



CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF:

June 16, 2026

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To: Honorable Mayor and City Councilmembers
 From: City Manager Mary Gourley
 Department: City Administration
 Subject: Biennial Review of the Conflict of Interest Code

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RECOMMENDATION(s):

That the City Council direct City Attorney to review the Conflict of Interest Code and return to the City Council with recommendations for amendments, if any, to the Conflict of Interest Code for the City of Sebastopol.

PROCESS OF AGENDA ITEM:

If the item remains on the Consent Calendar, no presentation is required, and the item will be approved as part of the Consent Calendar.

If the item is removed from the Consent Calendar, it will be heard as a regular agenda item and will proceed as follows:

- Presentation by staff
- Council questions and discussion
- Public comment
- Council deliberation and action

EXECUTIVE SUMMARY: A local agency’s conflict of interest code must reflect the current structure of the organization and properly identify officials and employees who should be filing Statements of Economic Interests (Form 700s). A code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Form 700s. It helps provide transparency in local government as required under the Political Reform Act.

The Political Reform Act (the “PRA,” found at Government Code § 81000, et seq.) requires public agencies in California to adopt and issue conflict of interest codes. These codes are to be reviewed and, if necessary, updated every two years in order to stay abreast of the current state of the law and to accurately reflect the individual office holders subject to the requirements. As well, the Code is to be updated to add newly created or designated positions.

The Fair Political Practices Commission (the “FPPC”) is the body charged with, among other things, adopting and amending regulations pertaining to the PRA. As is pertinent here, section 18730 of Title 2 of the California Code of Regulations provides the FPPC’s ‘Provisions of the Conflict of Interest Codes’ to which the City must adhere in order to comply with the PRA. The Code lists each position within the agency filled by individuals who make or participate in making governmental decisions, which could affect their personal financial interests. The Code also requires individuals holding those positions to file annually disclosing certain personal interests.

BACKGROUND: Public officials and employees who make or influence government decisions are required under California law to file a Statement of Economic Interests, or Form 700, to publicly identify the kinds of financial interests that could be affected by their governmental duties. These public disclosure filings serve as a tool to help detect and avoid potential conflicts of interests and promote public confidence that actions on governmental decisions are made without any regard to personal gain.

To ensure conflict of interest codes remain current and accurate, each local agency is required to review its code at least every even-numbered year. Under the Political Reform Act, all public agencies are required to adopt a conflict of interest code and make amendments as needed. A code designates positions required to file FPPC

Statements of Economic Interests (Form 700), and assigns disclosure categories specifying the types of interests to be reported. The Form 700 is a public document intended to alert public officials and members of the public to the types of financial interests that may create conflicts of interests.

DISCUSSION: Each person who holds a position designated in the City’s Conflict of Interest Code must disclose specified types of financial interests by filing a Statement of Economic Interest – Form 700 annually.

In 2026, S.B. 852 requires retirement board trustees, CIOs/principal investment officers, certain investment staff, and consultants with discretionary authority to invest or formulate investment policies for public funds to file Form 700s electronically with the FPPC.

In accordance with Government Code § 87306.5, no later than July 1st of each even-numbered year, the City Council shall direct staff to conduct a biennial review of the City’s Conflict of Interest Code, and if a change in the Code is required because of changes in changed circumstances, submit an amended Conflict of Interest Code in accordance with subdivision (a) of § 87302 and § 87303 to the City Council no later than October 1st of the same year.

When determining whether to amend, an agency should carefully review its current conflict of interest code and consider the following:

- Is the current code more than five years old?
- Have there been any substantial changes to the agency’s organizational structure since the current code was adopted?
- Have any positions been eliminated or renamed since the current code was adopted?
- Have any new positions been added since the current code was adopted?
- Have there been any substantial changes in duties or responsibilities for any positions since the current code was adopted?

If an amendment to the agency’s code is necessary, the code must be forwarded to the City Council for approval within ninety days (90 days). For example, if an agency files its notice on October 1, 2026, indicating that an amendment is necessary, the amendment is due to the City Council by December 30, 2026. An agency’s amended code is not effective until it has been approved by the City Council.

Review of the Conflict of Interest Code consists of: (1) Evaluating the City’s organizational structure to determine if any changes have occurred since the last review that would necessitate adding or deleting positions in order to accurately reflect all the positions that make or participate in the making of governmental financial decisions; and, (2) any changes that may need to be incorporated into the designated disclosure categories.

STAFF ANALYSIS: Pursuant to the Political Reform Act and Government Code Section 87306.5, the City is required to conduct a biennial review of its Conflict of Interest Code during each even-numbered year. The purpose of the review is to ensure that the Code accurately reflects the City’s current organizational structure, identifies all designated positions that make or participate in governmental decisions, and assigns appropriate disclosure categories based on the duties and responsibilities of each position.

Directing the City Attorney to conduct this review and return to the City Council with recommendations, if any, will ensure compliance with state law and promote transparency and public confidence in governmental decision-making.

CITY COUNCIL GOALS/PRIORITIES/ AND OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

Goal 4: HIGH PERFORMANCE ORGANIZATION

Restore public trust, improve public communications, and strengthen collaborative partnerships with outside agencies and service providers.

PUBLIC COMMENT: As of the preparation of this staff report, no public comments have been received on this item. Any comments received after distribution of the report will be provided to the City Council as supplemental materials. Public comment will also be accepted during the meeting.

COMMUNITY OUTREACH: This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

FISCAL IMPACT: There is no significant fiscal impact associated with directing the City Attorney to review the City's Conflict of Interest Code. Any staff time associated with the review and preparation of recommended amendments can be accommodated within existing departmental budget. If amendments are required, associated administrative costs are expected to be minimal and can be absorbed within existing resources.

RESTATED RECOMMENDATION: That the City Council direct City Attorney to review the Conflict of Interest Code and return to the City Council with recommendations for amendments, if any, to the Conflict of Interest Code for the City of Sebastopol.

CITY COUNCIL OPTIONS:

None. Review is required.

ATTACHMENT(S):

None

APPROVALS:

Department Head Approval: Approval Date: 6-8-2026

CEQA Determination (Planning): Approval Date: NA

The proposed action is not a project under the California Environmental Quality Act (CEQA). Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the recommended action may have a significant effect on the environment.

General Plan Goal (Planning): Approval Date:

Administrative Services (Financial) Approval Date:

Costs authorized in City Approved Budget: Yes No N/A

Account Code (f applicable) _____

City Attorney Approval: Approval Date:

City Manager Approval: Approval Date: