	All Disclosure Categories (1-4)
Purchasing Service Manager	All Disclosure Categories (1-4)
Principal Accountant/Internal Auditor	All Disclosure Categories (1-4)
Human Resources/Risk Manager	All Disclosure Categories (1-4)
Human Resources/Risk Management Director	All Disclosure Categories (1-4)
Senior Human Resources/Risk Management Analyst (2)	All Disclosure Categories (1-4)
Chief Information Officer	All Disclosure Categories (1-4)
City Clerk	All Disclosure Categories (1-4)
Chief Building Official	All Disclosure Categories (1-4)
Development Services Director	All Disclosure Categories (1-4)
Assistant Development Services Director	All Disclosure Categories (1-4)
Principal Planner/Project Manager	All Disclosure Categories (1-4)
Project Manager I	All Disclosure Categories (1-4)
Project Manager II	All Disclosure Categories (1-4)
Economic Development Manager	All Disclosure Categories (1-4)
Assistant/Associate Planner (3)	All Disclosure Categories (1-4)
Chief of Police	All Disclosure Categories (1-4)
Police Lieutenant (3)	All Disclosure Categories (1-4)
Police Lieutenant (ERC)	All Disclosure Categories (1-4)
Fire Chief	All Disclosure Categories (1-4)
Fire Battalion Chief (3)	All Disclosure Categories (1-4)
Fire Marshal (ERC)	All Disclosure Categories (1-4)
Library Director	All Disclosure Categories (1-4)
Archivist Curator	All Disclosure Categories (1-4)
Director of Municipal Utilities and Public Works Engineering / City Engineer	All Disclosure Categories (1-4)
Assistant Utilities Director	All Disclosure Categories (1-4)

DESIGNATED EMPLOYEE'S TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Assistant Engineering Director	All Disclosure Categories (1-4)
Engineering Manager (ERC)	All Disclosure Categories (1-4)
Engineering Manager	All Disclosure Categories (1-4)
Senior Civil Engineer (2)	All Disclosure Categories (1-4)
Wastewater Operations Manager	All Disclosure Categories (1-4)
Water Operations Manager	All Disclosure Categories (1-4)
Quality of Life Director	All Disclosure Categories (1-4)
Waste Management Superintendent	All Disclosure Categories (1-4)
Sr. Project Manager	All Disclosure Categories (1-4)
Commissions	
Historic and Scenic Preservation Commissioners	All Disclosure Categories (1-4)
ERC Committee members (staff)	All Disclosure Categories (1-4)
Consultants *	

* Consultants, who provide services under contract to fill one of the above-referenced designated positions, shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in this 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 are 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."

EXHIBIT "B"

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of investments, business entities, sources of income, or real property which the designated employee must disclose for each disclosure category to which he or she is assigned (Title 2 CCR §18730).

Category 1: Investments and real property disclosure. When an investment or an interest in real property is required to be reported, the following information must be provided in the Statement of Economic Interest: (a) the nature of the investment or interest, (b) the name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged, (c) the address or other precise location of the real property, (d) a statement of whether the fair market value and any investment or interest in real property exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000) or exceeds one million dollars (\$1,000,000).

Category 2: Personal income disclosure. When personal income is required to be reported, the following information must be provided in the Statement of Economic Interest: (a) the name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, any general description of the business activity, if any, of each source; (b) a statement of whether the aggregate value of income from each source, or in the case of a loan, the greatest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), greater than one hundred thousand dollars (\$100,000); (c) a description of the consideration, if any, for which the income was received; (d) in the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift and the date on which the gift was received; (e) in the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

Category 3: Business entity income disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, the following information must be provided in the Statement of Economic Interest: (a) the name, address and a general description of the business activity of the business entity; (b) the name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person is equal to or greater than ten thousand dollars (\$10,000).

Category 4: Business position disclosure. When business positions are required to be reported, the following information must be provided in the Statement of Economic Interest: (a) the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee or in which he or she holds any position of management; (b) description of the business activity in which the business entity is engaged; and (c) title of the person's position with the business entity.

ADDENDUM

REFERENCE DEFINITIONS
FOR THE
CONFLICT OF INTEREST CODE
OF THE
THE CITY OF REDLANDS

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DEFINITIONS

1. "**Public Official**" means every member, officer, employee or consultant of a state or local government agency, but does not include judges and court commissioners in the Judicial branch of government. "Public official" also does not include members of the Board of Governors and designated employees of the State Bar of California, members of the Judicial Council and members of the Commission on Judicial Performance, provided that they are subject to the provisions of Article 2.5 (commencing with Section 6035) of Chapter 4 of Division 3 of the Business and Professions Code as provided in Section 6038 of that article. Government Code § 82048.

2. "**Member**" shall include, but not be limited to, salaried or unsalaried members of committees, boards or commissions with decision making authority.

(A) A committee, board or commission possesses decision making authority whenever:

- i. It may make a final governmental decision, or
- ii. It may compel a governmental decision; or it may prevent a governmental decision either by reason of an exclusive power to initiate the decision or by reason of a veto that may not be overridden; or
- iii. It makes substantive recommendations that are, and over an extended period of time have been, regularly approved without significant amendment or modification by a public official or the City Council or the Agency Board. 2 CCR § 18701.

(B) A committee, board, or commission does not possess decision making authority if it is formed for the sole purpose of researching a topic and preparing a report of recommendation for submission to another governmental body that has final decision making authority.

3. "**Consultant**" means an individual who, pursuant to a contract with a state or local government agency:

(A) Makes a governmental decision whether to:

- (i) Approve a rate, rule or regulation;
- (ii) Adopt or enforce a law;
- (iii) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;
- (iv) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract that requires agency approval;

- (v) Grant agency approval to a contract that requires agency approval and to which the agency is a party, or to the specifications for such a contract;
- (vi) Grant agency approval to a plan, design, report, study, or similar item;
- (vii) Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision thereof; or

(B) Serves in a staff capacity with the agency and in that capacity participates in making a governmental decision as defined in regulation 18702.2 or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code under Government Code section 87302. 2 CCR § 18701.

4. "Designated Employee" means any official of the Agency whose position is so designated in the Appendix of the Agency's Conflict of Interest Code. The Appendix sets forth those positions which entail the making or participation in the making of decisions which may foreseeably have a material financial effect on any financial interest, but does not include any unsalaried member of any board or commission which serves a solely advisory function. Government Code § 82019.

5. "Making a Governmental Decision." A public official "makes a governmental decision," except as provided in 2 California Code of Regulations section 18702.4, when the official, acting within the authority of his or her office or position:

- (1) Votes on a matter;
- (2) Appoints a person;
- (3) Obligates or commits his or her agency to any course of action;
- (4) Enters into any contractual agreement on behalf of his or her agency;

(5) Determines not to act, within the meaning of subdivisions 1, 2, 3, 4, above, unless such determination is made because of his or her financial interest. When the determination not to act occurs because of the official's financial interest, the official's determination may be accompanied by an oral or written disclosure of the financial interest. 2 CCR § 18702.1

6. "Participating in the Making of Governmental Decisions": A public official "participates in making a governmental decision," except as provided in Title 2, Code of Regulations, section 18702.4, when, acting within the authority of his or her position, the official:

(a) Negotiates, without significant substantive review, with a governmental entity or private person regarding a governmental decision referenced in Title 2, California Code of Regulations, section 18701(a)(2)(A); or

(b) Advises or makes recommendations to the decision maker either directly or without significant intervening substantive review, by:

(1) Conducting research or making any investigation which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision referenced in Title 2, California Code of Regulations, section 18701(a)(2)(A); or

(2) Preparing or presenting any report, analysis, or opinion, orally, or in writing, which requires the exercise of judgment on the part of the official and the purpose of which is to influence a governmental decision referenced in Title 2, California Code of Regulations, section 18701(a)(2)(A). 2 CCR § 18702.2

7. "**Financial Interest**": A public official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:

(a) Any business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more.

(b) Any real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more.

(c) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made.

(d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.

(e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. The amount of the value of gifts specified by this subsection shall be adjusted biennially by the commission to equal the same amount determined by the commission pursuant to subdivision (f) of Section 89503.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater. Government Code § 87103.

8. "Material Financial Effect" means the financial effect of a governmental decision on a financial interest of a public official is material if, at the time the official makes or participates in making the decision, the decision will have a significant effect on the official or a member of the official's immediate family, or on the source of income, the source of gifts, the business entity, or the real property, which is an economic interest of the official. In determining whether it is reasonably foreseeable that the effects of a governmental decision will be significant, consideration should be given to the factors defined in Title 2 CCR sections 18705, 18705.1, 18705.2, 18705.3, 18705.4 and 18705.5. 2 CCR § 18705

9. "Business Entity" means any organization or enterprise operated for profit, including but not limited to a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association. Government Code § 82005.

10. "Agency" means the Redevelopment Agency of the City of Redlands.

11. "Act" means the Political Reform Act of 1974, Government Code section 81000 et seq.