



## Staff Report

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**File #:** 23-0442

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### REQUEST FOR CITY COUNCIL ACTION

**DATE:** 05/17/2023

**TO:** Honorable Mayor and City Council Members

**FROM:** City Manager's Office - City Clerk

**SUBJECT:**

REQUEST FROM COUNCIL MEMBER WES SPEAKE TO DISCUSS HOW TO TRACK CONFLICT OF INTEREST REQUIREMENTS ENACTED THROUGH SENATE BILL 1439

#### **EXECUTIVE SUMMARY:**

This staff report asks the City Council to continue their discussion on how to track conflict of interest requirements enacted through Senate Bill 1439, which was initially discussed at the Committee of the Whole meeting on April 5, 2023. The City Council requested that the discussion continue, and more options be presented.

#### **RECOMMENDED ACTION:**

**That the City Council** provide direction on its preferred method to track Council Member Conflicts on Interest in accordance with Senate Bill 1439.

#### **BACKGROUND & HISTORY:**

At the Committee of the Whole (COTW) meeting of April 5, 2023, staff presented two options for the tracking of Conflict of Interest requirements enacted through Senate Bill (SB) 1439.

The following are the options presented during the COTW:

**Option 1** Elected Officials track their Conflict of Interest and recuse themselves when needed.

**Option 2** City staff to track Council Member Conflict of Interest and prepare a potential Conflict of Interest Memorandum prior to each meeting.

Council Member Speake requested that staff explore an Option 2A to prepare a memorandum similar

to the memorandum prepared by Riverside County Transportation Commission (RCTC).

Additional proposed new options for City Council's consideration include:

**Option 2A** City staff to prepare a potential Conflict of Interest memorandum based on the Disclosure of Campaign Contributions forms provided by the Purchasing Division and the Conflict of Interest form submitted by the Council Members. This option is similar to RCTC's process.

**Option 3** City staff to prepare a potential Conflict of Interest Memorandum solely based on the agencies listed on the agenda.

**Option 4** City staff to highlight the agencies listed on the agenda.

**ANALYSIS:**

SB 1439 amends section 84308 of the Government Code, relating to the Political Reform Act of 1974. SB 1439 went into effect January 1, 2023, and does not apply to contributions received in 2022. SB 1439 extends existing law to prohibit accepting, soliciting, or directing a campaign contribution of \$250, if the donor is involved in a proceeding involving a license, permit or other entitlement for use, including a contract award, that is pending before the agency. Under SB 1439, this prohibition continues for 12 months following the proceeding. SB 1439 also requires City Council to recuse from any proceeding involving a license, permit or other entitlement for use, including a contract award, if the member has received a campaign contribution from a person involved in the proceeding within the previous 12 months.

SB 1439 presents a significant change for local elected officials because campaign donations previously did not give rise to a Conflict of Interest and Government Code Section 84308 did not apply to the agencies that officials were elected to represent.

Option 1 would require Elected Officials to track their Conflict of Interest in accordance with SB 1439 and recuse themselves when needed.

Option 2 would require an additional employee to work with other departments to complete the potential Conflict of Interest memorandum. This option would require the Planning and Development Department and Purchasing Division staff to provide the applicant/bidder with a Disclosure of Campaign Contributions form. The applicant/bidder will disclose the contributions they have made to any Elected Official involving a license, permit or other entitlement for use, including a contract award.

This option would require a full-time City Clerk Services Specialist that will gather the forms and compile the information to prepare the potential Conflict of Interest memorandum.

Option 2A would require City staff to prepare a potential Conflict of Interest memorandum based on the Disclosure of Campaign Contributions forms provided by the Purchasing Division and the Conflict of Interest form submitted by the Council Members. The potential Conflict of Interest memorandum

will be prepared solely based on the forms received from the Purchasing Division and the Council Members. This option is similar to RCTC's process.

Option 3 would require City staff to prepare a potential Conflict of Interest memorandum solely based on the agencies listed on the agenda. There are no forms associated with this process.

Option 4 would require City staff to highlight the agencies listed on the agenda.

**FINANCIAL IMPACT:**

The cost would be determined by the option selected. Option 2 would require a full-time employee to work with the Planning and Development Department and Purchasing Division on possible license, permit or other entitlement for use, including any contract award conflicts. The cost for a full-time City Clerk Services Specialist would be \$98,944. The funding would need to be appropriated from fund balance because the cost is not included in the Fiscal Year 2024 proposed budget. Options 1, 2A, 3 and 4 do not have a cost associated.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is to receive direction on how to track the Conflict of Interest requirements enacted through SB 1439.

**PREPARED BY:** SYLVIA EDWARDS, CITY CLERK

**REVIEWED BY:** JACOB ELLIS, CITY MANAGER

**Attachment:**

1. Presentation