

**CITY OF TEMECULA
CITY COUNCIL POLICY**



Title:	Conflict of Interest Laws
Policy No.	TBD
Approved:	October 24, 2023
Revised:	N/A

PURPOSE:

The purpose of this City Council policy is to provide general guidance and raise awareness of potential conflicts of interest that may arise periodically in the course of public service by Council Members. Council Members are encouraged to seek legal advice from the City Attorney for specific issues that may arise.

POLICY:

The policy of the City Council with respect to the matter listed in the above-referenced title is as follows:

Conflict of Interest Laws

The Political Reform Act, set forth in Government Code Sections 81000 to 91014, regulates conflicts of interest through (1) disclosure and (2) prohibition of participation in the decision-making process. The Act requires Council Members to annually disclose all financial interests that may be affected by decisions made in their official capacity. This includes investments, real property, and income. Council Members must also disqualify themselves from making and/or participating in making any governmental decision that will have a foreseeable material financial affect on any financial interest of the Council Member or certain family members.

When Council Members must disqualify themselves due to a financial interest, they are prohibited not only from “making” a decision but also from “participating” in the decision. Generally, an official makes a decision when the Council Member votes on a matter, appoints a person, obligates or commits the City to any course of action, or enters into any contract on behalf of the City. An official participates in making a decision when the official negotiates on behalf of the City, or advises or makes recommendations to the decision maker, either directly or without significant intervening substantive review.

The City Attorney prepares an annual Summary of the Conflict of Interest Laws Manual that is attached as Appendix 3 in the City Council Protocol Manual.

Conflict of Interest Code. The Political Reform Act requires state and local government agencies to review and adopt conflict of interest codes biannually. The City of Temecula adopts its Conflict of Interest Code in even-numbered years. The City’s Conflict of Interest Code adopts the State Political Reform Act and designates certain City officials other than the Council who are subject the conflict of interest laws. The Code is attached as Exhibit A.

Statements of Economic Interest

A financial disclosure form (Statement of Economic Interest - Form 700) must be filed with the City Clerk no later than April 1 of each year for financial interests pertaining to the preceding calendar year. The April 1 deadline may be adjusted by the Fair Political Practices Commission (FPPC) for holidays and/or weekends. Council Members must also file a statement within 30 days of assuming office or leaving office. Filers shall file said statement electronically through NetFile, the City's certified electronic filing system.

Advice Regarding Conflicts of Interest

A Council Member who is uncertain as to whether they have a conflict of interest is encouraged to seek clarification from the City Attorney prior to the Council Meeting at which the matter will be discussed. The City Attorney or the official may also request a formal opinion from the FPPC.

Attachments

Exhibit A - Conflict of Interest Code

DRAFT

RESOLUTION NO. 2022-84

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF TEMECULA ADOPTING THE CITY'S 2022 CONFLICT
OF INTEREST CODE**

THE CITY COUNCIL OF THE CITY OF TEMECULA DOES HEREBY RESOLVE AS
FOLLOWS:

Section 1. The City Council of the City of Temecula has previously adopted a Conflict of Interest Code to apply to certain officers and employees of the City with an Exhibit A designating certain positions within the City that require the filing of economic disclosure forms.

Section 2. The City Council of the City of Temecula does hereby amend the Conflict of Interest Code for the City of Temecula by deleting Exhibit A and substituting in its place a new Exhibit A, which is attached hereto and incorporated herein by this reference.

Section 3. The City Clerk shall certify the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Temecula this 15th day of November, 2022.



Matt Rahn, Mayor

ATTEST:



Randi Johl, City Clerk

[SEAL]

SECTION 2. EXHIBIT A

DESIGNATED CITY OF TEMECULA EMPLOYEES AND DISCLOSURE CATEGORIES

The following positions entail the making or participating in the making of decisions which could have a material effect on financial interests.

<u>Designated Position</u>	<u>Disclosure Categories</u>
Assistant City Manager	1
Assistant Director of Community Development	1
Assistant Director of Community Services	1
Assistant Director of Finance	1
Assistant Director of Information Technology and Support Services	1
Assistant to the City Manager	1
Building Official	1
Chief of Police	1
Community Services Superintendent	1
Deputy City Manager	1
Designated Consultant*	1
Director of Community Development	1
Director of Community Services	1
Director of Finance	1
Director of Human Resources and Risk Management	1
Director of Information Technology and Support Services	1
Director of Legislative Affairs / City Clerk	1
Director of Public Works/City Engineer	1
Economic Development Manager	1
Engineering Manager	1
Exempt Officials	0

Fire Chief	1
Finance Manager	1
Fiscal Services Manager	1
Information Technology Manager	1
Maintenance Manager	1
Planning Manager	1
Principal Civil Engineer	1
Principal Management Analyst	1
Senior Civil Engineer	1
Senior Management Analyst	1
Senior Planner	1
Members of all City Commissions, Boards, and Committees (Other than Government 87200 Filers)	1

DESIGNATED CONSULTANTS:

Consultants who fit into one or more of the following categories shall be included in the list of designated employees as "Designated Consultants":

1. Consultants who make (not just recommend) governmental decisions, such as whether to approve a rate, rule, or regulation, whether to issue, deny, suspend, or revoke any permit, license, application, certificate or similar authorization, adopt or grant City approval to a plan, design, report, study, or adopt or grant City approval of policies, standards, or guidelines for the City or any subdivision thereof.
2. Consultants who serve in a staff capacity with the City, and in that capacity participate in making a governmental decision by providing information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review.
3. Consultants who perform the same or substantially all the same duties for the City that would otherwise be performed by an individual holding a designated position in the City's Conflict of Interest Code.

When the consultant is a corporation, partnership, or limited liability company, only individuals who fit into one of the three categories of "Designated Consultants" described above must file disclosure statements.

Designated Consultant shall report all reportable interests in real property in the jurisdiction; reportable income and business positions; reportable investments; and reportable gifts within the disclosure category applicable to Designated Consultants unless the City Manager determines in writing that a particular consultant 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 the section. If the City Manager determines in writing that a particular consultant is not required to fully comply with the requisite disclosure requirements, then 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.

** The Mayor, City Council, Members of the Planning Commission, City Manager, City Attorney, and City Treasurer are all required to file disclosure statements pursuant to (Government Code 87200) and are thus not included herein.

RESOLUTION NO. 94-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA ADOPTING AN AMENDED CONFLICT OF INTEREST CODE

WHEREAS, the City Council of the City of Temecula has previously adopted a Conflict of Interest Code to apply to certain officers and employees of the City; and

WHEREAS, the City Council of the City of Temecula desires to adopt an Amended Conflict of Interest Code;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF TEMECULA DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Amended Conflict of Interest Code, attached hereto as Exhibit A, is hereby adopted as the Conflict of Interest Code for the City of Temecula.

Section 2. The previously adopted Conflict of Interest Code for the City of Temecula is of no further force and effect.

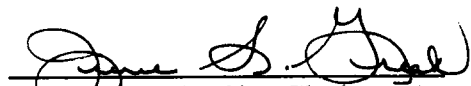
Section 3. The City Clerk shall certify the adoption of this resolution.

APPROVED AND ADOPTED, this 15th day of November, 1994.



Ron Roberts, Mayor

ATTEST:


June S. Greek, City Clerk

[SEAL]

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) SS
CITY OF TEMECULA)

I, June S. Greek, City Clerk of the City of Temecula, hereby do certify that the foregoing Resolution No. 94-105 was duly adopted at a regular meeting of the City Council of the City of Temecula on the 15th day of November, 1994 by the following roll call vote:

AYES:	5	COUNCILMEMBERS:	Birdsall, Muñoz, Parks, Stone, Roberts
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None



June S. Greek, City Clerk

**CONFLICT OF INTEREST CODE
OF THE
CITY OF TEMECULA**

SECTION 1. Purpose. Pursuant to the provisions of Government Code Sections 87300, et seq., the City of Temecula (hereinafter referred to as "City") hereby adopts the following Conflict of Interest Code. The provisions of this Code are in addition to those contained in Title 9, Chapter 7 of the Government Code (Section 87100 et seq.). Except as otherwise indicated, the definitions contained in Title 9, Chapter 2 of the Government Code (Section 8200 et seq.) are incorporated herein and apply to this Code. It is the purpose of this Code to provide for the disclosure of assets and income of designated employees which may be materially affected by their 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.

SECTION 2. Designated Positions. The positions listed in Exhibit "A" are designated positions. Officers and employees holding those positions are designated employees and are deemed to make or participate in the making of decisions which may foreseeably have a material effect on a financial interest.

SECTION 3. Disclosure Statements. Designated positions shall be assigned to one or more of the disclosure categories set forth in Exhibit "B". Each designated employee or official shall file an annual statement disclosing that employee's or official's interest in investments, business positions, interests in real property and source of income designated as reportable under the category to which the employee's or official's position is assigned in Exhibit "B".

SECTION 4. Place and Time of Filing.

A. All designated employees or officials required to submit a statement of financial interests, (FPPC Form No. 730), shall file the original with the City Clerk's office.

B. The City Clerk's office shall make and retain a copy of the statement.

C. A designated employee or official required to submit an initial statement of financial interest, (FPPC Form No. 730), shall submit the statement within 30 days after the effective date of this Code, disclosing interests held including investments, business positions, and interests in real property on the effective date of this Code, and income received during the twelve (12) months prior to the effective date of this Code.

D. All persons appointed, promoted, or transferred to designated positions shall file initial statements not more than 30 days after assuming office.

E. The first statement of financial interests filed by a designated employee shall disclose the designated employee's reportable investments, business positions, and interests

in real property as those investments, positions, and interests in real property exist as of the effective date of this Code or the date the designated employee assumed office, whichever is later, and income received during the preceding twelve (12) months.

F. Annual statements shall be filed by April 1, of each year by all designated employees. Such statements shall disclose reportable investments, business positions, interests in real property, and income held or received at any time during the previous calendar year or since the designated employee took office if during the calendar year.

G. A designated employee required to file a statement of financial interest with any other agency which is within the same territorial jurisdiction and whose disclosure requirements are comparable may comply with the provisions of this Code by filing a duplicate copy of the statement filed with the other agency, in lieu of an entirely separate statement.

H. Every designated employee who leaves office shall file, within 30 days of leaving office, a statement disclosing reportable investments, business positions, interests in real property, and income held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.

I. A designated employee who resigns his or her position within 30 days twelve (12) months following initial appointment or within thirty (30) days of the date of a notice mailed by the filing officer of the individual's filing obligation, whichever is earlier, is not deemed to assume or leave office, provided that during the period between appointment and resignation the individual does not make, participate in making, or use the position to influence any decision of the City or receive or become entitled to receive any form of payment by virtue of being appointed to the position. Within thirty (30) days of the date of a notice mailed by the filing officer, the individual shall do both of the following:

1. File a written resignation with the appointing power.

2. File a written statement with the filing officer on a form prescribed by the commission and signed under penalty of perjury stating that the individual, during the period between appointment and resignation, did not make, participate in the making or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

SECTION 5. Contents of Disclosure Statements. Disclosure statements shall be made on forms supplied by the City Clerk's Office, (FPPC Form No. 730), and shall contain the following information:

A. **Contents of Investment and Real Property Reports.** When an investment or an interest in real property is required to be disclosed, the statement shall contain:

1. A statement of the nature of the investment or interest;

2. 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;

3. The address or other precise location of the real property;

4. A statement indicating whether the fair market value of the investment or interest in real property equals or exceeds one thousand dollars (\$1,000) but does not exceed ten thousand dollars (\$10,000), whether it exceeds ten thousand (\$10,000) but does not exceed one hundred thousand dollars (\$100,000), or whether it exceeds one hundred thousand dollars (\$100,000). For purposes of this Code, "interest in real property" does not include the principle residence of the designated employee or any other property which the designated employee utilizes exclusively as the employee's personal residence.

5. For purposes of this subdivision (a) of Section 5, "interest in real property" does not include the principal residence of the filer or any other property which utilizes exclusively as the personal residence of the filer.

B. Contents of Personal Income Reports: When personal income¹ is required to be disclosed under this Code or pursuant to the Political Reform Act, the statement shall contain:

1. The name and address of each source of income aggregating two hundred fifty dollars (\$250) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement indicating whether the aggregated value of income from each source, or, in the case of a loan, the highest amount owed to each source, was at least two hundred fifty dollars (\$250) but did not exceed one thousand dollars (\$1,000), whether it was in excess of one thousand dollars (\$1,000) but not greater than ten thousand dollars (\$10,000), or whether it was greater than ten thousand dollars (\$10,000);

3. A description of the consideration, if any, for which the income was received;

4. 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 and the date on which the gift was received;

¹ "Income" is defined in Title 9, Chapter 2 of the Government Code (section 82030). That definition is attached hereto as Exhibit "C."

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan.

C. Contents of Business Entity Reports. When the designated employee's pro rata share of income to a business entity, including income to a sole proprietorship, is required to be reported, the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the designated employee's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year;

3. Income of a business entity is required to be reported only if the direct, indirect, or beneficial interest of the designated employee and his or her spouse in the business entity aggregates a 10 percent or greater interest. In addition, for purposes of subparagraphs 2 and 3 of this subsection, the disclosure of persons who are clients or customers of a business entity is required only if it is reasonably foreseeable that the client or customer may be materially affected by the decisions of the designated employee.

4. When a payment, including an advance or reimbursement for travel is required to be reported pursuant to (b) and (c) of this Section 5, it may be reported on a separate travel reimbursement schedule which shall be included in the filer's statement of economic interest. A filer who chooses not to use the travel schedule shall disclose payments for travel as a gift, unless it is clear from all surrounding circumstances that the services provided were equal to or greater in value than the payments for the travel, in which case the travel may be reported as income.

D. Contents of Business Position Disclosure. When business positions are required to be reported, the designated employee shall list 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; a description of the business entity in which the business is engaged, and the designated employee's position with the business entity.

E. Acquisition or Disposal During a Calendar Year. If any otherwise reportable investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

SECTION 6. Disqualification. Designated employees shall disqualify themselves from making, participating in the making of, or in any way using their official position to influence a governmental decision when it is reasonably foreseeable that the decision will have a material financial affect distinguishable from its effect on the public generally, on the designated

employee, or a member of his or her immediate family, or on:

A. Any business entity in which the designated employee has a direct or indirect investment worth one thousand dollars (\$1,000) or more;

B. Any real property in which the designated employee has a direct or indirect interest worth one thousand dollars (\$1,000) or more;

C. Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the designated employee within twelve (12) months prior to the time when the decision is made;

D. Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

E. Any donor of, or any intermediary of 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 designated employee within twelve (12) months prior to the time when the decision is made.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a designated employee, by an agent on behalf of a designated employee, or by a business entity or trust in which the designated employee, the designated employee's agent, spouse, and dependent children own directly, indirectly, or beneficially a ten percent (10%) interest or greater.

No designated employee shall be required to disqualify himself or herself with respect to any matter which could not legally be acted upon or decided without his or her participation. A designated employee required to disqualify himself or herself shall notify the City Manager and the City Clerk in writing, and the City Clerk shall record the person's disqualification.

Violations. Pursuant to Government Code Section 87300, this Code "shall have the force of law" and any violation of any provision of this Code shall be punishable in accordance with Government Code Section 91000 to 91015 and include criminal and civil sanctions, as well as discipline within the City's Personnel System.

SECTION 7. EXHIBIT "A"
Designated City of Temecula Employees
and Disclosure Categories

The following positions entail the making or participation in the making of decisions which may foreseeably have a material effect on financial interests:

<u>Designated Position</u>	<u>Disclosure Categories</u>
Assistant City Manager	1
Building Official	1
Chief of Police	1
Chief Accountant	1
City Clerk	1
City Engineer/Director of Public Works	1
Consultant ^{2/}	1
Principal Engineer	1
Exempt Officials ^{3/}	0

^{2/} Consultants shall be included in the list of designated employees and shall disclose all of the information required to be disclosed by designated employees subject to the following limitation:

The City Manager or his or her designee may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirement described in this Section. Such written disclosure shall include a description 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.

^{3/} The Mayor, City Council, Members of the Planning Commission, City Manager, City Attorney, City Treasurer, and Director of Finance are all required to file disclosure statements pursuant to state law and thus are not included herein.

Director of Community Services 1

Financial Services Administator 1

Fire Chief 1

Maintenance Superintendent 1

Planning Director 1

Recreation Superintendent 1

Senior Accountant 1

Senior Building Inspector 1

Senior Management Analyst 1

Traffic Engineer 1

Senior Planner 1

Members of all City Commissions,
Boards, and Committees Not
Otherwise Required to File
Conflict of Interest Statements 1

SECTION 8. EXHIBIT "B"

Categories of Reportable Economic Interests

Designated Persons in Category "1" Must Report:

All investments, interests in real property, income, and any business entity in which the person is a director, officer, partner, trustee, employee, or holds any position of management. These financial interests are reportable only if located within and subject to the jurisdiction of the City, or if the business entity is doing business or planning to do business in an area subject to the jurisdiction of the City, or has done business within an area subject to the jurisdiction of the City at any time during the two years prior to the filing of the statement.

Designated Persons in Category "2" Must Report:

- A. All Investments in real property located within or subject to the jurisdiction of the City.
- B. Investments in any business entity which within the last two years has contracted or in the future foreseeably may contract with the City.
- C. Income from any source which within the last two years has contracted or in the future foreseeably may contract with the City.
- D. His or Her status as a director, officer, partner, trustee, employee, or holder of a position of management in any business entity which within the last two years has contracted or in the future foreseeably may contract with the City.

Designated persons in Category "3" must report:

- A. Investments and business positions in, and income from business entities located in, doing business in, or planning to do business in the redevelopment project area and all interests in real property located within two miles of the redevelopment project area.

EXHIBIT "C"

82030. Income. A. "Income" means, except as provided in subdivision (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income" other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

B. "Income" also does not include:

1. Campaign contributions required to be reported under Chapter 4 (commencing with Section 84100).
2. Salary and reimbursement for expenses or per diem received from a state, local, or federal government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic, or charitable organization.
3. Any devise or inheritance.
4. Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency.
5. Dividends, interest, or any other return on a security which is registered with the Securities and Exchange Commission of the United States Government or a commodity future registered with the Commodity Futures Trading Commission of the United States Government, except proceeds from the sale of these securities and commodities futures.
6. Redemption of a mutual fund.
7. Alimony or child support payments.
8. Any loan or loans from a commercial lending institution which are made in the lenders' regular course of business on terms available to members of the public without regard to official status if:

A. Used to purchase, refinance the purchase of, or for improvements to, the principal residence of filer; or

B. The balance owed does not exceed ten thousand dollars (\$10,000).

9. Any loan from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin, or the spouse of any such person, provided that a loan from any such person shall be considered income if the lender is acting as an agent or intermediary for any person not covered by this paragraph.

10. Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status, so long as the balance owed to the creditor does not exceed ten thousand dollars (\$10,000).

11. Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).

12. Proceeds from the sale of securities registered with the securities and Exchange Commission of the United States Government or from the sale of commodities futures registered with the Commodity Futures Trading Commission of the United States Government if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the identity of the purchaser.