



# County of Santa Cruz

## COUNTY ADMINISTRATIVE OFFICE

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SUSAN MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

September 6, 2006

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

APPROVED AND FILED

BOARD OF SUPERVISORS AGENDA

DATE: 9/12/06

COUNTY OF SANTA CRUZ

SUSAN A. MAURIELLO

EX-OFFICIO CLERK OF THE BOARD

BY *Susan Mauriello* DEPUTY

September 12, 2006

### Implementation of Assembly Bill 1234

Dear Members of the Board:

As your Board is aware, Assembly Bill 1234, (Salinas) effective January 1, 2006, imposes various requirements related to ethics on cities, counties, and special districts. The requirements concern training, compensation, and reimbursement. The purpose of this letter is to provide your Board with information on these requirements and to recommend related actions.

### Who Must Comply with AB 1234

AB 1234 is applicable to any member of a local agency legislative body or any elected local agency official who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties. In addition, AB 1234 is applicable to members of local agency commissions or committees who receive compensation or reimbursement.

County Counsel and this office have reviewed AB 1234, and have determined that members of your Board, elected department heads, and members of Commissions who receive stipends or reimbursements must comply with AB 1234. A review of the County Code indicates that members of the Assessment Appeals Board, the Planning Commission and the Civil Service Commission receive compensation for their services and are eligible for reimbursement of expenses. The members of County commissions and committees may receive reimbursement for traveling and other expense incurred while on official business of the County when such reimbursement is approved in advance by the Board of Supervisors. In the event such reimbursement is approved, members of those commissions or committees will be required to comply with AB 1234.

It is recommended that each County commission or committee identify any members who received compensation or reimbursement during fiscal year 2005-06 **or** who anticipate receiving reimbursement or compensation at any time in the future. These members are subject to AB 1234 and should take the ethics training before undertaking any activity for which they will be compensated or reimbursed.

### Compensation and Reimbursement

Local agencies which pay compensation or reimbursement to members of a legislative body are required by AB 1234 to adopt written policies specifying the types of occurrences that qualify a member of the legislative body to receive payment or reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.

The County Auditor-Controller has reviewed AB 1234 and has determined that the County's policies and procedures are in compliance with the Bill's expense reimbursement requirements. The Auditor-Controller's letter is provided as Attachment A.

AB 1234 also requires that members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body. County Counsel recommends that members of the Board of Supervisors who are reimbursed for costs associated with meetings, such as attendance at the California State Association **of** Counties conferences, can comply with this requirement by providing a brief written report at the next regular meeting of the Board, identifying the subject matter of the meeting which was attended.

### Ethics Training

AB 1234 requires ethics training for any member of a local agency legislative body **or** any elected local agency official who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties. In addition, ethics training is also required for members **of** local agency commissions or committees who receive compensation or reimbursement. County Counsel has prepared an overview of the ethics training requirements of AB 1234 that is provided as Attachment B.

County Counsel and this office have reviewed AB 1234, and have determined that members of your Board, elected department heads, and members of Commissions who receive stipends or reimbursements are required to take the training. In addition, AB 1234 authorizes your Board, as a local legislative body, to designate any County employee to receive the training specified under this article. It is recommended that your Board designate all remaining County Department Heads to receive the training.

The County is required to maintain records for five years indicating the date that each official satisfied the requirements and the entity that provided the training. These records are public and subject to disclosure under the Public Records Act. In addition, the County is required to provide information on training available to meet the requirements of the bill to local officials at least once annually. The Personnel Department will maintain the records of trainings completed by

officials and will work with the County Administrative Office to inform staff of available trainings that meet the requirements of AB 1234.

AB 1234 specifies who can conduct the training, how long the training must last, and what must be covered. The training is available in person, on-line, or through home study. Training is available from a variety of public and private sources at costs ranging from \$35 to \$75.

Department heads have received information about the various options available to them and such information will be also be provided to those Commissions whose members receive stipends. It is recommended that the departments that pay stipends to Commission members also cover the cost of the ethics training.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD

1. Accept and file report on implementation of Assembly Bill 1234,
2. Direct all County department heads to comply with AB 1234,
3. Direct each department to work with County commissions and committees to inform members of their obligations under AB 1234,
4. Direct departments which staff County commissions or committees where members are required to comply with AB 1234 training to pay for such training, and
5. Direct the Personnel Department to maintain the records of trainings completed by officials.

Very truly yours,



Susan Mauriello  
County Administrative Officer

Attachments

- A: Letter from the Auditor-Controller
- B: Overview of AB 1234 Ethics Training Requirements

cc: Each department head  
Each commission and committee



# County of Santa Cruz

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## AUDITOR-CONTROLLER'S OFFICE

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MARY JO WALKER, AUDITOR-CONTROLLER

Pam Silbaugh, Accounting Manager

Kathleen Hammons, Budget and Tax Manager

Edith Driscoll, Audit and Systems Manager

August 16, 2006

AGENDA: SEPTEMBER 12, 2006

### BOARD OF SUPERVISORS

County of Santa Cruz

701 Ocean Street

Santa Cruz, CA 95060

### SUBJECT: ASSEMBLY BILL 1234 REGARDING EXPENSE REIMBURSEMENT POLICIES FOR LEGISLATIVE BODIES

Dear Members of **the** Board:

Assembly Bill (AB) 1234, enacted in February 2005, requires a local agency that provides reimbursement for expenses to members of its legislative body to adopt a written policy on the duties for which legislative body members may receive expense reimbursement for travel, meals, and lodging. AB **1234** defines legislative body to include the Board of Supervisors and County commissions, committees, and boards.

Specifically, AB1234 allows a local agency to reimburse members of a legislative body for attendance at a meeting of the legislative body, advisory body, conference, or other occurrences which **are** specified in a written policy adopted by the Board. It allows a local agency to use the Internal Revenue Service reimbursement rates for travel, meals, lodging and other expenses. It also requires that travel reimbursement forms be filed by members of the legislative body within a reasonable time after incurring the expense.

**The** County's Policies and Procedures Manual adequately addresses the requirements of AB 1234 pertaining to travel reimbursements. Title I, Section 100 of the Policies and Procedures Manual, which contains the County's travel rules and regulations, is very comprehensive and fully addresses each of these requirements. It covers who the policy applies to, meals, lodging, registration **fees**, transportation, out of state travel, travel advances, and claiming procedures. It details **the** purposes for which travel will be reimbursed, specifies that **the** Internal Revenue Service reimbursement rates will be used, and requires that a timely travel reimbursement report be completed and authorized before reimbursement is made.

I have reviewed the Bill and the County's policies and procedures and have determined that the County is in compliance with the Bill's expense reimbursement requirements.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD accept and file this report

Sincerely,



MARY JO WALKER  
Auditor-Controller

RECOMMENDED:



A. MAURIELLO

County Administrative Officer

## OVERVIEW OF AB 1234 ETHICS TRAINING

### A. Who must comply with Ethics Training

*(1) Any member of a local agency legislative body or any elected local agency official who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties.*

*(2) Any employee designated by a local agency legislative body to receive the training specified under this article. Govt. Code § 53234*

*"Legislative body"*

*As used in this chapter, "legislative body" means:*

*(a) the governing body of a local agency or any other local body created by state or federal statute.*

*(b) A commission, committee, board, or other body of a local agency, whether permanent or temporary, decisionmaking or advisory, created by charter, ordinance, resolution, or formal action of a legislative body. However, advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body are not legislative bodies, except that standing committees of a legislative body, irrespective of their composition, which have a continuing subject matter jurisdiction, or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body are legislative bodies for purposes of this chapter. Govt. Code § 54952.*

1. Members of the Board of Supervisors (5)
2. Elected Department Heads (7)  
(Assessor-Recorder, Auditor-Controller, County Clerk, Treasurer-Tax Collector, District Attorney, Sheriff-Coroner)
3. Commissioners who receive paid stipends  
(Assessment Appeals Board, Civil Service Commission, Planning Commission)
4. Commissioners who have been reimbursed for expenses in the past year  
Deferred Compensation Advisory Commission (reimbursed for cost of attending annual National Association of Government Defined Contribution Administrators conferences)
5. All other Department Heads (recommended)

*HRC, too! →*

## B. Compliance Deadlines

1. All persons who were in office on January 1, 2006, unless the term ends before January 1, 2007, must complete by January 1, 2007.
2. If the person took office after January 1, 2006, training must be completed within one year from the first day of service.
3. Thereafter, must complete training once every two years

## C. Penalty for Non-compliance

**AB 1234** is directory, so there is no penalty for failure to comply. However, the law specifies that compliance records are available under the PRA, creating a public relations enforcement mechanism.

## D. Content

1. General ethics principles, including:
  - a. The manner in which values such as trustworthiness, respect, fairness and responsibility promote public trust, and
  - b. The importance of avoiding even an appearance of impropriety
2. Specific ethics law, including:
  - a. Laws relating to personal financial gain by public servants, including laws prohibiting bribery and conflict-of-interest laws.
  - b. Laws relating to claiming prerequisites of office, including **gift** and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
  - c. Government transparency laws, including financial interest disclosure requirements and open government laws.
  - d. Laws relating to fair processes, including common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

3. **An** attorney licensed to practice in California should present ethics law portion.
4. Recommended content includes:
  - a. Encourage participants to receive more ~~than~~ minimum training.
  - b. Alert participants to the kinds of financial interests, relationships and/or activities that may be prohibited or trigger disclosure or disqualification obligations.
  - c. Advise participants to consult with qualified legal counsel and/or regulatory authorities regarding the specifics of any situation that may involve prohibited or required conduct.
  - d. Note that ethics laws require minimum standards for ethical conduct by public officials and the public's expectations are likely at a higher standard.
  - e. Advise participants of the legal and other consequences of violating ethics laws

#### E. Proof of Participation

1. ***A local agency that requires its local agency officials to complete the ethical training prescribed by this article shall maintain records indicating (§53235.2)***
  - a. Date of training
  - b. Name of provider
2. Personnel Department will maintain records
3. **All** participants must obtain proof of completion of Ethics Training from the provider and give it to the Personnel Department for County tracking.
4. Records must be maintained for five years and are subject to disclosure under the Public Records **Act**.

