



LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

**COMMISSIONERS**

Chairperson  
TOM MURRAY  
Public Member

Vice-Chair  
ROBERT ENNS  
Special District Member

DEBBIE ARNOLD  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERTA FONZI  
City Member

LYNN COMPTON  
County Member

ED WAAGE  
City Member

**ALTERNATES**

ED EBY  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

JOHN PESCHONG  
County Member

**STAFF**

MIKE PRATER  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

IMELDA MARQUEZ  
Commission Clerk

**TO: MEMBERS, FORMATION COMMISSION**

**FROM: BRIAN PIERIK, LEGAL COUNSEL**

**DATE: SEPTEMBER 17, 2020**

**SUBJECT: BIENNIAL UPDATE OF LAFCO'S CONFLICT OF INTEREST CODE**

**RECOMMENDATION.** It is respectfully recommended that the Commission adopt the resolution and amended conflict of interest code attached as Attachment A.

**DISCUSSION.** The County Clerk of the Board has recommended that agencies required to adopt conflict of interest codes under the California Political Reform Act, Gov. Code §81000 et seq., should amend their existing codes Attachment B to incorporate by reference Fair Political Practices Commission (FPPC) Regulation Resolution adopting Updated Conflict of 18730. LAFCO is required to maintain a conflict Interest Code of interest code and certain designated positions in LAFCO are required to File Form 700 Appendix B statements with the County Clerk of the Board.

FPPC regulation 18730 sets forth the minimum requirements for conflict of interest codes subject to FPPC requirements and is attached in Attachment C.

The advantage of amending LAFCO's code to incorporate the FPPC regulation is that the information required to be in the main body of the conflict of interest code is complex, FPPC Regulation 18730 includes all of the requirements, and the requirements are occasionally amended by the FPPC. As a result, the proposed amended conflict of interest code will be continually updated automatically to be consistent with state law, and should not require further attention by your Commission. Attachment B contains LAFCO's existing conflict of interest code which was adopted in 2019.

**OTHER AGENCY INVOLVEMENT.** LAFCO Counsel consulted with the County Clerk of the Board and the County Counsel in preparing the proposed resolution and amended conflict of interest code.

**Attachment A:**  
Resolution adopting Updated Conflict of Interest Code including Appendix A & B

**Attachment B:**  
Existing LAFCO Conflict of Interest Code

**Attachment C:**  
FPPC Code 18730

# **Attachment A**

Resolution adopting Updated Conflict of Interest Code  
including Appendix A & B

**IN THE LOCAL AGENCY FORMATION COMMISSION**

**COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Thursday, September 17, 2020

**PRESENT:**

**ABSENT:**

**RESOLUTION NO. 2020-XX**

**RESOLUTION APPROVING THE BIENNIAL UPDATE OF CONFLICT OF INTEREST CODE**

**WHEREAS**, Government Code section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act; and

**WHEREAS**, Government Code section 87307 authorizes a local public agency to amend its conflict of interest code at any time; and

**WHEREAS**, minor changes need to be made to the Conflict of Interest Code; and

**WHEREAS**, the Commission duly considered the AMENDED Conflict of Interest Code: The Commission hereby adopts the Amended Conflict of Interest Code attached hereto, which supersedes the Conflict of Interest Code last amended in 2019.

1. The list of designated LAFCO positions and applicable disclosure categories attached as Appendix A & B is hereby adopted as the appendix of designated positions and disclosure categories to accompany section 18730.
2. The terms of California Code of Regulations, Title 2, section 18730, as set forth in the attached Appendix C, and any amendments to section 18730 duly adopted by the FPPC, are hereby adopted and incorporated by reference as the main body of LAFCO's conflict of interest code.
3. Designated employees and officers shall file statements of economic interest (FPPC Form 700) with the County Clerk-Recorder who will make the statements available for public inspection and copying.
4. This conflict of interest code shall not take effect until the San Luis Obispo County Board of Supervisors approves it in its capacity as code reviewing body under the Political Reform Act. The Commission Clerk is hereby authorized and directed to submit a certified copy of this resolution with appendices to the Board of Supervisors and request approval of the conflict of interest code.
5. After approval by the San Luis Obispo County Board of Supervisors, this resolution and Appendix A & B shall constitute the Conflict of Interest Code of the San Luis Obispo Local Agency Formation Commission.

**NOW, THEREFORE, BE IT RESOLVED** by the Local Agency Formation Commission of the County of San Luis Obispo, State of California that the Amended Conflict of Interest Code, attached hereto and incorporated by reference as Appendix A & B, is hereby adopted on September 17, 2020.

Upon a motion by \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and on the following roll call vote:

AYES:

NAYS:

ABSTAINING:

The foregoing resolution is hereby adopted.

\_\_\_\_\_  
Tom Murray, Chairman Date  
Local Agency Formation Commission

**ATTEST:**

\_\_\_\_\_  
Mike Prater Date  
LAFCO Executive Officer

**APPROVED AS TO FORM AND LEGAL EFFECT:**

\_\_\_\_\_  
Brian Pierik Date  
LAFCO Legal Counsel

## Appendix A

### SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

#### CONFLICT OF INTEREST AND FINANCIAL DISCLOSURE

##### A. Conflict of Interest

The Political Reform Act, Government Code §81000 et. seq. requires each state and local government agency to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations §18730, which contains the terms of a standard Conflict of Interest Code. ("Standard Code".) This Standard Code can be incorporated by reference and may be amended by the FPPC after public notice and hearings to confirm to amendments in the Political Reform Act.

The terms of 2 California Code of Regulations §18730 and any amendments to it, duly adopted by the FPPC, are hereby incorporated by reference.

Pursuant to section 4 of the Standard Code, persons serving in Designated Positions must file statements of economic interest (Form 700) with the Executive Officer of the Commission.

The following Designated Positions must file statements of economic interest:

Commissioners and Alternate Commissioners  
Executive Officer  
Legal Counsel  
LAFCO Analyst  
Commission Clerk  
Consultants\*

\* The disclosure by consultants is subject to the following limitation: The LAFCO Executive Officer may determine in writing that a particular consultant, including a consultant filling 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 requirements 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 public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Subject to the definitions set forth in the Political Reform Act and applicable regulations, disclosures shall be made in the following Disclosure Categories:

- 1) All sources of income, including gifts;
- 2) Interests in real property located in whole or in part within, or not more than one-half mile outside, the boundaries of San Luis Obispo County; (Does not include the principal place of residence), and
- 3) Investments and business positions in business entities located in or doing business in San Luis Obispo County and engaged in:

## Appendix A

- a. The acquisition, sale, lease, or development of real property;
- b. Provision of insurance brokerage or consulting services; or
- c. Providing services of the type which have, in the past two years or which with reasonable foreseeability, may be used in the next one-year period by the filers division within the office.

### B. Financial Disclosure

Pursuant to Government Code §56700.1, expenditures for political purposes related to an application must be disclosed. All applicants, including individual property owners and other representatives who are a party to a proceeding, are required to submit a financial disclosure statement as part of any application package [§84308]. Disclosures must be made in the same manner as disclosures for local initiative measures presented to the electorate.

Any applicant or an agent of an applicant who has made business or campaign contributions totaling \$250 or more to any Commissioner (regular or alternate) in the past twelve months, must disclose that fact for the official record of the Commission §84308(d). The disclosure of any such contribution (including amount of contribution and name of recipient Commissioner/s) must be made: (1) in writing and delivered to the Executive Officer prior to the hearing on the matter; or (2) by oral declaration made at the time the hearing on the matter is opened.

LAFCO members are disqualified and are not able to participate in any proceeding involving an "entitlement for use" if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.

**Appendix B**

**SAN LUIS OBISPO**

**LOCAL AGENCY FORMATION COMMISSION**

**Conflict of Interest Code**

**Designations Position List**

<b><u>Designated Position</u></b>	<b><u>Disclosure Category Numbers</u></b>
LAFCO Executive Officer <sup>4</sup>	1, 2, 3
LAFCO Legal Counsel	1, 2, 3
<del>LAFCO Deputy Executive Officer</del>	<del>1, 2, 3</del>
LAFCO <u>Commission</u> Clerk	1, <del>2</del> , <u>3a, 3c</u>
<del>LAFCO Commissioners</del>	<del>1, 2, 3</del>
<u>LAFCO Analyst</u>	<u>1, 2, 3a, 3c</u>
<u>Board of Supervisors' Member</u>	<u>See (1) below</u>
<u>Alternate Board of Supervisors' Member</u>	<u>See (2) below</u>
<u>City Member</u>	<u>1, 2, 3</u>
<u>Alternate City Member</u>	<u>1, 2, 3</u>
<u>Public Member</u>	<u>1, 2, 3</u>
<u>Alternate Public Member</u>	<u>1, 2, 3</u>
<u>Special District Member</u>	<u>1, 2, 3</u>
<u>Alternate Special District Member</u>	<u>1, 2, 3</u>
<u>Consultants</u>	<u>1, 2, 3</u>

<sup>4</sup> ~~A District Director who is a Board of Supervisors Member reports under Conflict of Interest Code for the Board of Supervisors and is not required to file a separate statement under the District Code.~~

~~(1) Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors~~

~~(2) Alternate Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors~~

~~Local Agency Formation Commission  
Conflict of Interest Code~~

~~Exhibit B~~

~~Disclosure Categories~~

~~The disclosure categories that relate to the numbers above are:~~

- ~~1. Interest in real property located within, or not more than one-half mile outside, the County boundary (does not include the principal place of residence).~~
- ~~2. Investments in, and income from, any business entity doing business within the County.~~
- ~~3. Investments in, and income from, any business entity doing business within the County and engaged in:
  - ~~a. The acquisition, sale, lease, or development of real property.~~
  - ~~b. Provision of insurance brokerage or consulting services;~~~~

~~Or~~

- ~~c. Providing consulting services of the type which have, in the past two years, or which with reasonable foreseeability, may be used in the next one year period by the filer's division within the office.~~

- 
- ~~4. Income of any business entity in which the filer or spouse owns a 10% interest or greater which is derived from client(s) or customer(s) who, within reasonable foreseeability, could be materially affected by the decisions made or participated in by the filer. Names of such client(s) or customer(s) must be reported under this category or the filer's pro rata share of fees from such client(s) or customer(s) was greater than \$10,000 for all types of businesses.~~



# Attachment B

Existing LAFCO Conflict of Interest Code

**APPENDIX B**

**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION**

**CONFLICT OF INTEREST CODE**

**DESIGNATED POSITION LIST**

<b><u>Designated Position</u></b>	<b><u>Disclosure Category Numbers</u></b>
LAFCO Executive Officer <sup>1</sup>	1,2,3
LAFCO Legal Counsel	1,2,3
LAFCO Deputy Executive Officer	1,2,3
LAFCO Clerk	1,2,3
LAFCO Commissioners	1,2,3

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<sup>1</sup> A District Director who is a Board of Supervisors Member reports under Conflict of Interest Code for the Board of Supervisors and is not required to file a separate statement under the District Code.

Local Agency Formation Commission  
Conflict of Interest Code

Exhibit B

Disclosure Categories

The disclosure categories that relate to the numbers above are:

1. Interest in real property located within, or not more than one-half mile outside, the County boundary (does not include the principal place of residence).
2. Investments in, and income from, any business entity doing business within the County.
3. Investments in, and income from, any business entity doing business within the County and engaged in:
  - a. The acquisition, sale, lease, or development of real property.
  - b. Provision of insurance brokerage or consulting services;or
  - c. Providing consulting services of the type which have, in the past two years, or which with reasonable foreseeability, may be used in the next one year period by the filer's division within the office.
4. Income of any business entity in which the filer or spouse owns a 10% interest or greater which is derived from client(s) or customer(s) who, within reasonable foreseeability, could be materially affected by the decisions made or participated in by the filer. Names of such client(s) or customer(s) must be reported under this category or the filer's pro rata share of fees from such client(s) or customer(s) was greater than \$10,000 for all types of businesses.

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# Attachment C

Fair Political Practices Commission Code 18730

Use the following link:

<http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Regulations/Index/Chapter7/Article2/18730.pdf>