



CITY OF CORONADO

**Board, Commission, and
Committee Members'
Handbook**

2016



Welcome!

On behalf of the Coronado City Council, I would like to welcome you as a new member of a City of Coronado advisory board. This Board, Commission, and Committee Members' Handbook was prepared as a reference for those residents who volunteer to serve on the City's advisory boards. These advisory boards were established by the City Council because they can examine a variety of subjects in great detail and make recommendations to the Council based upon their study and public deliberation.

This handbook is intended to provide you with information about the City's organization as well as the functions of the advisory boards. Use it as a reference when questions arise regarding your role and responsibility as a member of a City advisory board.

Because advisory board recommendations are a vital part of the overall deliberative process in the City, it is with sincere appreciation and gratitude that I, along with the full City Council, thank you for volunteering your time and effort to serve the City of Coronado.

Sincerely,

A handwritten signature in black ink that reads "Casey Tanaka". The signature is written in a cursive style.

Casey Tanaka, Mayor

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INTRODUCTION

The City of Coronado encourages, promotes and welcomes the participation of citizens in the decision making process. The City has a number of standing citizen commissions, committees and boards which provide public input into the City government of Coronado. The City also appoints, from time to time, ad hoc committees to study special issues and provide recommendations. Throughout this handbook, the standing and ad hoc bodies are referred to collectively as “committees” or “advisory groups.”

Standing committees and ad hoc committees serve as an important link between the citizens of Coronado and the City Council by communicating values, attitudes and needs of the community within the special area of their group’s assignment. They are an integral part of the process which contributes to sound government. There are approximately 120 citizens presently serving the City on committees, giving generously of their time. The City benefits from the expertise and energy of these special individuals.

The Board, Commission, and Committee Members’ Handbook offers a brief description of the City of Coronado and the organization, and general responsibilities for all committee members, requirements for becoming a committee member, meeting procedures, legal requirements, and descriptions of the City’s commissions, committees, and boards. The purpose of this handbook is to provide all committee members with a resource to successfully fulfill their valued role as a volunteer with the City of Coronado.

If you have any questions after reviewing this handbook, please contact the staff liaison for the committee you have been appointed to, or call the City Clerk’s Office at (619) 522-7320.



ABOUT THE CITY OF CORONADO

The City of Coronado was incorporated on December 11, 1890 and was originally governed by a Board of Trustees.

Today, Coronado is a general law city governed by a five-member City Council elected at large. A general law city follows the general laws of the State of California rather than having a specific charter of its own. It is a municipal corporation following the Council-Manager form of government.

City Council: The City Council is the community's legislative body. The Council enacts laws known as ordinances, sets policies known as resolutions, and adopts a budget annually. The Mayor and four City councilmembers are elected to serve citywide by the registered voters in Coronado. They serve a four-year term and each office is limited by a 2002 ballot measure to two consecutive four-year terms.

City Manager: The City Council hires the City Manager who serves at the pleasure of the City Council. The City Manager serves as the City's chief administrative officer, carries out Council policy, and sees to it that the Council's directions are implemented. The City Manager is responsible for the management of all City departments. Department Directors are responsible to the City Manager for the management of their departments.

City Attorney: The City Attorney is also appointed by the City Council. The City Attorney is retained by the City on contract and advises the Council on questions of law and procedure. The City Attorney represents the City in litigation matters. As a general rule, committees would not need to obtain the advice of the City Attorney; however, on the rare occasion when such advice is needed, the request would be made through the City Council.

City Departments: City departments consist of Administrative Services; City Clerk's Office; City Manager's Office; Community Development; Public Services and Engineering; Fire Services; Library Services; Police Services; and Recreation and Golf Services.

MISSION

City of Coronado

***LEADING OUR
COMMUNITY***

IN A

***PARTNERSHIP
FOR
EXCELLENCE***

Adopted by City Council on 3-21-95

City of Coronado

Coronado is a unique, well cared for, financially sound, “small town” with an involved citizenry and a strong sense of community pride.

We see a partnership between the Community and City Government, which protects the environment, preserves the traditions and fosters innovation.

We see a community that places trust and confidence in its elected officials who lead a motivated, professional city staff, dedicated to customer service and continuous quality improvement.

We see a protection of our Quality of Life through strong leadership and open communication.

Adopted by City Council on 3-21-95

City of Coronado

GUIDING PRINCIPLES

We are dedicated to leadership based on *principles* in seeking realization of our mission and vision through the following guiding principles:

INTEGRITY. Our core principle is a code of honor through which we maintain professional credibility personally and throughout our organization.

SERVICE. Our primary focus is to serve the people and future generations of Coronado to the best of our abilities.

SAFETY. We maintain public standards reflective of safety as the basic and most important service we provide.

RESPECT. We maintain a culture characterized by openness, respect for the individual, trust, accountability and self responsibility.

FINANCIAL RESPONSIBILITY. We recognize fiscal responsibility and accountability as the key to providing consistent services.

COMMUNITY AND INDIVIDUALS. We respond to the needs of the community as a whole, while remaining sensitive to the needs of individuals.

FUTURE. We value our future and therefore place emphasis on the development and well-being of our children and youth.

STEWARDSHIP. We are good stewards of our community resources including environmental, financial, cultural, and human resources.

CONSTANT IMPROVEMENT. We are committed to a philosophy of constantly improving services, communications, and management.

PLANNING. We espouse planning as a continuous process in balancing expectations with available resources.

CONTINUOUS LEARNING AND PERSONAL DEVELOPMENT. We are committed to a vigorous program of continuous learning and personal development throughout the organization.

INNOVATION. We encourage and reward innovation while recognizing that not all innovations are ultimately successful.

City of Coronado Guiding Principles continued:

REGIONAL RELATIONSHIPS. We seek positive relationships with regional agencies through whom we can achieve our goals cooperatively.

SENSITIVE TO INDIVIDUALS. To the extent possible, we are sensitive and responsive to the individual, even as we seek to improve the community as a whole.

COMMUNITY SPIRIT. We foster a positive community spirit in all who live, work and visit in Coronado and value the volunteers who demonstrate that spirit.

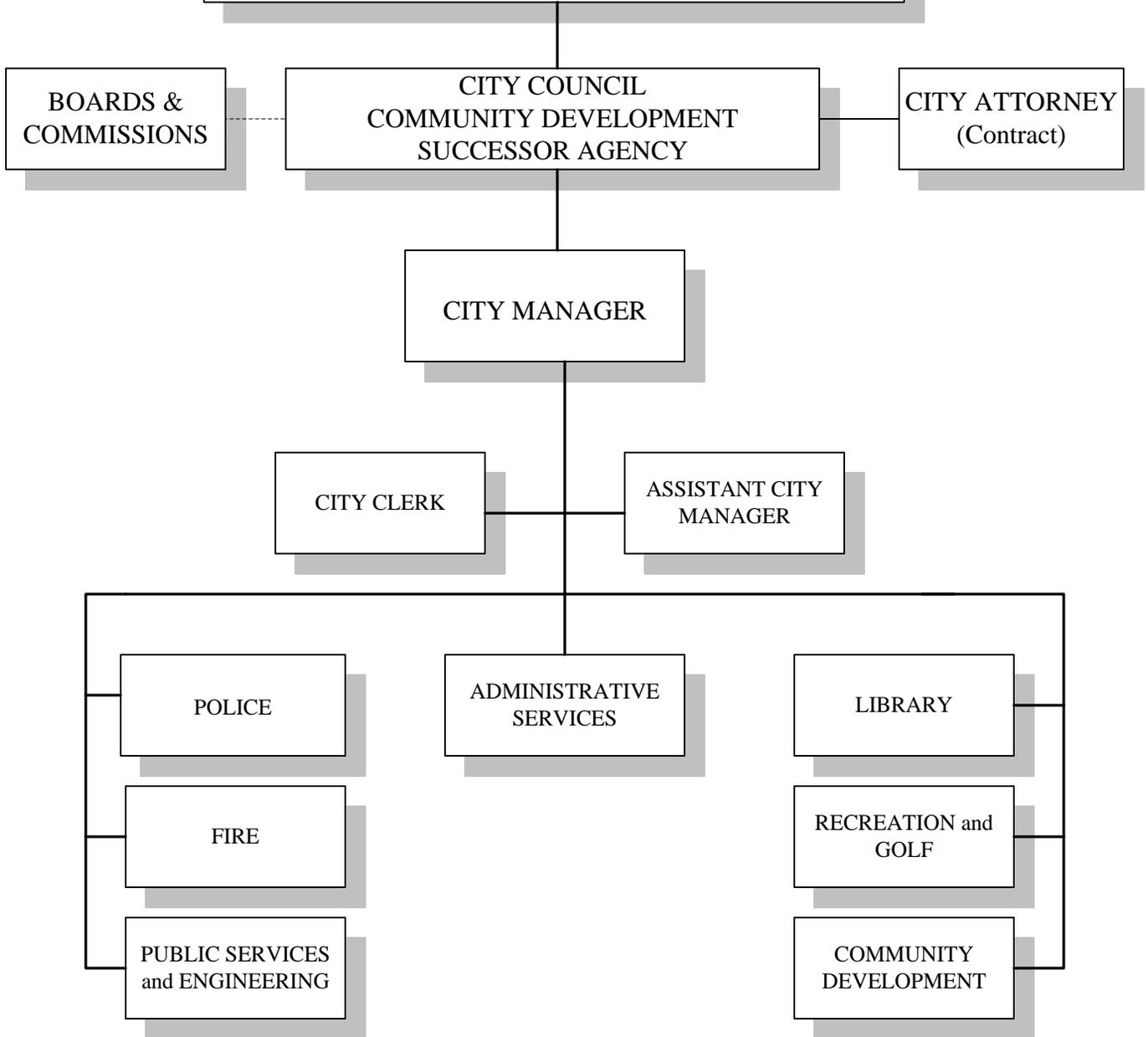
TRADITIONS. We preserve and build upon the strong traditions that make Coronado unique.

WORK ENVIRONMENT. We provide a pleasant and stable work environment for all our employees.

Adopted by the City Council on 3-21-95



CITIZENS OF CORONADO



CITY ADVISORY GROUPS

Boards, Commissions, and Committees

The City of Coronado has a number of groups appointed to function in an advisory capacity to the City Council. Some are permanent or standing groups. Others are appointed on an ad hoc or special basis for a specific, often short-term period, usually for a singular purpose. The City Council has the authority to create other bodies as the need arises.

Scope or Responsibility: Each board, commission, and committee has various powers, duties and obligations delegated to it by the City Council and/or State law. Their primary responsibility is to advise and make recommendations to the City Council, the elected policy-making body of the City. Boards, commissions, and committees do not make policy decisions. This responsibility properly rests with the City Council and cannot be delegated to any other body however capable and interested. Members should, upon appointment, pledge to represent the overall public good and not that of an exclusive group or interest.

Staff/Advisory Group Relationship: City staff members act as liaisons, advisors and perform necessary professional research and administrative service. Committee members should not and cannot direct City staff to work on projects without the approval of the City Council and direction of the City Manager. To operate the City in an effective and professional manner, the City Council and City Manager need to be aware of the projects upon which each department is working. The committees have no authority to supervise or direct the work of departments.

The following pages are general information on advisory groups as contained in Coronado Municipal Code Chapter 2.30.

CHAPTER 2.30
CORONADO MUNICIPAL CODE
BOARDS, COMMISSIONS, AND COMMITTEES

Sections:

- 2.30.010 Establishment.**
- 2.30.020 General residency requirement.**
- 2.30.030 Membership.**
- 2.30.040 Term.**
- 2.30.050 Removal of member.**
- 2.30.060 Compensation of members.**
- 2.30.070 Finances.**
- 2.30.080 Meetings.**
- 2.30.090 Supplemental rules and regulations.**
- 2.30.100 Officers.**
- 2.30.110 Records.**

2.30.010 Establishment.

- A. The City Council may establish boards, commissions and committees to carry out the proper functions and administration of the City.
- B. In establishing a City board, commission or committee, the City Council shall specify the duties and authority of the entity. (Ord. 1794)

2.30.020 General residency requirement.

In addition to the requirements specified elsewhere in this code, a person appointed as a member of a City board, commission or committee must be a citizen of the United States, must not be a registered voter in any city in the State of California other than this City, and must have as the place of habitation a residency fixed within the boundaries of the City when such appointment is made. During the term of appointment, if such person ceases to reside within the City, the appointment of such person shall be deemed to have been terminated.

2.30.030 Membership.

- A. At least three affirmative votes of members of the City Council are required to appoint an individual to a City board, commission or committee for a full term or the unexpired portion of a vacated term.
- B. On or before December 31st of each year, the City Clerk shall prepare an appointments list of all regular and ongoing boards, commissions and committees which are appointed by the City Council. (Gov. Code § 54972)
- C. Whenever a vacancy occurs, the City Clerk shall post notice. Final appointment shall not be made by the City Council for at least 10 days after the posting of notice. (Government Code Section 54974).
- D. Whenever a vacancy occurs prior to the expiration of the term, the vacancy shall be filled in the same manner as an original appointment and the newly appointed member shall serve for the remainder of the unexpired term. (Ord. 1814)

2.30.040 Term.

- A. Persons appointed to a City board, commission or committee serve at the pleasure of the City Council.
- B. If a member of a board, commission or committee is absent for four successive, regular meetings without cause, the term of such member is automatically vacated. The board, commission or committee shall determine whether the absence was for cause.

2.30.050 Removal of member.

A member of a board, commission or committee appointed by the City Council serves at the pleasure of the City Council and may be removed by a majority vote of the City Council.

2.30.060 Compensation of members.

No member of a City board, commission or committee shall receive compensation for services as a member. However, members may be compensated for expenses reasonably and necessarily incurred in the performance of official duties.

2.30.070 Finances.

The City Council shall provide the funds, equipment and accommodations deemed necessary by the City Council, for the work of each board, commission and committee.

2.30.080 Meetings.

All meetings of a City board, commission or committee shall be conducted in accordance with the Ralph M. Brown Act. (Government Code Section 54950 et seq.)

2.30.090 Supplemental rules and regulations.

Each City board, commission or committee may adopt such rules and regulations as are required to conduct their business and which are consistent with the provisions of this code.

2.30.100 Officers.

- A. At the first meeting of the City board, commission or committee, and at the first meeting in each calendar year thereafter, the members of the City board, commission or committee shall elect a chairperson and a vice chairperson from among its members.
- B. The chairperson and vice chairperson shall serve for a term of one year and until the successor of each takes office.
- C. The chairperson shall preside at all meetings of the City board, commission or committee. The chairperson shall appoint all subcommittees subject to the approval of the entity and shall perform the duties necessary or incidental to the office.
- D. The vice chairperson shall serve as chairperson in the absence of the chairperson or in case of the inability of the chairperson to act.

2.30.110 Records.

Each City board, commission or committee shall keep a record of the resolutions, transactions, findings and determinations made, which shall be filed with the City Clerk and maintained as a public record.

ELIGIBILITY REQUIREMENTS / APPLICATION PROCESS

Eligibility Requirements/Qualifications:

Unless otherwise specified, applicants are required to be residents and qualified electors of the City of Coronado. Upon appointment, all new members are sworn in by the City Clerk and execute an Oath of Office. For certain boards, commissions, and committees, members are required to file a statement of economic interests with the City Clerk. (See section "Conflict of Interest")

 The City of Coronado encourages qualified individuals with disabilities to apply for appointment to committees. In compliance with the Americans with Disabilities Act (ADA), if an individual needs special assistance to participate in a City meeting, reasonable accommodations and arrangements will be made through the City Clerk's Office.

Term of Office:

Pursuant to City Council policy as outlined in minutes of January 16, 1973, the term of office for members of boards, commissions, and committees is three (3) years, unless otherwise specified. Members of permanent boards, commissions, and committees shall not serve more than two consecutive terms or eight years, whichever is less. The term for ad hoc committees is generally for the life of the committee, unless otherwise stated.

Applications:

Any citizen interested in serving on an advisory board is invited to complete an application form and submit it to the City Clerk's Office. Applications remain on file for one year. When a vacancy occurs, it is publicized, and applications of persons interested in service on the particular body are accepted. The issue is then placed on a City Council agenda for consideration. At least three (3) affirmative votes of the City Council are required to appoint an individual to a board, commission, or committee.

Scheduled Vacancies:

Scheduled vacancies are those created by the scheduled expiration of a term of a board, commission, or committee. In accordance with Government Code 54972, The Maddy Act, a list of all scheduled vacancies for the upcoming year is published in the *Coronado Eagle & Journal* and is posted at City Hall and at the Library on or before the 31st day of December of each year.

Unscheduled Vacancies:

Unscheduled vacancies are those created prior to a term's expiration due to resignation, removal, or death.

A board, commission, or committee member serves at the pleasure of the City Council and can be removed by a majority vote of the City Council.

In accordance with State law, a special vacancy notice must be posted in the City Clerk's Office and in the Library not earlier than 20 days before or not later than 20 days after the vacancy occurs. Final appointment to the board, commission, or committee will not be made for at least 10 working days after the posting of the special vacancy notice by the City Clerk's Office.

Resignations:

If a board, commission, or committee member finds that he/she cannot perform the duties of the office due to any reason, he/she shall submit a written resignation to the City Council through the City Clerk's Office. The City Clerk shall then proceed with the application process for an individual to fill the unexpired term on that advisory group.

A member who relocates his or her residency outside of the City shall immediately notify the City Clerk and resign from that board, commission, or committee.

COMMITTEE DESCRIPTIONS

The following pages give a description of all standing boards, commissions, and committees outlining their authority; meeting time and place; membership; responsibilities; special requirements; and staff liaison.

Bicycle Advisory Committee
Board of Appeals (City Council)
Civil Service Commission
Coronado Cultural Arts Commission
Coronado Improvement Corporation (City Council)
Coronado Tourism Improvement District (CTID)
Design Review Commission
Golf Course Advisory Committee (Ad Hoc)
Historic Resource Commission
Library Board of Trustees
Oversight Board
Parks and Recreation Commission
Planning Commission
Spreckels Center Advisory Committee (Ad Hoc)
Street Tree Committee
Transportation Commission

BICYCLE ADVISORY COMMITTEE

Authority:	Established by City Council Resolution No. 8496; adopted August 16, 2011
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City
Members and Term:	Seven members appointed by the City Council for staggered three-year terms
Time of Meetings:	The first Monday of the month at 3 p.m.
Place of Meetings:	City Council Chamber
Responsibilities:	To investigate, consider, and recommend to the City Council such plans and recommendations related to bicycling in the City, including such matters as bicycle safety.
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Public Services and Engineering Department representative

BOARD OF APPEALS

Authority:	Chapter 2.38 of Municipal Code
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Appointed by the City Council
Members and Term:	Currently, the City Council appoints its own members to sit as the Board of Appeals in conjunction with their elected terms.
Time of Meetings:	When called
Place of Meetings:	City Council Chamber
Responsibilities:	Perform functions identified in the Building Codes adopted by the City, including application and interpretation of the technical code.
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Building Inspection Supervisor

CIVIL SERVICE COMMISSION

Authority:	Chapters 2.42 and 4.04 of Municipal Code; Government Code Section 45004
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City. No person who holds paid public position with the City shall be appointed.
Members and Term:	Five members for staggered three-year terms
Time of Meetings:	Second Thursday of the month at 5:30 p.m.
Place of Meetings:	City Council Chamber
Responsibilities:	Interpret and administer Civil Service Rules and regulations concerning the employment, promotion and discipline of city employees
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office, disclosing if member has a spouse who is an employee of the City. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Director of Administrative Services

CORONADO CULTURAL ARTS COMMISSION

Authority:	Established by City Council Resolution No. 8507, adopted September 26, 2011
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City
Members and Term:	Seven members appointed by the City Council for staggered three-year terms
Time of Meetings:	First Thursday of the month at 4:30 p.m.
Place of Meetings:	City Council Chamber
Responsibilities:	To recognize and encourage groups and organizations that enrich Coronado life by bringing cultural and artistic works of art and providing access to a variety of performance arts offering a diverse mix of events; recommend to the City Council policies and practices to develop and promote the arts; advocate for non-profit and private art groups operating in and for the benefit of the citizens of the City of Coronado; encourage educational art experiences for children and citizens; and offer recommendations to the City Council regarding acquisition or exhibition of quality works of art.
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Liaison:	Contract Arts Administrator

CORONADO IMPROVEMENT (NON-PROFIT) CORPORATION

Authority:	City Council action taken on July 7, 1981, July 21, 1992, and December 15, 1992
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Member of the City Council at the time of appointment
Members and Term:	Five directors who serve in conjunction with their elected City Council terms
Time of Meetings:	When called
Place of Meetings:	City Council Chamber
Responsibilities:	Board of Directors of Corporation meets in connection with sanitary sewer improvement programs
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	City Clerk

CORONADO TOURISM IMPROVEMENT DISTRICT

Authority:	City Council action of June 16, 2010; Ordinance No. 2013. The CTID became active on July 16, 2010, and is addressed in Chapter 16.14 of the Coronado Municipal Code.
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City
Members and Term:	<p>A representative appointed by each of the four assessed hotels: Hotel del Coronado, Glorietta Bay Inn, Loews Coronado Bay Resort, and Marriott Coronado Island Resort. No term limits.</p> <p>A representative from the boards of the Chamber of Commerce, Coronado MainStreet, Ltd., and Coronado Historical Association/Visitor Center. No term limits.</p> <p>Two members at-large, appointed by the City Council. Three-year terms</p>
Time of Meetings:	First Thursday of the month at 2 p.m.
Place of Meetings:	City Council Chamber – Open to the Public
Responsibilities:	The CTID is a benefit assessment district and was established under the Parking and Business Improvement Area Law of 1989 (Streets and Highways Code Section 36500 et seq.) As provided in the 1989 Law, its purpose is to <i>"provide a method for financing public programs to attract tourist visits to areas where tourism is economically important and desired."</i>
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Assistant City Manager

DESIGN REVIEW COMMISSION

Authority:	Chapter 2.46 of Municipal Code
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City; three members shall be professional in some field of design; one member shall be a business person owning, operating, or managing property in the City of a commercial or industrial nature. The qualification of one member shall be determined at the discretion of the City Council.
Members and Term:	Five members for staggered three-year terms
Time of Meetings:	Second and fourth Wednesday of the month at 3 p.m.
Place of Meetings:	City Council Chamber
Responsibilities:	Review all applications according to the design review process outlined in Chapter 80.00 of the Coronado Municipal Code.
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment; every two years while serving.
Staff Liaison:	Associate Planner

GOLF COURSE ADVISORY COMMITTEE

Authority:	City of Coronado Golf Course Policies & Procedures Manual approved by City Council with Resolution 7676 on November 16, 1999 and amended by resolution from time to time.
Appointing Authority:	City Council through Committee Membership
Nominating Requirements:	Membership or as determined by City Manager
Members and Term:	<ul style="list-style-type: none">• Director of Recreation & Golf Services (Chair)• A member of the City Council• A representative of the Office of the City Manager• Individuals appointed by the City Manager• Two members each as appointed by the Board of Directors of the Coronado Men's and Women's Club• Coronado Golf Professional• Representative of the snack bar concession <p>No term lengths established by Resolution 7676.</p>
Time of Meetings:	Once a month or as directed by the Director
Place of Meetings:	
Responsibilities:	To advise the Director of Recreation & Golf Services on matters concerning the golf course, golfers, and clubhouse, to include, but not limited to, fees, capital improvements, policies and procedures, and other matters that may be referred to them
Special Requirements:	AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Director of Recreation & Golf Services

HISTORIC RESOURCE COMMISSION

Authority:	Chapter 2.54 of Municipal Code
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City; members shall have a demonstrated interest in and knowledge of historic preservation and the cultural resources of the City. In addition, the members are encouraged to be among professionals in the disciplines of history, architecture, architectural history, planning, or other historic preservation-related disciplines, such as urban planning, American studies, American civilization, cultural geography, cultural anthropology, or conservation and landscape architecture
Members and Term:	Five members for staggered three-year terms
Time of Meetings:	First and Third Wednesday of the month at 3 p.m.
Place of Meetings:	City Council Chamber
Responsibilities:	To review all applications submitted pursuant to Title 84 of the Municipal Code, including application for Historic Resource Designation, Historic District Designation, Historic Resource Alteration Permits, and Notice of Intent to Demolish applications.
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Associate Planner

LIBRARY BOARD OF TRUSTEES

Authority:	Chapter 2.58 and 2.59 of Municipal Code (Ordinance 1434, Nov. 20, 1979); and Chapter 5, Part 11, Section 18900 et seq. of Education Code
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City
Members and Term:	Five members for staggered three-year terms
Time of Meetings:	Second Tuesday of the month at 3 p.m.
Place of Meetings:	Library meeting room
Responsibilities:	Board is semi-autonomous body charged with establishing policy for the library
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Director of Library Services

OVERSIGHT BOARD

Authority:	Redevelopment Dissolution Act (Assembly Bill 1X 26) 2011
Appointing Authorities:	County Board of Supervisors; Mayor of the City of Coronado; County Board of Education; Chancellor of the CA Community Colleges
Committee Type:	Standing
Nominating Requirements:	
Members and Term:	Seven members appointed by the appointing authorities
Time of Meetings:	Fourth Monday in January and when called
Place of Meetings:	City Hall or other public building
Responsibilities:	To oversee the dissolution of the Community Development Agency of the City of Coronado; to oversee the distribution of property taxes to pay enforceable obligations of the former redevelopment agency by the Successor Agency.
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Director of Community Development, Redevelopment and Housing

PARKS AND RECREATION COMMISSION

Authority:	Chapter 2.62 of Municipal Code
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City. The City Council appoints one member of the student body of Coronado High School who serves a single term of one year from Oct. 1 to Sept. 30 and is a non-voting member.
Members and Term:	No less than five members for staggered three-year terms; three members constitutes a quorum if there is a five-member panel; four members constitutes a quorum if there is a six- or seven-member panel.
Time of Meetings:	Second Monday of the month at 3:30 p.m.
Place of Meetings:	City Council Chamber
Responsibilities:	Consider, research, and recommend plans and suggestions which promote recreational activities for the City
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Director of Recreation & Golf Services

PLANNING COMMISSION

Authority:	Chapter 2.66 of Municipal Code; Govt. Code Section 65100 et seq.
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City
Members and Term:	Five members for staggered three-year terms
Time of Meetings:	Second and fourth Tuesday of the month at 3 p.m.
Place of Meetings:	City Council Chamber
Responsibilities:	Perform duties as specified by ordinance of the City Council or by the laws of the State of California.
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Senior Planner

SPRECKELS CENTER ADVISORY COMMITTEE

Authority:	Established by City Council Minute action May 17, 2016
Appointing Authority:	City Council through Committee Membership
Nominating Requirements:	Membership or as determined by City Manager
Members and Term:	<ul style="list-style-type: none">• Director of Recreation & Golf Services• Spreckels Center Recreation Supervisor• City Recreation Operations Staff rep• Senior Association appointee• Lawn Bowling Association appointee• Two members appointed by the City Manager <p>No term lengths established</p>
Time of Meetings:	TBD as of August 2016
Place of Meetings:	John D. Spreckels Center and Bowling Green
Responsibilities:	To advise the Director of Recreation & Golf Services on matters related to the delivery of services at the John D. Spreckels Center and Bowling Green.
Special Requirements:	AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Director of Recreation & Golf Services

STREET TREE COMMITTEE

Authority:	City Council Resolution No. 7266 and further City Council action on October 19, 1993
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City
Members and Term:	Seven members for staggered three-year terms
Time of Meetings:	First Thursday of the month at 2:30 p.m.
Place of Meetings:	Public Services building
Responsibilities:	To periodically review the City's approved tree list and make recommendations to the City Council regarding additions and deletions
Special Requirements:	AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Director of Public Services and Engineering

TRANSPORTATION COMMISSION

Authority:	City Council Ordinance No. 2021, March 1, 2011
Appointing Authority:	City Council
Committee Type:	Standing
Nominating Requirements:	Resident and elector of City
Members and Term:	Seven members for staggered, three-year terms
Time of Meetings:	Second Thursday of the month at 3 p.m.
Place of Meetings:	City Council Chamber
Responsibilities:	To work with City staff and interested citizens to explore potential short-term and long-term methods to reduce the impact of traffic congestion on residents.
Special Requirements:	Members must file a financial disclosure statement upon assuming office, annually, and upon leaving office. AB 1234 Ethics Training upon appointment and every two years while serving.
Staff Liaison:	Assistant City Manager/City Engineer

MEETING PROCEDURES

Selection of Presiding Officer: The chairperson is the key to an efficiently run meeting and directs the progress of the meeting. Each group is responsible for selecting its own chairperson and vice-chairperson at the first meeting of each calendar year. In the absence of the chairperson, the vice-chairperson shall preside. In the absence of both the chairperson and vice-chairperson, a quorum of those members present shall designate an acting chairperson to preside over the meeting.

The chairperson has the power to confine discussion and to limit debate when it is no longer productive. The chairperson's rulings prevail unless overruled by a majority of the members or contrary to a city ordinance or established policy. The chairperson retains the right to make and second motions, participate and vote on all matters.

Rules of Procedure: Advisory group meetings are usually conducted according to parliamentary procedure. Many advisory groups have adopted standard rules of procedure for the conduct of official meetings as found in "Robert's Rules of Order." For a complete understanding of parliamentary procedure, it is suggested that members familiarize themselves with "Robert's Rules," a copy of which is available in the City Clerk's Office.

In general, however, advisory groups should be guided by the following:

1. Quorum: A majority of the members must be present to transact business. Without a quorum, any discussion is strictly informal.
2. Roll call: There is no legal requirement calling for such, but most groups use a roll call vote as a matter of procedure.
3. Preparing Motions: When a member wishes to propose an action on a particular item on the agenda for the advisory body to consider, the member makes a motion. The member asks first to be recognized by the Chair, and after being recognized, makes the motion "*I move that we....*" Another member seconds the motion "*I second the motion.*" The Chair asks for discussion of the motion and then calls for the vote.

4. Voting procedure: Except where specifically stated, motions and resolutions require a simple majority to pass. A tie vote is considered not a majority and, therefore, the motion or resolution fails to pass.

5. Failure to vote: No member is forced to vote on any issue; however, every member should vote unless he/she is disqualified in a manner acceptable to the group. An example would be a situation which poses potential conflict of interest on the part of the voting member, in which case, he/she should disqualify himself/herself from deliberations and voting.

Meetings: It is the responsibility of the chairperson to ensure that meetings are run smoothly at all times. Advisory groups are generally required to hold regular meetings on regularly specified meeting dates and at regularly scheduled times. All meetings are to be open and public with an agenda published and posted 72 hours before the meeting. (See “*Brown Act*” section)

Adjourned meetings are those called by the chairperson to complete business not acted upon during the regular meeting. A specified date and time is announced to the public and recorded in the minutes.

A special meeting may be called by the chairperson or a majority of the members. Adequate advance notice to the public is required; however, no special meeting shall be called sooner than 24 hours in advance. The notice of the special meeting must contain the time, place, and the subject matter to be discussed. Only items included in the agenda notice are allowed.

Agenda: An effective agenda is critical to a smoothly run and productive meeting. Agendas may be prepared by the staff liaison and the agenda must contain a section for oral communications from the public. Sufficient time should be allowed for discussion of all items and only items appearing on the agenda are to be considered. Agendas for regular meetings must be posted at City Hall, on the City website, and at the location of the meeting at least 72 hours before the meeting. Agendas for special meetings must be posted at City Hall, on the City website, and at the location of the meeting at least 24 hours before the meeting.

Minutes: Minutes of meetings are the official documents for recording actions. The original minutes should be signed by the chairperson, attested to by the staff secretary, and filed with the City Clerk.

Attendance: Members are urged to make every effort to attend all meetings. In the event of an absence, a member should notify the chairperson or staff liaison as much in advance of the meeting as possible of his/her inability to attend. If a member is absent for four (4) successive regular meetings without cause, the term of such member is automatically vacated. The committee shall determine whether the absence was for cause (CMC 2.30.040(B)).

OPEN MEETINGS LAW BROWN ACT COMPLIANCE

The Ralph M. Brown Act was enacted in 1953 to assure that government action is taken openly. It is also known as the “California Open Meetings Law” and commonly referred to as the “Brown Act.” (Government Code Sections 54950, et seq.)

The Brown Act requires that meetings of the City Council and City boards, commissions, and committees be open and public, and all persons are to be permitted to attend any meeting. This law prohibits closed or secret meetings except under very specific circumstances. The Brown Act also establishes requirements for noticing of public meetings.

The Coronado City Attorney has prepared a summary of the Brown Act that is included in this section. Please review the next few pages to ensure your understanding of the requirements. A copy of the full Brown Act is on file in the City Clerk’s Office.

HIGHLIGHTS OF THE BROWN ACT
City of Coronado
August 29, 2016

Prepared by
McDougal, Love, Eckis, Boehmer & Foley

Purpose

The Ralph M. Brown Act (Brown Act), California Government Code Sections 54950-54963, provides that all meetings of a legislative body of a local agency shall be open and public, and all persons shall be permitted to attend the meetings. The Brown Act is interpreted by the courts in a way that strongly favors open and public meetings. Although exceptions to the open meeting rules exist, they are interpreted narrowly.

Who is Covered by the Act? – Legislative Body of a Local Agency

The Brown Act defines “legislative body” broadly to include the governing body of a local agency, and includes councils, boards, commissions, standing committees, advisory committees, task forces and “blue ribbon” committees. (GC § 54952.) This includes the City Council. Newly elected or appointed members of legislative bodies who have not yet assumed office are also covered by the Brown Act. (GC § 54952.1.) In addition to the City Council, all City Boards and Commissions are required to comply with the Brown Act per Coronado Municipal Code Section 2.30.080.

The meetings of “ad hoc” advisory committees, comprised of less than a quorum of the board or commission, are not subject to the noticing and agenda requirements of the Brown Act. (GC § 54952(b)). “Ad hoc” subcommittees are those that are used for a limited purpose over a limited period of time. Examples include ad hoc committees formed to make budget recommendations, draft by-laws or policies and procedures, or other similar temporary assignments.

What is a Meeting for Purposes of the Brown Act?

Government Code Section 54952.2(a) of the Brown Act defines a “meeting” as “any congregation of a majority of the members of the legislative body at the same time and location...to hear, discuss, deliberate or take action on any item that is within the subject matter jurisdiction of the legislative body.”

This definition is not limited to gatherings where action is taken, but also to gatherings involving only discussion or deliberation. “Deliberation” has been interpreted broadly by the courts to include information gathering sessions. *216 Sutter Bay Associates v. County of Sutter* (1997) 58 Cal. App. 4th 860.

“Serial meetings” are a potential problem area under the Brown Act. Except for teleconferencing that meets certain noticing requirements, the Act prohibits using “a series of communications of

any kind, directly or through intermediaries, to discuss, deliberate or take action on any item of business.” (GC § 54952.2(b).) Individual contacts, including electronic mail, text, or phone contacts that occur in a series, may result in consensus being reached by a majority of members on an item of business. These types of contacts can result in a violation of the Act and should be avoided.

It should be noted that a “meeting” only occurs when an “item of business” is being discussed. It is generally accepted that communications regarding purely procedural matters (such as the time and date for scheduling an event or meeting) do not violate this rule.

“Meeting” Exceptions (GC § 54952.2(c)):

1. Individual Contacts. The Brown Act does not cover individual contacts between a member of a legislative body and other persons. The exception recognizes the right to confer with constituents, advocates, consultants, reporters, local agency staff, or a single colleague. However, as discussed above, individual contacts cannot be used in stages to form a consensus among a majority of members on an item of business.
2. Conferences. The majority of a legislative body can attend a conference or similar gathering, but cannot discuss official business among themselves.
3. Community Meetings. The majority of a legislative body can attend an open and publicized meeting organized by another organization, as long official business is not discussed among the members at the gathering.
4. Other Agency Meetings. A legislative body majority may attend an open and noticed meeting of another body of the local agency or another agency (such as the City Council) as long as official business is not discussed among the members while attending the meeting.
5. Social or Ceremonial Events. A majority of the legislative body may attend a purely social or ceremonial event if official business is not discussed among the members at the event.

Note: there is no exception that allows a majority of a legislative body to meet together with staff in advance of a meeting for a collective briefing on the agenda or an item of business. The open meeting requirements also apply to retreats, study sessions and workshops.

What is Required for an “Open and Public” Meeting?

There are two essential elements for an open and public meeting under the Brown Act: (1) effective notice; and (2) an agenda that adequately describes the items to be considered. Since 2012, the Brown Act requires local agencies with an Internet website to post agendas for all regular and special meetings on the website, at the same time the agenda is physically posted. (GC §§ 54952(a)(1), 54956.)

1. Regular Meetings. Regular meetings are those meetings for which the time and place are provided for by resolution, ordinance, bylaws, or other rule of business. For regular meetings, an agenda must be posted at least 72 hours in advance of the meeting in a location freely accessible to the members of the public. The agenda must include: (1) a brief description of each item to be discussed/business or to be transacted (generally not exceeding 20 words), including approval of any environmental document such as an EIR or MND; (2) time and location of the meeting. (GC § 54954.2(a).)
2. Special Meetings. In addition to regularly scheduled meetings, the legislative body may hold additional “special” meetings. Special meetings may be called by the presiding officer or a majority of the members. Special meetings cannot be called to consider “salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive.” (GC § 54956(b).) A written notice must be sent to each member of the legislative body, to each local newspaper of general circulation, and to other media outlets which have made a written request to receive such notices. Additionally, the notice with the time and place for the meeting must be posted in a location freely accessible to the public at least 24 hours in advance of the meeting. (GC § 54956.)
3. Emergency Meetings. An agency can hold an emergency meeting when prompt action is needed due to the actual or threatened disruption of public facilities. An “emergency situation” exists if there is a work stoppage, crippling disaster or other activity that seriously impairs the public health, safety, or both. (GC § 54956.5.) A majority of the legislative body must determine that an emergency exists to hold a meeting or discuss a non-agenda item as an emergency matter. (GC § 54954.2(b)(2).)

Rights of the Public to Attend and Participate

A number of the Act’s provisions relate to the rights of the public to attend and participate in meetings.

1. Attendance. Members of the public must be allowed to attend meetings of the legislative body and cannot be required to register their names, fill out a questionnaire, or have any other condition imposed in order to attend. (GC § 54953.3.) However, persons who are disruptive to the proceedings may be removed. (GC § 54957.9.)
2. Recording. Members of the public must be allowed to make recordings of the meeting, as long as the recording is not disruptive. (GC § 54953.5.)
3. Public Testimony. Every regular meeting agenda must allow for members of the public to speak on any item of interest within the subject matter jurisdiction of the legislative body (sometimes called “Public Comment” or “Oral Communications.”). Public testimony regarding agenda items must be allowed at both regular and special meetings before or during the consideration of the agenda item. Non-agenda comment is not required to be heard at special meetings. Reasonable regulations, such as time limits, may be adopted for public testimony. (GC § 54954.3.) The legislative body cannot

prohibit public criticism of policies, procedures, programs, or services of the agency or acts or omissions of the legislative body. (GC § 54954.3.)

4. Secret Ballots. No secret ballots are allowed during open and public meetings. (GC § 54953(c).)

Permissible Closed Sessions

The Brown Act allows several exceptions to the open meeting requirement, allowing for closed sessions on specific subject matters that are confidential or sensitive. These exceptions are interpreted narrowly by the courts. The primary subject matters which can be discussed in closed session are:

1. Limited personnel matters. Includes appointment, evaluation, discipline, or dismissal of public employees. Compensation, job classifications, and other items not specifically set forth as allowed for closed session are items to be discussed in an open session. This exception includes contractors who function as officers or employees (such as a contract city attorney), but does not apply to elected officials, appointees to subsidiary bodies, or contractors who do not function as employees. (GC § 54957.)
2. Litigation. Closed sessions are allowed for conferring with legal counsel regarding existing litigation or threatened litigation, or potential litigation to be initiated by the agency. (GC § 54956.9.)
3. Real estate negotiations. (GC § 54956.8.)
4. Labor negotiations. (GC § 54957.6.)
5. Public security. Covers issues involving threats to security of public buildings or to essential services. (GC § 54957.)

Closed sessions may only be attended by members of the legislative body and necessary support staff with an official role advising the body regarding the closed session item. Additionally, the posted agenda for the closed session must include the legal authority for the closed session and a brief description of the item which is the subject of the session. Following some closed session items (generally those where final action has been taken), a public report of the results of the closed session must be made. (GC § 54957.1.)

Remedies for Violations

Civil and criminal penalties are provided in the Brown Act, as well as invalidation of some actions taken in violation of the law. The District Attorney can prosecute violations, and any private citizen can file a civil suit related to a violation. Prior to bringing a civil suit, a citizen must provide the legislative body with an opportunity to cure its actions. (GC § 54960.1.) A person who successfully enforces one of the Brown Act remedies may seek court costs and reasonable

attorney's fees. The public agency may recover fees and costs if the court finds the lawsuit to be clearly frivolous and lacking in merit. (GC § 54960.5.)

Miscellaneous Issues

1. **Items not on the Agenda.** The legislative body may not discuss or take action on items not included on the agenda. In response to public comment on non-agenda items, members may make brief comments such as to indicate that a subject will be included on a future agenda but may not take any action. (GC § 54954.2(a).)

An exception to this rule applies if two-thirds of the members present determine that both that there is an urgent need to take action on an item and that the need to take action came to the attention of the members after the meeting agenda was posted. Taking action on a non-agenda item is subject to challenge and should be approached with caution. (GC § 54954.2(b).)

2. **Location of Meetings.** According to the Brown Act, all of the legislative body's meetings must be held within the boundaries of the legislative body's jurisdiction. (GC § 54954(b).) There are some narrow exceptions, including one that allows a member to participate by teleconferencing if certain conditions are met, including: 1) a quorum of the legislative body is present in the jurisdiction; 2) the teleconference location is made available to the public; 3) the specific teleconference location is identified on the agenda; 4) an agenda is posted at the teleconference location, even if it is a hotel room or residence; 5) each teleconference location must have technology, such as a speakerphone, to allow the public to participate from that location; and 6) all votes must be by roll call. (GC § 54953(b)(1).)

All meetings of the legislative body must be held in locations which are accessible to persons with disabilities pursuant to the Americans with Disabilities Act of 1990. (GC § 54953.2.)

3. **Records and Documents.** The public has a right to review any documents distributed to a majority of the members of the legislative body except for privileged documents. The records must be made available to the public for inspection and copying, for a reasonable fee. The timeline for making records available to the public depends on who prepared them. For agency prepared records, the records must be made available to the public at the meeting, but for records prepared by third parties, the records can be made available after the meeting. (GC § 54957.5.) If documents related to the agenda are distributed to the legislative body less than 72 hours prior to the meeting, the documents must be made available for public inspection at the same time they are distributed to the legislative body. (GC § 54957.5.)

CONFLICT OF INTEREST DISCLOSURE OF ECONOMIC INTERESTS FPPC FORM 700

The Political Reform Act of 1974 (Government Code Sections 81000, et seq.), which was approved by the voters of the State of California, requires the City to adopt and promulgate a conflict of interest code. The City's Conflict of Interest Code is contained in Coronado Municipal Code Chapter 1.20, and is intended to prevent conflicts of interest by requiring public officials and designated employees to disclose certain personal financial interests which could foreseeably cause conflicts. In addition, a public official may be required to disqualify himself/herself from making, participating in or attempting to influence any government decision which will affect any of his/her financial interests, not just those that are required to be disclosed.

The following advisory boards are required to file a Statement of Economic Interests (known as "Form 700") with the City Clerk's Office upon assuming office, annually, and upon leaving office:

- Bicycle Advisory Committee
- Building Appeals Commission (City Council)
- Civil Service Commission
- Coronado Cultural Arts Commission
- Coronado Improvement Corporation (City Council)
- Coronado Tourism Improvement District Board
- Design Review Commission
- Historic Resource Commission
- Library Board of Trustees
- Oversight Board
- Parks and Recreation Commission
- Planning Commission
- Port Commissioner
- Transportation Commission

The City Clerk's Office provides the Statement of Economic Interest forms, and the forms are filed with the City Clerk's Office. All forms are public documents and are made available for public inspection upon request. Copies will be provided to a requesting party upon payment of a \$.05 cent per page copying fee.

The Fair Political Practices Commission (FPPC) Office encourages filers to contact them at their toll free number (866-ASK-FPPC or 866-275-3772) with questions on what constitutes a conflict of interest and when the law requires disqualification. This information is also available at the FPPC website at www.fppc.ca.gov.

CORONADO MUNICIPAL CODE

**Chapter 1.20
CONFLICT OF INTEREST CODE**

Sections:

- 1.20.010 Purpose.**
- 1.20.015 Amendment and review.**
- 1.20.020 Definitions incorporated.**
- 1.20.030 Place of filing.**
- 1.20.040 Filing officer.**
- 1.20.050 Disclosure categories.**
- 1.20.060 Department positions.**
- 1.20.070 Boards, commissions, committees.**
- 1.20.080 Consultants.**

1.20.010 Purpose.

A. The Political Reform Act of 1974, Government Code Section 81000 et seq., "the Act" herein, requires the City to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference, and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference.

B. This chapter shall be known as the "Conflict of Interest Code" of the City.

C. Nothing in this chapter is intended to modify or abridge the provisions of the Act commencing with Government Code Section 87100, which is applicable to all public officials of the City and directs that no public official of the City shall make, participate in the making, or in any way attempt to use their official position, to influence a City decision in which the official knows, or has reason to know, that he or she has a financial interest as defined by the Act.

D. This chapter intends to designate those public officials of the City who are involved in City decisions, and to require such designated officials to disclose those financial interests (using Form 700) which could foreseeably be affected, in a material manner, by a City decision made by the official in the performance of the official's responsibilities

1.20.015 Amendment and review.

A. Amendment.

1. Changed Circumstances. Changed circumstances include, but are not limited to, the following: the creation of new positions, which must be designated pursuant to this chapter, and relevant changes in the duties assigned to existing positions. (Gov. Code § 87306(a).)
2. Amendment Due to Changed Circumstances. Within 90 days after the changed circumstances necessitating the amendment to this chapter become apparent, the City Manager shall submit a proposed amendment to the City Council. (Gov. Code § 87306(a).)
3. Manner of Amendment. This chapter shall be amended by the City Council after a noticed public hearing is held prior to adoption of the proposed amendment. (Gov. Code § 87311.)

B. Biennial Review.

1. No later than July 1 of each even-numbered year, the City Manager shall review this chapter. (Gov. Code § 87306.5(a).)
2. If a change in this chapter is necessitated by changed circumstances, it shall be amended pursuant to subsection A of this section. (Gov. Code § 87306.5(a).)
3. If no change in this chapter is required, the City Manager shall submit a written statement to that effect to the City Council no later than October 1 of the same year. (Gov. Code § 87306.5(b).)

1.20.020 Definitions incorporated.

Unless otherwise indicated, the definitions of the Act, regulations and amendments thereto and binding judicial opinions thereon are incorporated herein, and this chapter shall be interpreted in a manner consistent with such definitions.

1.20.030 Place of filing.

Designated employees shall file their statements with the filing officer of the City, who will make the statements available for public inspection and reproduction. (Gov. Code Section 81008.) Statements for all designated employees will be retained by the City.

1.20.040 Filing officer.

The City Clerk is the filing officer of the City.

1.20.050 Disclosure categories.

A. **Category 1 – Business Position/Investment Interests/Real Property Interests** (full disclosure for officials and employees whose duties are broad and indefinable). The designated employee shall report (1) all investments, business positions in, and income, including gifts, loans, and travel payments, from sources located in or doing business in the jurisdiction, and (2) interests in real property (not including primary personal residence) located in the jurisdiction, including any property owned or used by the City, in which the designated employee has a direct or indirect interest.

B. **Category 2 – Real Property Interests.** The designated employee shall report each interest in real property (not including primary personal residence) located within the jurisdiction of the City in which the designated employee has a direct or indirect interest.

C. **Category 3 – Business Position/Investment Interests.** The designated employee shall report all investments, business positions in, and income, including gifts, loans, and travel payments, from sources located in or doing business in the jurisdiction.

D. **Category 4 – Income Interests.** The designated employee shall report all income, including gifts, loans, and travel payments, of the designated employee from sources located in or doing business in the jurisdiction.

E. **Category 5 – Less Inclusive Reportable Interests.** The designated employee shall report all investments and business interests in, and income, including gifts, loans, and travel payments, from sources contracting with, providing services to, or selling to, the City.

1.20.060 Department positions.

A. The following positions are NOT covered by this chapter because they must file, under section 87200 of the Act and, therefore, are here listed for informational purposes only: City Manager, City Treasurer, and members of the Planning Commission.

B. The following are the designated positions within City departments together with the required disclosure category (* denotes 87200 filers):

Position	Category
A. Administrative Services Department:	
1. Director of Administrative Services/City Treasurer	*
2. Senior Management Analyst	5
3. Human Resources Manager	5
4. Finance Manager	5
5. Information Technology Manager	5
B. City Clerk's Department:	
1. City Clerk	1

C.	City Manager's Department:	
	1. City Manager	*
	2. Assistant City Manager	1
	3. Senior Management Analyst	5
D.	Community Development Department:	
	1. Director of Community Development, Redevelopment and Housing	1
	2. Senior Planner	1
	3. Building Inspection Supervisor	1
	4. Associate Planner	2, 5
	5. Building Inspector	2, 5
	6. Assistant Planner	2, 5
E.	Public Services and Engineering Department	
	1. Director of Public Services and Engineering	1
	2. City Engineer	1
	3. Principal Engineer	1
	4. Capital Projects Manager	1
	5. Associate Planner (Transportation)	1
	6. Associate Engineer	1
	7. Public Services Supervisor – Fleet	2, 5
	8. Public Services Supervisor – Parks	2, 5
	9. Public Services Supervisor – Services	2, 5
	10. Assistant Engineer	2, 5
	11. Public Services Technician	4
	12. Accounting Technician I	4
	13. Senior Management Analyst	5
	14. Management Analyst	5
	15. Master Mechanic	5
F.	Fire Services Department:	
	1. Director of Fire Services	1
	2. Battalion Chief/Fire Marshal	1
	3. Fire Captain	2, 4
	4. Beach Lifeguard Captain	4
	6. Beach Lifeguard Sergeant	5
G.	Library Services Department:	
	1. Director of Library Services	1
	2. Principal Librarian	5
	3. Senior Librarian	5
	4. Librarian II	5
	5. Library Technician	5
	6. Accounting Technician I	5

- H. Police Services Department:
 - 1. Director of Police Services 1
 - 2. Police Captain 1
 - 4. Police Support Services Supervisor 5

- I. Recreation and Golf Services Department
 - 1. Director of Recreation and Golf 1
 - 2. Golf Maintenance Supervisor 5
 - 3. Aquatics Supervisor 5
 - 4. Recreation Services Supervisor 5

- J. Other positions as may be designated by resolution of the City Council from time to time.

1.20.070 Boards, Commissions, Committees

Members of the following boards, commissions, and committees occupy designated positions with the following disclosure categories:

Position Category

- A. All members of boards, commissions, or committees designated by resolution of the City Council, from time to time.

- B. Board of Appeals 1

- C. Civil Service Commission 3

- D. Design Review Commission 1

- E. Historic Resource Commission 1

- F. Library Board of Trustees 1

- G. Planning Commission *

- H. Coronado Improvement Corporation 1

- I. Coronado Finance Authority:
 - 1. Authority Members 1
 - 2. Executive Director 1
 - 3. Treasurer 1

- J. Coronado Parks and Recreation Commission 2, 5

- K. Coronado Port Commissioner 1

L.	Coronado Tourism Improvement District Board	1
M.	Coronado Transportation Commission	1
N.	Bicycle Advisory Committee	1
O.	Cultural Arts Commission	1
P.	Successor Agency	1
Q.	Oversight Board	1

1.20.080 Consultants.

A. Consultants, as defined in 2 California Code of Regulations Section 18701, and which are not subject to subsection B of this section, shall be subject to Disclosure Category 1.

B. Limitation to Disclosure Category. The City Manager may determine that a particular consultant, although in 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 described in this section. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure required. The determination shall be included in the contract by which the consultant is hired by the City. The City Manager'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.

Frequently Asked Questions: Form 700 Disclosure

General.....	Page 1	Income.....	Page 2	Investments.....	Page 3
Real Property....	Page 4	Enforcement.....	Page 4	Gifts/Travel.....	Page 4
Tickets to Non-Profit and Political Fundraising Events.....					Page 8

The FAQs listed below are selected from questions often asked about the Statement of Economic Interests (Form 700). Because it is not possible to address all of the unique variables and circumstances related to disclosure, individuals are encouraged to contact the FPPC with specific facts. Most officials must also consult their agency's conflict of interest code to determine their disclosure level and their reportable interests. The Form 700 is a public document. Form 700s filed by State Legislators and Judges, members of the FPPC, County Supervisors, and City Council Members are available on the FPPC's website.

General Questions

1. Q. Do all officials have the same disclosure requirements for Form 700 reporting?
 - A. No. The majority of individuals who file the Form 700 must do so by following the rules set forth in their agency's conflict of interest code ("designated employees"). Before completing the Form 700, an official should be familiar with the disclosure category for his or her position. For example, since job duties differ from agency to agency and even unit to unit within the same agency, an analyst for one agency, or unit of that agency, may not have the same reporting requirements as an analyst from another agency, or even another unit of the same agency.

Officials listed in Government Code Section 87200 (e.g., boards of supervisors, city council members, planning commissioners, elected state officials, etc.) must report investments, business positions, and sources of income, including receipt of gifts, loans, and travel payments, from sources located in or doing business in their agency's jurisdiction. All interests in real property within the agency's jurisdiction must also be reported. For local officials, real property located within 2 miles of the boundaries of the jurisdiction or any real property that the agency has an interest in is deemed to be "within the jurisdiction."
2. Q. Is it necessary to read all of the information before completing the Form 700?
 - A. Each individual must verify the Form 700's content under penalty of perjury. Therefore, every effort must be made to understand what is required by the form. When necessary, you may contact the FPPC for specific, personal guidance. You may only obtain immunity from an enforcement action when you receive formal written advice.
3. Q. Where are the Form 700s filed?
 - A. Most state and local officials file with their agency. In most instances, the agency is required to forward the originals for specified high-level officials to the FPPC. Only retired judges serving on assignment and legislative staff file the Form 700 *directly* with the FPPC.

4. Q. If the Form 700 is postmarked by the due date, is it considered filed on time?
 - A. Yes.
5. Q. If an official holds various positions for which the Form 700 is required, is a statement required for each position?
 - A. Yes. However, one expanded statement covering the disclosure requirements for all positions may be completed as long as an originally signed statement is filed with each filing officer.
6. Q. Do individuals need to file a complete Form 700 when they leave office?
 - A. Yes. The same requirements apply for the assuming office, the annual, and the leaving office filings.
7. Q. An individual is hired into a newly created management position in her agency's Information Technology Department. How does she complete the Form 700?
 - A. Because it is a newly created position, the law requires that economic interests are reported under the broadest disclosure category in the agency's conflict of interest code unless the agency sets interim disclosure that is tailored to the limited range of duties of the position. Generally, the Form 700 must be filed with the agency within 30 days of the date of hire. An individual may request that the agency complete the Form 804 (Agency Report of New Positions) to tailor the disclosure category to the job duties of the new position.
8. Q. Must board members of a non-profit public benefit corporation that operates California charter schools file Form 700?
 - A. Yes. Members of charter schools are public officials and must file the Form 700.

Income Questions

9. Q. Must an official report a spouse's or registered domestic partner's salary?
 - A. Generally an official is required to report his or her community property share (50%) of his or her spouse's or registered domestic partner's salary. The disclosure lists the employer's name as the source of income on Schedule C of the Form 700. If the spouse or registered domestic partner is self-employed, the business entity is reported on Schedule A-2. Officials should check their disclosure category, if applicable, to determine if the income is reportable. A spouse or registered domestic partner's government salary is not reportable (e.g., spouse is a teacher at a public school).
10. Q. If an official and his or her spouse have a legally separate property agreement (e.g., prenuptial), must the official still report his or her community property share (50%) in his or her spouse's income?
 - A. No. If there is a legally separate property agreement, the official is not required to report his or her community property share in his or her spouse's income so long as the funds are not commingled with community funds or used to pay for community expenses or to produce or enhance the official's separate income. This reporting exception does not apply to investments and interests in real property. Even if a public official and his or her spouse have a separate

property agreement, the spouse's investments and interests in real property must still be disclosed because the definitions of reportable investments and interests in real property include those held by the official's immediate family (spouse, registered domestic partner, and dependent children). These definitions are not dependent on community property law.

11. Q. If an official owns a business in which he has received income of \$10,000 or more from a client, is the official required to disclose the client's name on Schedule A-2, Part 3?
- A. Yes, except for under rare circumstances where disclosure of the identity would violate a legally recognized privilege under California or federal law. In these cases, the FPPC may authorize an exemption. (Regulation 18740)
12. Q. When an official purchases a new car and trades in the old car as credit toward the purchase price, is the trade-in allowance considered reportable income on the Form 700?
- A. No. A trade-in allowance is not considered income and is not reportable on an official's Form 700. However, income received from the sale of an auto may be reportable.

Investment Questions

13. Q. An official holds various stocks through an account managed by an investment firm. The account manager decides which stocks to purchase with no input from the official. Are the stocks subject to disclosure?
- A. Yes. Unless the stocks are in a diversified mutual fund registered with the SEC or in a fund similar to a diversified mutual fund (e.g., exchange traded fund (ETF)) if the similar fund meets the specific criteria outlined in Regulation 18237. Any investments worth \$2,000 or more in a business entity located in or doing business in the jurisdiction must be disclosed on Schedule A-1 or A-2 if the official's disclosure category requires that the investments be reported.
14. Q. Are funds invested in a retirement account required to be disclosed?
- A. Investments held in a government defined-benefit pension program plan (i.e., CalPERS) are not reportable. Investments held in a fund such as a defined contribution plan 401(k) or exchange traded fund (EFT) are not required to be disclosed if the fund meets the specific criteria outlined in Regulation 18237. An official may need to contact his or her account manager for assistance in determining what assets are held in the account.
15. Q. If an official reported stocks that were acquired last year on his or her annual Form 700, must the stocks be listed again on the official's next Form 700?
- A. Yes. Stocks that are worth \$2,000 or more during the reporting period must be reported every year that they are held. The "acquired" and "disposed" dates are only required if the stocks were acquired or disposed of during the period covered by the Form 700.
16. Q. How are interests in a living trust reported if the trust includes: (1) rental property in the official's jurisdiction; (2) a primary residence; and (3) investments in diversified mutual funds? Are there different disclosure rules?
- A. The name of the trust is reported, along with the rental property and its income, on Schedule A-2. The official's primary residence, if used exclusively as a personal residence, and investments

in diversified mutual funds registered with the SEC, are not reportable. Although the official's primary residence is not required to be disclosed on the Form 700, it is still considered an economic interest for conflict of interest purposes. (See Question 17.) A secondary residence not used exclusively for personal purposes may be reportable. (See Question 18.)

Real Property Questions

17. Q. Is an official's personal residence reportable?
- A. Generally, any personal residence occupied by an official or his or her family is not reportable if used exclusively as a personal residence. However, a residence for which a business deduction is claimed is reportable if the portion claimed as a tax deduction is valued at \$2,000 or more. In addition, any residence for which an official receives rental income is reportable if it is located in the jurisdiction.
18. Q. When an official is required to report interests in real property, is a secondary residence reportable?
- A. It depends. First, the residence must be located in the official's jurisdiction. If the secondary residence is located in the official's jurisdiction and rental income is received (including from a family member), the residence is reportable. However, if the residence is used exclusively for personal purposes and no rental income is received, it is not reportable. Although the secondary residence may not be reportable, it is still considered an economic interest for conflict of interest purposes.
19. Q. If a primary or secondary personal residence is required to be reported, is the street address required to be disclosed?
- A. No. The assessor's parcel number may be listed instead of the street address.

Enforcement Question

20. Q. What is the penalty for not filing the Form 700 on time or not reporting all required economic interests?
- A. A late fine of \$10 per day up to a maximum of \$100 may be assessed. In addition, if a matter is referred to the FPPC's Enforcement Division for failure to file or failure to include all required economic interests, the fine may be substantially higher. If an individual does not pay a fine, the matter may be referred to the Franchise Tax Board for collection.

Gift/Travel Questions

21. Q. What is the gift limit for 2015-2016?
- A. **\$460:** This means that gifts from a single, reportable source, other than a lobbyist or lobbying firm (see below), may not exceed \$460 in a calendar year. For officials and employees who file the Form 700 under an agency's conflict of interest code ("designated employees"), this limit applies only if the official or employee would be required to report income or gifts from that source on the Form 700, as outlined in the "disclosure category" portion of the agency's conflict

of interest code. For conflict of interest purposes, the gift must be under \$460 to avoid consideration under the conflict rules.

State Lobbyist & Lobbying Firm Limit:

\$10: State candidates, state elected officers, and state legislative officials may not accept gifts aggregating more than **\$10 in a calendar month that are made or arranged by a registered state lobbyist or lobbying firm.** The same rule applies to state agency officials, including members of state boards and commissions, if the lobbyist or firm is registered to lobby, or should be registered to lobby, the official's or employee's agency.

22. Q. During the year, an official received several gifts of meals from the same reportable source. Each meal was approximately \$35. Is the source reportable?

A. Yes. Gifts from the same reportable source are aggregated, and the official must disclose the source when the total value of all meals reaches or exceeds \$50.

23. Q. How does an individual return a gift so that it is not reportable?

A. Unused gifts that are returned to the donor or reimbursed within 30 days of receipt are not reportable. The recipient may also donate the unused item to a charity or governmental agency within 30 days of receipt or acceptance so long as the donation is not claimed as a tax deduction. An individual may not, however, reimburse a charity for the value (or partial value) of a gift from another source, in order to not report the gift, unless the charity was the original source of the gift.

24. Q. Two people typically exchange gifts of similar value on birthdays. Are these items reportable?

A. No. Gift exchanges with individuals, other than lobbyists, on birthdays, holidays, or similar occasions, are not reportable or subject to gift limits. The gifts exchanged must be similar in value.

25. Q. Must an official report gifts received from an individual whom the official is dating?

A. No. Gifts of a personal nature exchanged because the individuals are in a bona fide dating relationship are not reportable or subject to gift limits. However, the official remains subject to the conflict of interest rules and some matters may require recusal from voting.

26. Q. If an official makes a speech related to national public policy and his or her spouse attends the dinner at the event, is the spouse's meal considered a gift to the official?

Yes. The official's meal is not a reportable gift; however, his or her spouse's meal is a gift and reportable on the official's Form 700 if the value is \$50 or more.

27. Q. A vendor that does business with the agency provided entertainment tickets to the spouse of one of the agency members. Must the member report the tickets as gifts?

- A. Yes. Unless an exception applies, the tickets are a reportable gift. A gift to an official's spouse is a gift to the official when there is no established working, social, or similar relationship between the donor/vendor and the spouse or there is evidence to suggest that the donor had a purpose to influence the official.
28. Q. An agency received two free tickets to a concert from a local vendor. The agency has a policy governing the reporting of tickets and passes distributed to persons for use in ceremonial roles or other agency related activities. The agency had discretion to determine who in the agency received the tickets. Each ticket was valued at \$140. If the agency director used the tickets, how are they reported?
- A. Assuming the tickets meet the agency's policy as an appropriate use of public funds, the agency may report the tickets (worth \$280) on the Form 802 (Agency Report of Ceremonial Role Events and Ticket/Pass Distributions), which is a public record. The director does not need to report the tickets on the Form 700.
29. Q. An agency received a large box of chocolates as a holiday gift from a local merchant. It was addressed to the agency and not to a particular employee. Is there a reporting requirement?
- A. No. There is no reporting requirement if the value received by each agency employee is less than \$50.
30. Q. An agency official receives a gift basket specifically addressed to the official worth more than \$50 from a local merchant. Is there a reporting requirement?
- A. If the source of the gift basket is reportable by the official, the official must report the gift, even if he or she shares the gift with other agency employees.
31. Q. Do prizes donated to a governmental agency by an outside source constitute gifts under the Act if they were received by city employees in a drawing conducted by the city for all city employees participating in the city's charitable food drive?
- A. Yes. The prizes are gifts if donated by an outside source and subject to the Act's limits and reporting requirements.
32. Q. An official won a scholarship in a raffle at a software update training class. The scholarship covered the cost of the class. All attendees, including other public officials and members of the public, were eligible to apply for the scholarship. Is the official required to report the scholarship as a gift?
- A. A scholarship received in a "bona fide" competition may be reported as income instead of a gift. Whether or not a competition or contest is "bona fide" depends on specific facts, such as the nature of the pool of contestants. Contact the FPPC for assistance.
33. Q. Is a ticket provided to an official for his or her admission to an event at which the official performs a ceremonial role or function on behalf of his or her agency reportable on the official's Form 700?

A. No, so long as the organization holding the event provides the ticket and so long as the official's agency completes the Form 802 (Agency Report of Ceremonial Role Events and Ticket/Pass Distributions). The form will identify the official's name and explain the ceremonial function. (See Regulation 18942.3 for the definition of "ceremonial role.")

34. Q. An official makes an annual donation to a an educational organization that has a 501(c)(3) tax-exempt status. The organization is holding a two-hour donor appreciation event, which will include wine, appetizers, and music. Free access to the event is being provided to all donors to the organization. Must the official report the event as a gift from the organization?

A. Because free access to the event is offered to all of the organization's donors, without regard to official status, access to the event is not a reportable gift.

35. Q. Are frequent flyer miles reportable?

A. No. Discounts received under an airline's frequent flyer program that are available to all members of the public are not required to be disclosed.

IMPORTANT NOTE: See Regulation 18950.1 for additional information on reporting travel payments. In some circumstances the agency may report the travel in lieu of the official reporting the travel.

36. Q. If a non-profit organization pays for an official to travel to a conference after receiving the funds to pay for the travel from corporate sponsors, specifically for the purpose of paying for the official's travel, is the non-profit organization or the corporate sponsors the source of the gift?

A. The corporate sponsors are the source of the gift if the corporate sponsors donated funds specifically for the purpose of the official's travel. Thus, the benefit of the gift received by the official would be pro-rated among the donors. Each reportable donor would be subject to the gift limit and identified on the official's Form 700. The FPPC should be contacted for specific guidance to determine the true source of the travel payment.

37. Q. May an official accept travel, lodging and subsistence from a foreign sister city while representing the official's home city?

A. Yes. If the travel and related lodging and subsistence is paid by a foreign government and is reasonably related to a legislative or governmental purpose, it is not subject to the gift limit. However, the payments must be disclosed as gifts on the Form 700 for this exception to apply. While in the foreign country, any personal excursions not paid for by the official must also be disclosed and are subject to the gift limit. If private entities make payments to the foreign government to cover the travel expenses, the gift limit will apply and travel payments will likely be prohibited. Please contact the FPPC for more information.

38. Q. An analyst for a state or local agency attends a training seminar on the new federal standards related to the agency's regulatory authority. If the analyst's travel payments are paid by the federal agency, must the analyst report the payment on the Form 700?

- A. No. A payment for travel and related per diem received from a government agency for education, training, or other inter-agency programs or purposes, is not considered a gift or income to the official who uses the payment.
39. Q. A state legislator and a planning commissioner were guest speakers at an association's event. Travel expenses were paid by the association, and the event was held in the United States. Is this reportable?
- A. Yes. The payment is reportable, but not subject to the gift limits. In general, an exception applies to payments for travel within the United States that are provided to attend a function where the official makes a speech. These payments are not limited, but are reportable as gifts. The rules require that the speech be reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy; and the travel payment must be limited to actual transportation and related lodging and subsistence the day immediately preceding, the day of, and the day immediately following the speech. (See Government Code Section 89506. Other rules may be applicable if this exception is not used.)
40. Q. An official serves as a board member for two organizations – one has a 501(c)(3) tax-exempt status and the other has a 501(c)(6) tax-exempt status. The organizations pay the official's travel expenses to attend board meetings. Must the official report these travel payments?
- A. Under the Act, travel payments provided to an official by a 501(c)(3) organization are exempt from the definition of "income" and therefore, not reportable. However, travel payments from other organizations, including a 501(c)(6) organization, are likely required to be reported. Designated employees must report such travel payment if the organization is reportable pursuant to the official's disclosure category in his or her agency's conflict of interest code.
41. Q. The local airport authority issues a certain number of airport parking cards to the County to allow the cardholders to use the parking facilities at the airport at no charge, provided the cardholder is on official business. Must the officials who use the parking cards report a gift on the Form 700?
- A. No. As long as the parking cards are used for official business only, the parking cards do not provide a personal benefit, so no gift is received. If a parking card is used for *personal* purposes, a gift must be reported.

Tickets to Non-Profit and Political Fundraisers Questions

42. Q. An official is offered a ticket from a 501(c)(3) organization to attend its fundraising event. The face value (price) of the ticket is \$500, and the ticket states that the tax deductible portion is \$350. If the official accepts the ticket, what must be reported?
- A. Nothing is required to be reported on the Form 700 so long as the ticket is provided directly by the 501(c)(3) organization for its own fundraising event and is used for the official's own attendance at the fundraiser. In this case, the ticket is deemed to have no value. The official may also accept a second ticket provided directly by the 501(c)(3) organization for his or her guest attending the event, without a reporting obligation by either the official or the guest.

43. Q. What if someone purchases a table at a non-profit fundraiser and offers an official a seat at the table?
- A. If another person or entity provides a ticket, it is a gift and subject to the gift limit. The value is the non-deductible portion on the ticket. If there is no declared face value, then the value is the pro-rata share of the food, catering service, entertainment, and any additional item provided as part of the event. The "no value" exception only applies if the official receives no more than two tickets for his or her own use directly from the 501(c)(3) organization and it is for the organization's fundraising event.
44. Q. A 501(c)(3) organization provides a ticket to an official for its fundraising event. The organization seats the official at a table purchased by a business entity. Does the official have to report the ticket?
- A. No. So long as the ticket is provided directly by the 501(c)(3) organization and is used for the official's own attendance at the fundraiser, the ticket is not reportable regardless of where the official is seated.
45. Q. An agency employee who holds a position designated in the conflict of interest code receives a ticket to a fundraiser from a person not "of the type" listed in the agency's code. Is the agency employee required to report the value?
- A. No. A ticket or any other gift may be accepted under these circumstances without limit or reporting obligations. Agencies must ensure the conflict of interest code adequately addresses potential conflicts of interests but not be so overbroad as to include sources that are not related to the employee's official duties.
46. Q. An official receives a ticket to attend a political fundraiser held in Washington D.C. from a federal committee. Is the official required to disclose the ticket as a gift, and is it subject to the gift limit?
- A. No. The value of the ticket is not a gift so long as the ticket is provided to the official directly by the committee holding the fundraiser and the official personally uses the ticket. (Regulation 18946.4.) Separate rules apply for travel provided to attend the fundraiser. Regulation 18950.3 covers issues on travel paid by or for a campaign committee.
47. Q. A political party committee is holding a political fundraiser at a golf course and a round of golf is included. If the committee provides an elected official a ticket, is the ticket reportable by the official?
- A. No, so long as the official uses the ticket for his or her own use. If someone other than the political party provides a ticket, the full cost of the ticket is a gift. The political party must report the total amount spent on the fundraiser on its campaign statement.
48. Q. If a business entity offers an official a ticket or a seat at a table that was purchased for a political fundraiser, what is the value?

- A. Because the ticket was not offered by the campaign committee holding the fundraiser, it is a gift to the official. The value is either the face value of the ticket or the pro-rata share of the food, catering services, entertainment, and any additional benefits provided to attendees.
49. Q. If an official attends an event that serves only appetizers and drinks, does the "drop-in" exception apply no matter how long the official stays or how many appetizers or drinks are consumed?
- A. No. The focus of the food and beverages "drop-in" exception is not on the nature of the event as a whole, but rather on the particular official's brief attendance and limited consumption. If an official attends an event that serves only appetizers and drinks, the "drop-in" exception would only apply if the official just "drops in" for a few minutes and consumes only a "de minimis" amount of appetizers and drinks. However, the "drop-in" exception does not automatically apply just because the event does not serve more than appetizers and drinks.
50. Q. An organization, which is not a 501(c)(3) organization, is holding a fundraiser at a professional sporting event. Tickets to this sporting event are sold out and it appears that tickets are only available at a substantially higher price than the stated face value amount of the ticket provided to the official by the organization. If the official attends the event, what is the value of the gift?
- A. The value is the face value amount stated on the ticket to the sporting event. This valuation rule applies to all tickets to such events that are not covered by a separate valuation exception, such as non-profit and political party fundraisers.
51. Q. An official receives a ticket to a fundraiser, and if accepted, the ticket will result in a reportable gift or a gift over the current gift limit. What are the options?
- A. The official may reimburse the entity or organization that provided the ticket for the amount over the gift limit (or pay down the value to under the \$50 gift reporting threshold if the official does not want to disclose the ticket). Reimbursement must occur within 30 days of receipt of the ticket. A candidate or elected official may use campaign funds to make the reimbursement if the official's attendance at the event is directly related to a political, legislative, or governmental purpose for the payment. A ticket that is not used and not given to another person is not considered a gift to the official.

Recognizing Conflicts of Interest

A Guide to the Conflict of Interest Rules of the Political Reform Act

Fair Political Practices Commission
August 2015



This guide is provided by the Fair Political Practices Commission (FPPC) as a general overview of a public official's obligations under the conflict of interest rules provided for in the Political Reform Act (the Act).¹ It is intended to help the user spot situations and issues that may give rise to a conflict. The guide will provide answers to some of the more common questions:

- What is a conflict of interest under the Act?
- Who must be vigilant about conflicts of interest?
- What precautions can be taken to prevent conflicts?
- A conflict of interest exists, what now?
- Where to go for help?

A word of caution - officials should not rely solely on this guide to ensure compliance with the Act, but should also consult the statutes of the Act, the FPPC's regulations, and if necessary, seek legal advice.

What is a conflict of interest under the Act?

In 1974, the voters enacted the Political Reform Act.² In adopting the Act, the voters recognized that conflicts of interest in governmental decision-making by public officials posed a significant danger.

"The people find and declare ...

- a) State and local government should serve the needs and respond to the wishes of all citizens equally, without regard to their wealth;
- b) Public officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them...."³

Under the Act, a public official will have a statutory conflict of interest with regard to a particular government decision if it is foreseeable that the outcome of the decision will have a financial impact on the official's personal finances or other financial interests.⁴ In such cases, there is a risk of biased decision-making that could sacrifice the public's interest in favor of the official's private financial interests. In fact, preventing conflicts of interest was of such vital importance to the voters that the Act not only prohibits actual bias in decision-making but also "seeks to forestall ... the appearance of possible improprieties."⁵

Who must be vigilant about conflicts of interest?

Public Officials: The reach of the Act’s conflict of interest rules is commonly misunderstood or understated. The Act applies to all “public officials,” which is defined as “every member, officer, employee or consultant of a state or local government agency.”⁶

It is universally recognized that certain elected public officials, such as city councilmembers, city managers and city attorneys, must refrain from decision-making where a conflict of interest exists. These persons hold high-level positions of trust in government. However, the Act’s conflict of interest prohibition reaches much further than high-level state and local officials. The Act’s conflict of interest disclosure and disqualification rules apply to thousands of local and state public employees and officials working throughout California.

The Public: The Act relies on individual citizens to monitor the decision-making of their elected and appointed representatives to identify whether they have a conflict of interest with respect to a specific decision. Much of the enforcement of the Act’s conflict of interest provisions is based on citizen complaints.⁷

What precautions can be taken to prevent conflicts of interest?

In order to prevent a conflict of interest, a public official should: 1) identify and fully disclose the financial interests that may cause a conflict; 2) understand the different types of financial interests that may be the basis for a conflict; and 3) consider whether the decision’s effect on the official’s financial interest is reasonably foreseeable and material. Each step is discussed in greater detail below.

1. Identify and fully disclose the financial interests that may cause a conflict.

Public Officials: The most important thing an official can do to comply with this law is to recognize the types of interests from which a conflict of interest can arise. By learning to recognize these interests, an official will be able to spot potential problems and seek help from the agency’s legal counsel or from the FPPC.

In fact, officials can take steps to protect themselves and the public from conflict of interest decisions well in advance of making a specific governmental decision. The Act requires that public officials annually disclose their financial interests on a Form 700 (Statement of Economic Interests). This is a requirement because the voters who enacted the law recognized that an important purpose of the Act was to ensure adequate disclosure:

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“Assets and income of public officials which may be materially affected by their official actions should be disclosed and in appropriate circumstances the officials should be disqualified from acting in order that conflicts of interest may be avoided.”⁸

The financial interests disclosed include many of the interests that form the basis for a conflict and require disqualification under the Act. No one has a conflict of interest under the Act on general principles or because of personal bias regarding a person or subject — conflicts under the Act are based on financial interests. By thoroughly completing the Form 700, the official is on notice of the type of financial interests he or she holds that may cause a conflict of interest. If the official has no interests that governmental decisions can financially affect, the official will not have a conflict of interest.

The Public: Requiring officials to publicly disclose their financial interests allows the general public to monitor an official’s conduct. In other words, any individual citizen can obtain a copy of the Form 700 filed by their local or state official to determine whether the official has a conflict of interest with respect to a specific decision. This serves as an important enforcement mechanism for the Act’s disqualification requirements.

2. Understand the different types of financial interests that may be the basis for a conflict.

There are five types of interests⁹ that may result in disqualification:

- *Business Investment, Employment or Management.* An official has a financial interest in a business entity in which the official, or the official’s spouse, registered domestic partner, or dependent children or an agent has invested \$2,000 or more.¹⁰ An official also has a financial interest in a business entity for which the official is a director, officer, partner, trustee, employee, or holds any position of management.
- *Real Property.* An official has a financial interest in real property in which the official, or the official’s spouse, registered domestic partner, or dependent children, or an agent has invested \$2,000 or more, and also in certain leasehold interests of terms of more than a month (excluding a month-to-month lease and leases for terms of less than a month).¹¹
- *Sources of Income.* An official has a financial interest in anyone, whether an individual or an organization, from whom the official has received (or from whom the official has been promised) \$500 or more in income within 12 months prior to the decision. A “source of income” includes a community property interest in the spouse’s or registered domestic partner’s income. Therefore, a person from

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whom the official's spouse or registered domestic partner receives income of \$1,000 or more, such that the official's community property share is \$500 or more, may also be a source of a conflict of interest.¹²

In addition, if the spouse, registered domestic partner or dependent children own 10 percent of more of a business, the official is considered to be receiving "pass-through income" from the business's clients. In other words, under such circumstances, the business's clients may be considered sources of income to the official as well.

- *Gifts.* An official has a financial interest in anyone, whether an individual or an organization, who has given gifts to the official that total \$460 or more¹³ within 12 months prior to the decision.
- *Personal Finances.* An official has a financial interest in decisions that affect the official's personal expenses, income, assets, or liabilities, as well as those of the official's immediate family. This is known as the "personal financial effects" rule.

Quick Tip:

Not all of the financial interests that may cause a conflict of interest are disclosed on a Form 700. A good example is an official's home. It is common for financial effects on an official's home to trigger a conflict of interest. Officials are not, however, required to disclose their home on the Form 700.¹

3. Consider whether the decision's effect on the official's financial interest is reasonably foreseeable and material.

The next steps all focus on the specific governmental decision in question. At the heart of deciding whether an official has a conflict of interest in a specific decision is determining whether an effect on the financial interest is reasonably foreseeable (might realistically happen or is too remote a possibility) and is material (financially important enough). Determining whether a decision's effects are foreseeable and material will depend on the nature of the specific decision and the relationship of the official's interest to the effects of the governmental decisions.

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IS IT REASONABLY FORESEEABLE?¹⁴

Is it a realistic possibility that the decision will actually affect the official's financial interest or is it too remote or theoretical? Two alternative tests answer this question depending on whether an interest is explicitly involved in a decision.

<p><u>An Interest is Explicitly Involved in a Decision If:</u></p> <ol style="list-style-type: none"> 1) The interest is a named party in or the subject of a governmental decision, or 2) The decision involves the issuance, renewal, approval, denial or revocation of any license, permit, or other entitlement to, or contract with, the interest, or 3) The decision affects the real property of the official as described in Regulation 18702.2(a)(1)-(6). 	<p style="text-align: center;"><u>Then</u></p> <p>It is reasonably foreseeable that the decision will have a material financial effect on the interest.</p>
<p><u>If Not Explicitly Involved in the Decision</u></p> <p>All other decisions, other than those above, are considered not explicitly involved in the decision.</p>	<p style="text-align: center;"><u>Then</u></p> <p>If an interest is not explicitly involved in a decision, the financial effect on the interest is reasonably foreseeable only if the effect can be recognized as a realistic possibility and more than hypothetical or theoretical. A financial effect need not be likely to be considered reasonably foreseeable. However, if the financial result cannot be expected absent extraordinary circumstances not subject to the public official's control, it is not reasonably foreseeable.</p>

Quick Tip:

For purposes of being vigilant to avoid conflict of interest decisions, keep the general rule in mind – if the financial effect can be recognized as a realistic possibility and more than hypothetical or theoretical, it is reasonably foreseeable.

IS IT MATERIAL?

The FPPC has adopted various rules (general and specific) for deciding what kinds of financial effects are important enough to trigger a conflict of interest. Generally, for each of the five interests set forth above, a separate materiality standard exists. The following charts reflect the materiality standards that apply to each type of interest.

Interests in Business Entities¹⁵

(Including investments in, employment or positions with, or income from business entities)

<p>If Business Explicitly Involved = Financial Effect Assumed to be Material</p>	<p>Not Assumed Material if Business Not Explicitly Involved</p>
<p>A material financial effect is assumed if the business:</p> <ol style="list-style-type: none"> 1) Initiates the proceeding by filing an application, claim, appeal, or request for other government action; 2) Offers to make a sale of a service or a product to the official's agency; 3) Bids on or enters into a written contract with the official's agency; 4) Is the named manufacturer in a purchase order of any product purchased by the official's agency or the sales provider of any products to the official's agency that aggregates to \$1,000 or more in any 12-month period; 5) Applies for a permit, license, grant, tax credit, exception, variance, or other entitlement that the official's agency is authorized to issue; 6) Is the subject of any inspection, action, or proceeding subject to the regulatory authority of the official's agency; or 7) Is otherwise subject to an action the official's agency takes, the effect of which is directed solely at the business entity in which the official has an interest. <p>NOTE: In all other circumstances, the business is considered not explicitly involved in the decision and the financial effect is not assumed to be material.</p>	<p>In all other cases, a financial effect is material <i>if</i> a prudent person with sufficient information would find it is reasonably foreseeable that the decision's financial effect would contribute to a change in the price of the entity's publicly traded stock, or the value of a privately-held business entity.</p>

Interests in Real Property¹⁶

NOTE: There are different materiality standards depending on whether it is an ownership or leasehold interest.

Ownership Interests in Real Property

<p>A material financial effect is assumed if...</p>	<p>The decision:</p> <ol style="list-style-type: none"> 1) Involves adopting or amending a general or specific plan, that includes the official's property; 2) Determines the property's zoning or rezoning, annexation or de-annexation, or inclusion in or exclusion from any city, county, district, or other local government subdivision, or other boundaries (other than a zoning decision applicable to all properties designated in that category); 3) Imposes, repeals, or modifies any taxes, fees, or assessments that apply to the property; 4) Authorizes the sale, purchase, or lease of the property; 5) Involves the issuance, denial or revocation of a license, permit or other land use entitlement authorizing a specific use of or improvement to the property or any variance that changes the permitted use of, or restrictions placed on it; <p>NOTE: For a financial effect resulting from a governmental decision regarding permits or licenses issued to the official's business entity when operating on the official's real property, the materiality standards under Regulation 18702.1 applicable to business entities would apply instead.</p> <ol style="list-style-type: none"> 6) Involves construction of, or improvements to, streets, water, sewer, storm drainage or similar facilities, and the property in which the official has an interest will receive new or improved services that are distinguishable from improvements and services that are provided to or received by other similarly situated properties in the official's jurisdiction or the official will otherwise receive a disproportionate benefit or detriment by the decision.
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Conflicts of Interest

<p>Unless it is nominal, inconsequential or insignificant, a material financial effect is also assumed if...</p>	<p>The decision:</p> <ol style="list-style-type: none"> 1) Changes the development potential of the real property; 2) Changes the income-producing potential of the real property; <p>NOTE: If the real property contains a business entity, including rental property, and the nature of the business entity remains unchanged, the materiality standards under Regulation 18702.1 applicable to business entities would apply instead.</p> <ol style="list-style-type: none"> 3) Changes the highest and best use of the parcel of real property in which the official has a financial interest; 4) Changes the character of the parcel of real property by substantially altering traffic levels or intensity of use, including parking, of property surrounding the official's real property parcel, the view, privacy, noise levels, or air quality, including odors, or any other factors that would affect the market value of the real property parcel in which the official has a financial interest; 5) Affects real property value located within 500 feet of the official's property line. However, if the real property is commercial property and contains a business entity, the materiality standards under Regulation 18702.1 applicable to business entities would apply instead;¹⁷ 6) Causes a reasonably prudent person, using due care and consideration under the circumstances, to believe that the governmental decision was of such a nature that its reasonably foreseeable effect would influence the market value of the official's property.
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Leasehold Interests in Real Property¹⁸

<p>A material financial effect is assumed if...</p>	<p>The decision:</p> <ol style="list-style-type: none"> 1) Changes the termination date of the lease; 2) Increases or decreases the potential rental value of the property; 3) Increases or decreases the rental value of the property, and official has right to sublease it; 4) Changes the official's actual or legally allowable use of the real property; or 5) Impacts the official's use and enjoyment of the real property.
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Sources of Income

NOTE: There are different standards depending if income is for goods and services or the sale of personal or real property.

Income Received for Goods and Services Provided in the Ordinary Course of Business, including a Salary¹⁹

<p>A material financial effect is assumed if...</p>	<p>The source of income is:</p> <ol style="list-style-type: none">1) A claimant, applicant, respondent, contracting party, or is otherwise named or identified as the subject of the proceeding;2) An individual and the individual will be financially affected under the standards applied to an official in Regulation 18702.5, or the official knows or has reason to know that the individual has an interest in a business entity or real property that will be financially affected under the standards applied to those financial interests in Regulation 18702.1 or 18702.2, respectively;3) A nonprofit that will receive a measurable financial benefit or loss, or the official knows or has reason to know that the nonprofit has an interest in real property that will be financially affected under the standards applied to a real property interest in Regulation 18702.2; or4) A business entity and the business will be financially affected under the standards applied to a business interest in Regulation 18702.1.
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Income from the Sale of Personal or Real Property of the Official or the Official's Spouse if Community Property²⁰

<p>A material financial effect is assumed if...</p>	<p>The official knows or has reason to know that the source of income:</p> <ol style="list-style-type: none">1) Is a claimant, applicant, respondent, contracting party, or is otherwise named or identified as the subject of the proceeding;2) Has an interest in a business entity that will be financially affected under the standards applied to a financial interest in Regulation 18702.1; or3) Has an interest in real property that will be financially affected under the standards applied to a financial interest in Regulation 18702.2.
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Sources of Gifts²¹

(Including Gifts from Individuals, Nonprofits, and Business Entities)

A material financial effect can be assumed if...	<p>The source is:</p> <ol style="list-style-type: none">1) A claimant, applicant, respondent, contracting party, or is otherwise named or identified as the subject of the proceeding;2) An individual who will be financially affected under the standards applied to an official in Regulation 18702.5, or the official knows or has reason to know that the individual has an interest in a business entity or real property that will be financially affected under the standards applied to those interests in Regulation 18702.1 or 18702.2, respectively;3) An nonprofit that will receive a measurable financial benefit or loss, or the official knows or has reason to know that the nonprofit has an interest in real property that will be financially affected under the standards applied to a financial interest in Regulation 18702.5; or4) A business entity will be financially affected under the standards in Regulation 18702.1.
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Interests in Personal Finances²²

(Including the Personal Finances of Immediate Family Members)

The financial effect is material if...	The official or the official's immediate family member will receive a measurable financial benefit or loss from the decision unless it is nominal, inconsequential, or insignificant.
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Quick Tip:

There are many rules and many exceptions (so numerous we can't discuss them all here). At a big picture level, remember:

- In most cases, if the financial interest is directly or explicitly involved in the decision, the materiality standard is met. This is because an interest that is directly or explicitly involved in a governmental decision presents a more obvious conflict.
- On the other hand, if the financial interest is not directly or explicitly involved, the materiality standard is generally based on a reasonable person standard.

4. Consider whether an exception applies.

Once an official has determined that he or she has a conflict of interest in a particular decision, the official can examine if an exception permits the official's participation despite the conflict. Not all conflicts of interest prevent the official from lawfully taking part in the government decision.

- *The Public Generally Exception:*²³ Even if an official otherwise has a conflict of interest, the official is not disqualified from the participating in the decision if the "public generally" exception applies. This public generally exception applies when the financial effect on a public official or the official's interests is indistinguishable from its effect on the public generally.

NOTE: The "public generally" exception must be considered with care. An official may not just assume that it applies. There are rules for identifying the specific segments of the general population with which the official must compare the official's financial interest, and specific rules for deciding whether the financial impact will uniquely affect the public official as compared to the public generally. Again, officials should contact their agency counsel or the FPPC concerning these specific rules.

- *Legally Required to Participate:*²⁴ Even if an official has a disqualifying conflict of interest, is the participation legally required? In certain rare circumstances, an official may be called upon to take part in a decision despite the fact that the official has a disqualifying conflict of interest. This "legally required participation" rule applies only in certain very specific circumstances in which the government agency would be paralyzed or unable to act. The FPPC or the agency's counsel must generally make this determination and will instruct the official on how to proceed.

A conflict of interest exists, what now?

Once an official determines that they have a conflict of interest and that an exception does not apply, the official must disqualify from all of the following:²⁵

- *Making the governmental decision.* A public official makes a governmental decision if the official authorizes or directs any action, votes, appoints a person, obligates or commits his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency.

Conflicts of Interest

- *Participating in making the governmental decision.* A public official participates in a governmental decision if the official provides information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review.
- *Influencing the governmental decision.* A public official uses his or her official position to influence a governmental decision if he or she: contacts or appears before (1) any official in his or her agency or in an agency subject to the authority or budgetary control of his or her agency for the purpose of affecting a decision; or (2) any official in any other government agency for the purpose of affecting a decision, and the public official acts or purports to act within his or her authority or on behalf of his or her agency in making the contact.

Certain officials (including city council members, planning commissioners, and members of the boards of supervisors) have a mandated manner in which they must disqualify from a decision.²⁶ They must publicly identify in detail the interest that creates the conflict, step down from the dais, and must then leave the room. The official must identify the interest following the announcement of the agenda item to be discussed or voted upon, but before either the discussion or vote commences.

If the decision is to take place during a closed session, the identification of the financial interest must be made during the public meeting prior to the closed session but is limited to a declaration that the official has a conflict of interest. The financial interest that is the basis for the conflict need not be disclosed. The official may not be present during consideration of the closed session item and may not obtain or review any nonpublic information regarding the decision.

There are limited exceptions that allow a public official to participate even when a conflict is present, such as participating as a member of the general public, speaking to the press, or discussing one's own governmental employment. The exceptions are limited and fact-specific, and may require advice from the agency's counsel or the FPCC.

Final thoughts

Generally speaking, here are the keys for public officials to meet their obligations under the Act's conflict of interest laws:

- Know the purpose of the law, which is to prevent biases, actual and apparent, that result from the financial interests of the decision-makers.
- Learn to spot potential trouble early. Understand which financial interests could give rise to a conflict of interest.

Conflicts of Interest

- Understand the “big picture” of the rules. For example, know why the rules distinguish between explicitly involved interests, and why the public generally exception exists.
- Realize the importance of the facts. Deciding whether an official has a disqualifying conflict of interest depends just as much - if not more - on the facts of the particular situation as it does on the law.
- Don't try to memorize all of the specific conflict of interest rules. The rules are detailed, and the penalties for violating them are significant. Rather, look the rules up or ask about the particular rules applicable to a given case.
- Ask for advice. It is available from the agency's legal counsel and from the FPPC.

Where to go for help?

Email Advice (informal)	advice@fppc.ca.gov
Written Advice (formal and informal)	Fair Political Practices Commission 428 J Street, Suite 620 Sacramento, CA 95814

Conflicts of Interest

¹ The Political Reform Act is contained in Government Code §§ 81000 - 91014, and all statutory references are to this code. The FPPC regulations are contained in §§ 18110 - 18997 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

² Enacted through Proposition 9 at the June 4, 1974 Primary Election.

³ § 81001.

⁴ § 87100.

⁵ *Witt v. Morrow* (1977) 70 Cal. App. 3d 817 at 822-823: "Morrow asserts it is unconstitutional to automatically disqualify a public official from participating in decisions which may affect the investments of an entity which pays him However, the whole purpose of the Political Reform Act of 1974 is to preclude a government official from participating in decisions where it appears he may not be totally objective because the outcome will likely benefit a corporation or individual by whom he is also employed."

⁶ § 82048.

⁷ § 83115.

⁸ § 81002(c).

⁹ § 87103.

¹⁰ Under § 87103, an official has an "indirect interest" in real property owned by a business entity or trust in which the official, the official's immediate family, or their agents own directly, indirectly, or beneficially a 10-percent interest or greater.

¹¹ § 82033.

¹² § 82030.

¹³ The Commission adjusts the gift threshold on January 1 of each odd-numbered year to reflect changes in the Consumer Price Index.

¹⁴ Regulation 18701.

¹⁵ Regulation 18702.1

¹⁶ Regulation 18702.2(a).

¹⁷ Particular facts can rebut this presumption depending on advice given by the FPPC.

¹⁸ Regulation 18702.2(b).

¹⁹ Regulation 18702.3(a).

²⁰ Regulation 18702.3(b).

²¹ Regulation 18702.4.

²² Regulation 18702.5.

²³ Regulation 18703.

²⁴ § 87101 and Regulation 18705.

²⁵ Regulation 18704.

²⁶ § 87105 and Regulation 18707 applicable to persons holding positions specified in § 87200.



Limitations and Restrictions on Gifts, Honoraria, Travel and Loans

A Fact Sheet For

- Local Elected Officers and Candidates for Local Elective Offices
- Local Officials Specified in Government Code Section 87200
- Judicial Candidates
- Designated Employees of Local Government Agencies

California Fair Political Practices Commission

Toll-free advice line: 1 (866) ASK-FPPC

Email advice: advice@fppc.ca.gov

Web site: www.fppc.ca.gov

January 2015

Introduction

The Political Reform Act¹ (the "Act") imposes limits on gifts, prohibits honoraria payments, and imposes limits and other restrictions on the receipt of travel payments received by:

- Local elected officers and other local officials specified in Government Code Section 87200,² excluding judges;³
- Designated employees of local government agencies (i.e., individuals required to file statements of economic interests under a local agency's conflict of interest code); and
- Candidates⁴ for any of these offices or positions and judicial candidates. (Sections 89502 and 89503.)

The Act also imposes limits and other restrictions on personal loans received by certain local officials.

This fact sheet summarizes the major provisions of the Act concerning gifts, honoraria, travel, and loans. You should not, however, rely on the fact sheet alone to ensure compliance with the Act. If you have any questions, contact the Fair Political Practices Commission at (866) 275-3772 or advice@fppc.ca.gov or visit our website at www.fppc.ca.gov. Commission advice letters are available on our website. You may also be subject to local restrictions on gifts, honoraria, or travel.

Enforcement

Failure to comply with the laws related to gifts, honoraria, loans, and travel payments may, depending on the violation, result in criminal prosecution and substantial fines, or in administrative or civil monetary penalties for as much as \$5,000 per violation or three times the amount illegally obtained. (See Sections 83116, 89520, 89521, 91000, 91004 and 91005.5.)

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Local officials specified in Government Code Section 87200 include: members of boards of supervisors and city councils, mayors, city/county planning commissioners, city/county chief administrative officers, city/county treasurers, district attorneys, county counsels, city managers, city attorneys, court commissioners and public officials who manage public investments.

³ The gift limits and honoraria ban in the Political Reform Act do not apply to a person in his or her capacity as judge. However, candidates for judicial offices are subject to the restrictions contained in the Political Reform Act. (Sections 89502 and 89503.)

⁴ For purposes of the gift limit and honoraria prohibition, you become a "candidate" when you file a statement of organization (Form 410) as a controlled committee for the purpose of seeking elective office, a candidate intention statement (Form 501), or a declaration of candidacy, whichever occurs first. If you are an unsuccessful candidate, you will no longer be subject to the gift limit and honoraria prohibition when you have terminated your campaign filing obligations, or after certification of election results, whichever is earlier. (Sections 89502(b) and 89503(b).)

Gifts

Limitations

If you are a local elected officer, a candidate for local elective office, a local official specified in Government Code Section 87200, or a judicial candidate, you may not accept gifts from any single source totaling more than \$460 in a calendar year. (Section 89503.)⁵

If you are an employee of a local government agency who is designated in the agency's conflict of interest code, you may not accept gifts from any single source totaling more than \$460 in a calendar year if you are required to report receiving income or gifts from that source on your statement of economic interests (Form 700). (Section 89503(c).)

What is a "Gift"?

A "gift" is any payment or other benefit provided to you that confers a personal benefit for which you do not provide payment or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public. (Section 82028.) (See Regulation 18946 for valuation guidelines.)

Except as discussed below, you have "received" or "accepted" a gift when you know that you have actual possession of the gift or when you take any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. This includes gifts that are accepted by someone else on the official's behalf and gifts made to others at the direction of the official. (Regulation 18941.)

Gifts to Family Members

Under certain circumstances, a gift to an official's family member* is considered a gift to the official. (Regulation 18943.) Anything given to a family member is presumed to be a gift to the official if: (1) there is no established relationship between the donor and the family member where it would generally be considered appropriate for the family member to receive the gift or; (2) the donor is someone who lobbies the official's agency, is involved in an action before the official's agency in which the official may foreseeably participate, or engages in business with the agency in which the official will foreseeably participate. (Wedding gifts are treated differently, see below.)

*For purposes of this rule, an official's "family member" includes the official's spouse; registered domestic partner; any minor child of the official who the official can claim as a dependent for federal tax purposes; and a child of the official who is aged 18 to 23 years old, attends school, resides with the official when not attending school, and provides less than one-half of his or her own support.

⁵ The gift limit is adjusted biennially to reflect changes in the Consumer Price Index. For 2015-2016, the gift limit is \$460. (Section 89503; Regulation 18940.2.) Gifts from a single source aggregating to \$50 or more must be disclosed, and gifts aggregating to \$460 or more during any 12-month period may subject an official to disqualification with respect to the source. (Section 87103(e).) Designated employees should obtain a copy of their conflict of interest code from their agency. Some conflict of interest codes require very limited disclosure of income and gifts. Gifts from sources that are not required to be disclosed on your Form 700 are not subject to the \$460 gift limit but still may subject you to disqualification.

Source of Gift

Under most circumstances, it is clear who the source of a gift is, but if the circumstances indicate that the gift is being provided by an intermediary, you must determine both the donor and the intermediary in reporting the gift. Regulation 18945 provides the rules for determining the source of the gift.

Gifts from Multiple Sources

In determining the cumulative value of any reportable gifts, separate gifts from an individual and an entity that the individual controls or where the individual directs the payment of the gift must be aggregated as one source in complying with the reporting and limit requirements. For example, separate gifts from J.R. Ewing and Ewing Oil Company would be treated as if from one source if J.R. owns more than a 50 percent interest in the company unless the making of the gift was determined by someone else in the company. In that case, the gift from Ewing Oil would be aggregated with any gifts made by that individual. (Regulation 18945.1.) Group gifts, where you received a single gift from multiple donors (such as a retirement gift from coworkers) need not be reported unless any person contributes \$50 or more to the total cost of the gift. In that case, you would only report each of those persons. (Regulation 18945.2.)

Valuation of Gifts

The general rule for determining the value of a gift is to apply the fair market value at the time the gift is received. Fair market value can be determined by finding any local or Internet advertisement for the item. Special exceptions to the fair market value rule are contained in Regulations 18946.1 through 18946.5 covering admission to ticketed and invitation-only events, wedding gifts, attendance at nonprofit and political fundraisers, and air travel. (Regulation 18946.) For example, for ticketed events, the value is the face value of the ticket.

General Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
No	No	No	No

1. Items that are returned (unused) to the donor, or for which you reimburse the donor, within 30 days of receipt. (Section 82028(b)(2); Regulation 18941.)
2. Items that are donated (unused) to a non-profit, tax-exempt (501(c)(3)) organization in which the official (or immediate family member) does not hold a position, or to a government agency, within 30 days of receipt without claiming a deduction for tax purposes. (Section 82028(b)(2); Regulation 18941.)
3. Gifts from your spouse (or former spouse), child, parent, grandparent, grandchild, brother, sister, current or former parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, unless he or she is acting as an agent or intermediary for another person who is the true source of the gift. (Section 82028(b)(3); Regulation 18942(a)(3).) This exception includes great grandparents, great uncles and aunts, great nieces and nephews, and first cousins once removed.
4. Informational material provided to assist you in the performance of your official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free admission or discounts to informational conferences or seminars.

"Informational material" may also include scale models, pictorial representations, maps, and other such items. However, if the item's fair market value is more than \$460, you have the burden of demonstrating that the item is informational. In addition, on-site demonstrations, tours, or inspections, including air flights over an area that is the subject of the information and designed specifically for public officials, are considered informational material. However, this exception does not apply to meals or lodging.

Furthermore, the exception generally does not apply to transportation to the site, except for any portion of the transportation that is not commercially available. (Section 82028(b)(1); Regulations 18942(a)(1) and 18942.1.)

5. A devise or inheritance. (Section 82028(b)(5); Regulation 18942(a)(5).)

6. Campaign contributions to an official, including rebates or discounts received in connection with campaign activities (Section 82028(b)(4); Regulations 18942(a)(4), 18950(a) and 18950.3(a)) and permissible expenditures of campaign funds for campaign-related expenses, including payments for transportation, lodging or food (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

7. Personalized plaques and trophies with an individual value of less than \$250. (Section 82028(b)(6); Regulation 18942(a)(6).)

8. Free admission to a ticketed event (including any benefits included in the price of the ticket such as a free meal) for the official and one guest at an event where the official performs a ceremonial role, such as throwing out the first pitch at a Dodgers' game, so long as the official's agency complies with the posting provisions set forth in Regulation 18944.1(d). (Regulation 18942(a)(13); Regulation 18942.3; also see discussion of Form 802 below under "Gifts Exceptions Requiring Alternate Reporting.")

9. Free admission, and food and nominal items (such as a pen, pencil, mouse pad, note pad or similar item) available to all attendees, at the event at which the official makes a speech (as defined in Regulation 18950(b)(2)), so long as the admission is provided by the person who organizes the event. (Regulation 18942(a)(11).)

10. Benefits received as a guest attending a wedding reception where the benefits are the same as those received by the other guests at the reception. (Regulation 18942(a)(15).)

11. Bereavement offerings, such as flowers at a funeral received in memory of a close family member. (Regulation 18942(a)(16).)

12. Benefits received as an act of neighborliness such as the loan of an item, an occasional ride, or help with a repair where the act is consistent with polite behavior in a civilized society and would not normally be part of an economic transaction between like participants under similar circumstances. (Regulation 18942(a)(17).)

13. Two tickets for admission, for use by only the official and one guest, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket(s) must be received from the organization or committee holding the fundraiser. (Regulation 18946.4.)

14. Passes or tickets that provide admission or access to facilities, goods, services, or other benefits (either on a one-time or repeated basis) that you do not use and do not give to another person. (Regulation 18946.1.)

15. Certain payments for travel as discussed below in the "Travel Payments Exceptions" section.

16. Subject to certain conditions, items provided to a government agency and used by officials in the agency for agency business. This may include passes or tickets to (see Regulation 18944.1) or payments for other types of items or activities (see Regulation 18944). An agency must disclose specified payments on a form provided by the FPPC and post the form on its website. (See discussion of Forms 801 and 802 below under "Gift Exceptions Requiring Alternate Reporting.") Contact the FPPC for detailed information.

17. Leave credits (e.g., sick leave or vacation credits) received under a bona fide catastrophic or emergency leave program established by your employer and available to all employees in the same job classification or position. Donations of cash are gifts and are subject to limits and disclosure. (Regulation 18942(a)(9).)

18. Food, shelter, or similar assistance received in connection with a disaster relief program. The benefits must be received from a governmental agency or charity and must be available to the general public. (Regulation 18942(a)(10).)

19. Items awarded in an employee raffle, received by the agency from an agency employee who is not acting as an intermediary for another donor. This exception applies when an agency holds an employee raffle and the item awarded in the raffle has been obtained with agency funds, or is otherwise an asset of the agency and not donated to the agency by a non-agency source. This exception does not apply to passes or tickets of the type described in Regulation 18944.1. (Regulation 18944.2(a) and (b).)

20. Items received by an employee during an employee gift exchange, so long as the items received are provided by another employee of the agency and the gifts are not substantially disproportionate in value. (Regulation 18944.2(c).)

Limited Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
No	No	No	No

1. Gifts of hospitality including food, drink or occasional lodging that an official receives in an individual's home when the individual or a member of his or her family is present. (Regulation 18942(a)(7).) For this exception to apply, the official must have a relationship, connection or association with the individual providing the in-home hospitality that is unrelated to the official's position and the hospitality must be provided as part of that relationship. Generally, this means functions like children's birthday parties, soccer team parties, neighborhood barbeques, etc., where other guests attend who are not part of the lobbying process. (Regulation 18942.2.)

2. Gifts commonly exchanged between an official and another individual on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are not substantially disproportionate in value. (Regulation 18942(a)(8)(A).)

3. Reciprocal exchanges between an official and another individual that occur on an ongoing basis so long as the total value of payments received by the official within the calendar year is not substantially disproportionate to the amount paid by the official and no single payment is \$460 or more. For example, if two people get together regularly for lunches and rotate picking up the lunch tab so that each pays approximately half the total value over the course of the calendar year, no gift need be reported. (Regulation 18942(a)(8)(B).)

4. Personal benefits commonly received from a dating partner. These gifts are not disclosable or limited but are subject to disqualification under the conflict of interest laws if the dating partner has certain business before the official as set forth in Regulation 18942(a)(18)(D). (Regulation 18942(a)(18)(A).)

5. Acts of Human Compassion. Assistance, financial or otherwise, to offset family medical or living expenses that the official can no longer meet without private assistance because of an accident, illness, employment loss, death in the family, or other unexpected calamity; or to defray expenses associated with humanitarian efforts such as the adoption of an orphaned child, so long as the source of the donation is an individual who has a prior social relationship with the official of the type where it would be common to provide such assistance, or the payment is made without regard to official status under other circumstances in which it would be common to receive community outreach. (Regulation 18942

(a)(18)(B).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

6. Benefits received from a long-time personal friend where the gift is unrelated to the official's duties. The exception does not apply if the individual providing the benefit to the official is involved in some manner with business before the official. (Regulation 18942(a)(18)(C).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

7. Benefits received from an individual where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made that the official makes or participates in the type of governmental decisions that may have a reasonably foreseeable material financial effect on the individual who would otherwise be the source of the gift. (Regulation 18942(a)(19).)

Gift Exceptions Requiring Alternate Reporting

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
Yes - As Income	Yes	No	No

A prize or award received in a bona fide contest or competition, or game of chance. **Note: Unlike the other exceptions, payments that fall into this exception must be reported as income if valued at \$500 or more.** To qualify for this exception the contest or competition must be unrelated to the official's duties. (Regulation 18942(a)(14).)

Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
Yes - On 801 or 802	No	No	No

The following exceptions are also applicable to payments made to a government agency that are used by officials in the agency under certain conditions to conduct agency business. These types of payments are not treated as gifts or income to the officials who use them, so long as the payments meet certain conditions and they are reported by the officials' agency. These reports must appear on either a Form 801 or Form 802, instead of the official reporting the items on a statement of economic interests (Form 700).

Form 801: This form covers gifts or donations made to an agency and used by one or more officials in the agency for agency business. This may include travel payments, reimbursements, or other uses by an official, but does not cover tickets or passes providing admission to an entertainment or sporting event, which are reported on the Form 802 (discussed below). If the payment meets the requirements of Regulations 18944 or 18950.1, the agency must report it on a Form 801 and the item is not reported on the individual's statement of economic interests (Form 700). (Regulations 18944 and 18950.1.)

Form 802: This form covers gifts or donations made to an agency that provide tickets or passes to an agency official for admission to an entertainment or sporting event. For the ticket or pass to be exempt from reporting on the individual's statement of economic interests (Form 700), the agency must have a written policy stating the public purpose for distribution of the tickets. The ticket or pass cannot be earmarked by the original source for use by a particular agency official and the agency must determine, in its sole discretion, which official may use the ticket or pass. (Regulation 18944.1.) The Form 802 is also used to report tickets provided for officials who perform a ceremonial role on behalf of the agency.

Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
Yes - Form 803 Behested Payment	No	No	No

Generally, payments made at the behest of an official that do not confer a personal benefit on an official such as those made by a third party to co-sponsor an event, or that are principally legislative, governmental or charitable in nature, are not gifts. However, when a local elected officer is making the behest, in some cases these payments may be considered "behested payments" under Section 82015(b)(2)(B)(iii) and (b)(3) and require disclosure by that elected officer.

Form 803: Behested payments are payments made principally for legislative, governmental, or charitable purposes. These payments are not for personal or campaign purposes. For example, a local elected official may ask a third party to contribute funds to a school in her district, or to a job fair or health fair. Generally, a donation will be "made at the behest" if it is requested, solicited, or suggested by the elected officer or member of the Public Utilities Commission, or otherwise made to a person in cooperation, consultation, coordination with, or at the consent of, the elected officer or PUC member. This includes payments behested on behalf of the official by his or her agent or employee. A behested payment does not include payments to an official from a local, state, or federal government agency for use by the official to conduct agency business. For example, free parking provided by a governmental entity to an official for agency business is not a behested payment and is not subject to reporting. Behested payments totaling \$5,000 or more from a single source in a calendar year must be disclosed by the official on a Form 803, which is filed with the official's agency within 30 days of the date of the payment(s). (Section 82015; Regulation 18215.3.)

Very Limited Gift Exception

Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
Yes - ½ value as gift	Yes	No	No

Wedding gifts are not subject to the \$460 gift limit. However, wedding gifts are reportable, but for purposes of valuing wedding gifts, one-half of the value of each gift is attributable to each spouse. (Regulation 18946.3.)

Honoraria

The Prohibition

Local officials specified in Section 87200 (see page 2) are prohibited from receiving any honoraria payments. Officials and employees of local agencies who file statements of economic interests (Form 700) under the agency's conflict of interest code ("designated employees") may not receive honoraria payments from any source if the employee would be required to report income or gifts from that source on the Form 700, as outlined in the "disclosure category" portion of the conflict of interest code. (Section 89502.)

What is an "Honorarium"?

An "honorarium" is any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering. An honorarium includes gift cards or any gift of more than nominal benefit provided in connection with an activity described above. An honorarium does not include items of nominal value such as a pen, pencil, note pad, or similar item. (Section 89501; Regulation 18932.4(e).)

A "speech given" means a public address, oration, or other form of oral presentation, including participation in a panel, seminar, or debate. (Regulation 18931.1.)

An "article published" means a nonfictional written work: 1) that is produced in connection with any activity other than the practice of a bona fide business, trade, or profession; and 2) that is published in a periodical, journal, newspaper, newsletter, magazine, pamphlet, or similar publication. (Regulation 18931.2.)

"Attendance" means being present during, making an appearance at, or serving as host or master of ceremonies for any public or private conference, convention, meeting, social event, meal, or like gathering. (Regulation 18931.3.)

The Act and Commission regulations provide certain exceptions to the prohibition on honoraria. (Section 89501(b); Regulations 18932 –18933.):

Honoraria Exceptions that also apply to gifts and income

1. An honorarium that you return (unused) to the donor or the donor's agent or intermediary within 30 days. (Section 89501(b); Regulation 18933.)
2. An honorarium that is delivered to the official's local agency within 30 days for donation to the agency's general fund and for which you do not claim a deduction for income tax purposes. (Section 89501(b); Regulation 18933.)
3. A payment that is not delivered to you but is made directly to a bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organization. However:
 - You may not make the donation a condition for your speech, article, or attendance;
 - You may not claim the donation as a deduction for income tax purposes;
 - You may not be identified to the non-profit organization in connection with the donation; and
 - The donation may have no reasonably foreseeable financial effect on you or on any member of your immediate family. (Regulation 18932.5.)

4. A payment received from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person. However, a payment that would be considered an honorarium is prohibited if one of these persons is acting as an agent or intermediary for someone else. (Regulation 18932.4(b).)

5. Any payment, unless specified otherwise, exempted under any of the "Gift Exceptions" listed above.

6. Payments received for a comedic, dramatic, musical, or other similar artistic performance, and payments received for the publication of books, plays, or screenplays. (Regulations 18931.1 and 18931.2.)

7. Reimbursements for reasonable travel expenses provided to you by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which you provide equal or greater consideration. The payment would also be exempt from the definition of income under Section 82030(b)(2). (See discussion under "Travel Payments" below.)

Honoraria Exceptions where the payment may still be considered income (or gifts, if consideration of equal or greater value is not provided by the official)

1. Free admission, and refreshments and similar non-cash nominal benefits, provided to an official during the entire event at which he or she gives a speech, participates in a panel or provides a similar service, and in-California transportation and necessary lodging and subsistence provided directly in connection with the speech, panel or service, including meals and beverages on the day of the activity. (Regulation 18932.4(e).)

2. Income earned and payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.)

This exception does not apply if the sole or predominant activity of the business, trade, or profession is making speeches. In addition, you must meet certain criteria to establish that you are conducting or in a bona fide business, trade, or profession (such as maintenance of business records, licensure, proof of teaching position) before a payment received for personal services which may meet the definition of honorarium would be considered earned income and not an honorarium. (Section 89501(b); Regulations 18932 –18932.3.) Earned income is required to be reported. Contact the FPPC for detailed information.

3. Travel payments provided to you by your government agency or by any state, local, or federal government agency which would be considered income and not a gift (i.e., payments for which you provide equal or greater consideration). (Section 89506(d)(2).) See discussion under "Travel Payments" below.

4. Certain payments for transportation, lodging, and subsistence are not considered honoraria but may be reportable as a gift or income and, if a gift, subject to the gift limit. (Sections 89501(c) and 89506.) See discussion under "Travel Payments" below.

Travel Payments Exceptions

Generally, when an official receives a payment (including reimbursement) for his or her travel, that payment is a reportable gift or income under the Act. The term "travel payment" includes payments, advances, or reimbursements for travel, including actual transportation, parking and related lodging and subsistence. (Section 89506(a).)

If the payment is a gift, it is also normally subject to the Act's \$460 gift limit. If the payment is income, it may, in some cases, be an honorarium. And whether a payment is a gift or income, the official may be required to disqualify him or herself from any decision that will have a foreseeable materially financial effect on the source.

Certain Travel Payments are not a Gift, Income or Honorarium

Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
No	No	No	No

The following travel payments are not a gift, income or honorarium under the Act and Commission regulations and are thus not reportable, potentially disqualifying, or subject to any of the Act's gift limits or the honorarium ban.

1. A payment for travel from a source that is not reportable on the official's statement of economic interests (Form 700) based on the provisions of the conflict of interest code of the official's agency.
2. A payment for travel from another local, state, or federal government agency and related per diem expenses when the travel is for education, training or other inter-agency programs or purposes. (Regulation 18950(a) and (c)(2).)
3. A payment for travel provided to the official in a vehicle or aircraft owned by another official or agency when each official is traveling to or from the same location for an event as a representative of their respective offices. (Regulation 18950(a) and (c)(3).)
4. Travel payments provided to the official by any state, local, or federal government agency as part of the official's employment with that agency or provided to the official by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which the official provides equal or greater consideration. (Section 82030(b)(2).) Any person who claims to have provided consideration has the burden of proving that the consideration received is of equal or greater value.
5. Travel for Official Agency Business (Regulation 18950.1). Certain payments made to an agency to cover the travel expenses of an employee who travels in the course of carrying out agency business are not gifts to the official because these payments do not provide a "personal benefit" to the official. For this exception to apply, the agency must report the payment on a Form 801 and the amount and purpose for using the payments are restricted by the provisions set forth in Regulation 18950.1.
6. A payment for travel that constitutes a campaign contribution to an official (Sections 82015, 82028(b)(4); Regulations 18215, 18942(a)(4), 18950(a) and 18950.3(a)), and permissible expenditures of campaign funds for campaign-related travel (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.
7. Payments made to a governmental entity for travel expenses that are required to fulfill the terms of a contract. Neither the governmental entity nor the public official has a reporting obligation because consideration has been provided. (Section 82028; *Raffo* Advice Letter, No. I-14-057.)

Certain Travel Payments are Reportable and may Subject the Official to Possible Conflicts of Interest, but are not Subject to the \$460 Gift Limit or Honoraria Ban of the Act.

Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
Yes	Yes	No	No

1. Travel Subject to Section 89506(a). Any payments for actual transportation expenses and related lodging and subsistence that are made for a purpose reasonably related to: (1) A legislative or governmental purpose, or (2) An issue of state, national, or international policy so long as the travel is either

(a.) In connection with a speech given by the official and the lodging and subsistence expenses are limited to the day immediately preceding, the day of, and the day immediately following the speech and the travel is within the United States, or

(b.) Provided by a government agency or authority, (including a foreign government), a bona fide public or private educational institution as defined in Section 203 of the Revenue and Taxation Code, or a nonprofit organization that qualifies under Section 501(c)(3) of the Internal Revenue Code or a foreign organization that substantially satisfies the criteria of that section.

These payments are still reportable on the Form 700 and may create a conflict of interest issue for the official.

Reporting	C/I § 87100	Honoraria Ban	\$460 Gift Limit
Yes - as Income	Yes	No	No

1. Payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.) **These payments may be reportable as income to the official.**

Loans

Personal loans received by certain local officials are subject to limits and other restrictions, and in some circumstances, a personal loan that is not being repaid or is being repaid below certain amounts may become a gift to the official who received it.

Limitations on Loans from Agency Officials, Consultants, and Contractors

If you are a local elected officer or an official specified in Section 87200 (see page 2), you may not receive a personal loan that exceeds \$250 at any given time from an officer, employee, member, or consultant of your government agency or an agency over which your agency exercises direction and control. (Section 87460(a) and (b).)

In addition, you may not receive a personal loan that exceeds \$250 at any given time from any individual or entity that has a contract with your government agency or an agency over which your agency exercises direction and control. This limitation does not apply to loans received from banks or other financial institutions, and retail or credit card transactions, made in the normal course of business on terms available to members of the public without regard to your official status. (Section 87460(c) and (d).)

Loan Terms Applicable Only to Elected Officials

In addition to the limitations above, if you are a local elected officer, you may not receive a personal loan of \$500 or more unless the loan is made in writing and clearly states the terms of the loan. The loan document must include the names of the parties to the loan agreement, as well as the date, amount, interest rate, and term of the loan. The loan document must also include the date or dates when payments are due and the amount of the payments. (Section 87461.)

The following loans are not subject to these limits and documentation requirements:

1. Loans received by an elected officer's or candidate's campaign committee.
2. Loans received from your spouse, child, parent, grandparent, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person unless he or she is acting as an agent or intermediary for another person not covered by this exemption.
3. Loans made, or offered in writing, prior to January 1, 1998. (Sections 87460 and 87461.)

Loans as Gifts

Under the following circumstances, a personal loan received by **any** public official (elected and other officials specified in Section 87200, as well as any other local official or employee required to file statements of economic interests) may become a gift and subject to gift reporting and limitations:

1. If the loan has a defined date or dates for repayment and has not been repaid, the loan will become a gift when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, the loan will become a gift if it remains unpaid when one year has elapsed from the later of:
 - The date the loan was made;
 - The date the last payment of \$100 or more was made on the loan; or
 - The date upon which you have made payments aggregating to less than \$250 during the previous 12 months. (Section 87462.)

The following loans will not become gifts:

1. A loan made to an elected officer's candidate's campaign committee. This loan would, however, be a campaign contribution. Consult the FPPC campaign manual for local candidates (Manual 2) for more details.
2. A loan described above on which the creditor has taken reasonable action to collect the balance due.
3. A loan described above on which the creditor, based on reasonable business considerations, has not undertaken collection action. (However, except in a criminal action, the creditor has the burden of proving that the decision not to take collection action was based on reasonable business considerations.)
4. A loan made to an official who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.
5. A loan that would not be considered a gift as outlined earlier in this fact sheet (e.g., loans from certain family members). (Section 87462.)