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AGENDA: August 11, 1998

July 30, 1998

Board of Supervisors
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz, California 95060

RE: Conflict of Interest Code for Information Services

Dear Members of the Board:

Your Board is the reviewing agency for departmental Conflict of Interest Codes required by the Political Reform Act of 1974. Please find enclosed the Conflict of Interest Code submitted by Information Services for review and approval by your Board.

IT IS THEREFORE RECOMMENDED that your Board adopt the Conflict of Interest Code for the Information Services Department.

Very truly yours,

DWIGHT L. HERR, COUNTY COUNSEL

By Lee Gulliver
LEE GULLIVER
Assistant County Counsel

RECOMMENDED:

Susan A. Mauriello
SUSAN A. MAURIELLO
County Administrative Officer

cc: Ken Wedderburn, Director of Information Services

Conflict of Interest Code
Of The
Information Services Department
of the
County of Santa Cruz

Section 100. Purpose: Pursuant to the provisions of Government Code Sections 87300, et seq., the Information Services Department, County of Santa Cruz (hereinafter called "agency"), hereby adopts the following Conflict of Interest Code. Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974 (Government Code Section 91000 et seq.). The provisions of this Code are in addition to Government Code Section 87100 et seq. And other laws pertaining to conflicts of interest.

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 shall be disqualified from acting in order that conflicts of interest may be avoided.

Section 110. Form of Disclosure Statements. Disclosure statements shall be on forms prescribed or otherwise approved by the Fair Political Practices Commission. (8-14-79)

Section 200. Designated Positions. The positions listed on 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 300. Disclosure Statements. A designated employee shall be assigned to one or more of the disclosure categories set forth on Exhibit "B". Each designated employee shall file an annual statement disclosing that employee's interest in investments, real property, and income designated as reportable under the category to which the employee's position is assigned in Exhibit "A".

Section 400. Place and Time of Filing.

(a) Filing Originals. All designated employees required to submit a statement of financial interests shall file the original with this agency.

(b) Filing Copies. This agency shall make and retain a copy and forward the originals of these statements to the County Clerk.

(c) Initial Statements-Mer Code Adoption. A designated employee required to submit an initial statement of financial interest shall submit the statement within 30 days after the effective date of this Code.

EXHIBIT "1"

(d) Initial Statements - Civil Service - Assuming Designated Position. Civil Service or other merit system employees appointed, promoted or transferred to designated positions shall file statements within 30 days after date of employment.

(e) Initial Statements - Other Employees - Assuming Designated Position. All other employees appointed, promoted or transferred to designated positions shall file initial statements not less than ten days after assuming office (or if subject to confirmation, ten days after being confirmed). (8-14-79)

(f) Annual Statements. Annual statements shall be filed by all designated employees during the month of January, disclosing reportable investments in business entities, interests in real property, and income held or received in the period since the closing date of the employee's previously filed statement and the succeeding December 31".

(g) Leaving Office Reports. Each person who leaves a designated position specified in Exhibit "A" shall file a leaving of office statement within 30 days after leaving.

Section 500. Contents of Disclosure Statements.

(a) Disclosure statements shall be made on forms supplied by this agency and shall contain the following information.

(1) Contents of Investment and Real Property Reports.

When an investment, or an interest in real property is required to be reported, the statement shall contain:

(A) A statement of 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 whether the fair market value of the investment, or interest in real property, exceeds \$10,000, and whether it exceeds \$100,000. This information need not be provided with respect to an interest in real property which is used principally as the residence of the filer.

(2) Contents of Personal Income Reports.

When personal income is required to be reported, the statement shall contain:

(A) The name and address of each source of income aggregating \$290 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

(B) A statement whether the aggregate value of income from each source was greater than \$1,000, and whether it was greater than \$10,000;

(C) A description of the consideration, if any, for which the income was received;

(D) In the case of a gift, the value thereof, and the date on which the gift was received;

(3) Contents of Business Entity Reports.

When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:

(A) The name, address, and a general description of business activity of the business entity;

(B) In the case of a business entity which provides legal or brokerage services, the name of every person who paid fees to the business entity if the filer's pro rata share of fees from such person was equal to or greater than \$1,000;

(C) In the case of a business entity not covered by paragraph (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 was equal to or greater than \$10,000 during a calendar year.

(4) Contents of Management Position Reports.

When management positions are required to be reported, designated employees shall list the name of each business entity not specified above in which he is a director, officer, partner, trustee, employee, or in which he holds any position of management.

(b) Contents of Initial Statement.

The initial statement filed by an employee appointed to a designated position shall disclose any reportable investments and interests in real property. 1/

(c) Contents of Annual Statements.

The annual statement tiled by a designated employee shall disclose any reportable investments, interests in real property, and income during the period since the previous statement was filed. 1/

(d) Contents of Leaving Office Statements.

The leaving office statement filed by designated employees shall disclose reportable investments, interests in real property, and income during the period since the closing date of the previous statement filed pursuant to this code. The statement shall include any investments in business entities, interests in real property, and income held or received at any time during the period covered by the statement, whether or not they are still held at the time of filing.

(e) Acquisition or Disposal During Reporting Period.

In the case of a statement filed under Sections 500 (c) and (d), if the investment, or interest in real property, was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal shall be given.

SECTION 600. Disqualification. Designated employees must disqualify themselves from making or participating in the making of any decisions which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on any reportable interest of that employee (except sources of gifts less than \$25) or upon any business entity in which the designated employee holds a position of management or is a director, officer, partner, trustee, or employee. No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made.

1/ When disclosure of management positions is required, disclosure of such positions shall be made upon filing initial, annual and leaving office statements

SECTION 700. Manner of Disqualification. A designated employee required to disqualify himself or herself shall notify his or her supervisor in writing. This notice shall be forwarded to the agency, which shall record the employee's disqualification. Upon receipt of such statement, the supervisor shall immediately reassign the matter to another employee.

In the case of a designated employee who is a member of the governing board of the agency, notice of disqualification shall be given at the meeting during which consideration of the decision takes place and shall be made part of the **official** record of the agency. The member shall then refrain from participating and shall attempt in no way to use his or her official position to influence any other person with respect to the matter.

SECTION 800. Definition of Terms. Except as otherwise provided, the definitions contained in the Political Reform Act of 1974 (Government Code 81000 et seq.), the Regulations of the Fair Political Practices Commission, and any amendments to the Act or Regulations, shall be incorporated into this Conflict of Interest Code.

SECTION 900. Effective Date of Code - Violations. This Conflict of Interest Code shall become effective 30 days **after** approval by the Board of Supervisors. Designated employees violating this Code are subject to the sanctions provided in Chapter 11 of the Political Reform Act of 1974 (Government Code, Section 91000, et seq.)

SECTION 1000. Statute of Limitations. No action based on a disqualification provision of this Code shall be brought pursuant to Government Code Section 91003 (b) to restrain the execution of or to set aside official action of this agency unless commenced within 90 days following the official action.

SECTION 1100. Agency Code Amendments.

(a) Amendments - - General. This agency shall amend its Conflict of Interest Code, subject to review by the Board of Supervisors, when change is necessitated by changed circumstances, including the creation of new positions which must be designated and relevant changes in the duties assigned to existing positions. Proposals for amendments or revisions shall be submitted to the Board of Supervisors within 90 days after the changed circumstances necessitate the amendments have become apparent. A proposal for amendment or revision shall be deemed submitted to the Board when it is submitted in conformity with Government Code Sections 87303 and 87311, or applicable regulations, or when it is submitted as an interim non-substantive alteration, pursuant to Subsections (b) through (f), hereof

1/ When disclosure of management positions is required, disclosure of such positions shall be made upon filing initial, annual and leaving office statements.

(b) Non-Substantive Alterations. This agency may make non-substantive alteration of its Conflict of Interest Code. Non-substantive alterations shall become effective on an interim basis upon approval as provided in Subsection (c), hereof, and shall be submitted to the Board of Supervisors for permanent approval by January 31st of the year succeeding the calendar year in which the non-substantive alteration was made.

(c) Classification as Non-Substantive - - Prior Approval. No alteration of this Conflict of Interest Code shall be deemed non-substantive until the agency has requested and received prior written approval from the County Administrative Officer or his or her designee, to classify the alteration as non-substantive. Each request for a non-substantive alteration shall be in writing setting forth the proposed language change and a brief explanation. The County Administrative Officer, or his or her designee, shall respond in writing to each request for interim approval within 30 calendar days of receipt.

(d) Limitation Regarding What is Non-Substantive. Non-substantive alteration of this Conflict of Interest Code shall be limited to the following:

1. The reclassification or renaming of previously designated positions, provided no designated positions are created or deleted, and provided no existing disclosure responsibilities are modified;

2. The addition, deletion or modification of definitional or operational provisions of this Conflict of Interest Code in conformity to a statutory amendment, a regulation of the Fair Political Practices Commission, a decision of the California Supreme Court, or a final decision of the California Court of Appeal;

3. The modification of any provision of this Conflict of Interest Code, provided no disclosure or disqualification obligation of any designated employee is disturbed thereby;
or

4. The creation of new positions which must be designated pursuant to Government Code Section 87302 (a), which are subject to an existing agency disclosure category or categories; or the transfer of a position previously designated to a more inclusive category; provided however, that any person occupying a position designated pursuant to this Subsection may within 10 working days of notification or designation file objection with the filing officer of this agency. The filing of an objection shall render the proposed designation ineffective until the provisions of Government Code Section 873 11 are satisfied with respect to the designation of the position.

(e) Compliance with Section 873 11, Government Code. The preparation of interim non-substantive alterations pursuant to this Section need not satisfy the requirements of Government Code Section 873 11, provided, however, that agency adoption of interim non-substantive alterations as permanent amendments shall be pursuant to Government Code Section 873 11.

(f) Permanent Adoption of Non-substantive Alterations by Board. The review of non-substantive alterations to this Conflict of Interest Code which have been approved on an interim basis during the previous calendar year shall be heard by the Board pursuant to Board regulations not later than April of each year. (8-14-79)

EXHIBIT "A" DESIGNATED POSITIONS, APPENDIX
TO CONFLICT OF INTEREST CODE ADOPTED BY
REFERENCE (2 Cal. Adm. Code, Section 18730)

Information Services Department
DESIGNATED POSITIONS

DISCLOSURE CATEGORIES
(See Exhibit "B")

1. All employees in classes designated as management

Director of Data Processing
Administrative Services Officer III
Information Services Division Manager

EXHIBIT "B" (DISCLOSURE CATEGORIES), APPENDIX
TO CONFLICT OF INTEREST CODE ADOPTED BY
REFERENCE (2 Cal. Adm. Code, Section 18730)

Designated positions in the following categories must report:

CATEGORY 1: Interests in Real Property, Income, Investments and Management Positions held by Designated Employees. All interests in real property, income, and investments, and any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any positions of management. Financial interests are reportable only if located within or subject to the jurisdiction of the agency or if the business entity is doing business or planning to do business in the jurisdiction or has done business within the jurisdiction at any time during the two years prior to the filing of the statement.

EXHIBITS "A" and "B" TO APPENDIX
to Conflict of Interest Code

INFORMATION SERVICES DEPT.

EXHIBIT “B”

DISCLOSURE CATEGORIES

An interest in real property, income, or investment is reportable if the interest in real property, the income or source of income, or the interest in real property may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of the employee’s position.

“Interest in Real Property” means any interest therein, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is greater than \$1,000. Such interest of an individual include a business entity’s share of interest in real property or any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a 10% or greater interest.

“Income” received from a public agency need not be disclosed. For purposes of exemption, the term “income from a public agency” includes agency or County salary and income derived from publicly operated schools for teaching or consulting activities.

“Investments” include: (1) Any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warranty, options, debt instruments, and any partnership interest or other ownership interest; and (2) A pro rata share of investments of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a 10% interest or greater.

“Investments” do not include: (1) A time or demand deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency; or (2) Assets whose fair market value is less than \$1,000.

Designated employees in the following category or categories must report:

CATEGORY 1. Interests in Real Prouertv. Income. Investments and Management Positions Held by Designated Employee. All interests in real property, income, and investments, and any business entity in which the designated employee is a directory, officer, partner, trustee, employee, or holds any position of management. Financial interests are reportable only if located within or subject to the jurisdiction of the agency or if the business entity is doing business or planning to do business in the jurisdiction or has done business within the jurisdiction at any time during the two years prior to the filing of the statement.

EXHIBIT "B"

CATEGORY 2. Interests in Contractors With Agency.

a. Investments. Income-Contractors With Agency. Investments in and income from any business entity which, within the last two years, has contracted or subcontracted, or in the foreseeable future may contract or subcontract with this agency to provide services, supplies, materials, machinery or equipment to this agency.

b. Management Position With Entity. 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 subcontracted with this agency to provide services, supplies, materials, machinery or equipment to this agency.

CATEGORY 3. Interests in Real Property. All interests in real property within the jurisdiction of the agency.

CATEGORY 4. ~~Income~~ome (including gifts) from any source located or doing business within the jurisdiction of the agency.

CATEGORY 5. Investments. All investments in business entities located in or owning real property within the jurisdiction of the agency.

CATEGORY 6. Real Estate. Building and Construction Industry. All investments in and any income from sources engaged in selling or buying real estate or engaged in the construction or building industry within the jurisdiction of the agency.