



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**FROM:** City Manager

**SUBJECT:** Adoption of Resolution Updating the Conflict of Interest Code to Reflect Current Organizational Structure and Authorized Positions

**MEETING DATE:** May 26, 2026

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### **RECOMMENDATION:**

1. Adopt a Resolution approving an amended Conflict of Interest Code reflecting the City's current organizational structure and authorized positions.
2. Authorize the City Manager to sign the amended 2026 Local Agency Biennial Notice.

### **BACKGROUND:**

The Political Reform Act of 1974 (Government Code Section 87300 et seq.) requires state and local government agencies to adopt and periodically review Conflict of Interest Codes. The Fair Political Practices Commission (FPPC) further requires that agencies update their codes to accurately reflect current organizational structures and designated positions. The City has not updated its Conflict of Interest Code in several years. Since the last amendment, the City's organizational structure and authorized positions have changed, necessitating an update to ensure continued compliance with the Political Reform Act.

Pursuant to FPPC Regulation 18750, the City initiated the amendment process by preparing a draft Conflict of Interest Code update and issuing a public Notice of Proposed Amendment. The Notice was made available to the public and City employees, and a 45-day public comment period was established beginning April 10, 2026, and ending May 25, 2026. The Notice included information regarding the availability of the proposed amendments, the process for submitting written comments, and the opportunity to request a public hearing. No public hearing was scheduled; however, the Notice provided that any interested person could request a public hearing no later than 15 days prior to the close of the comment period. No requests for a public hearing were received.

**ANALYSIS AND DISCUSSION:**

Staff conducted a comprehensive review of the City’s Conflict of Interest Code in conjunction with the City’s current authorized positions and organizational structure. This review included:

- Updating designated positions to reflect current departmental structure and reporting relationships;
- Standardizing classifications by functional role (e.g., managers, supervisors, analysts, and other decision-making positions);
- Removing obsolete or reclassified positions; and
- Assigning disclosure categories that are narrowly tailored to the duties of each designated position, consistent with FPPC requirements.

The proposed amendments ensure that all positions that make or participate in governmental decisions that may have a material financial effect are properly designated and subject to appropriate disclosure requirements. The 45-day public comment period concluded on May 25, 2026. All procedural requirements for amending a Conflict of Interest Code under the Political Reform Act and applicable FPPC regulations have been satisfied. The proposed Resolution and appendices reflect the final version of the amended Code.

**FISCAL IMPACT:**

There is no immediate fiscal impact associated with approving and amending the Conflict of Interest Code.

**ATTACHMENTS:**

- A. Resolution
- B. Appendix A
- C. Appendix B
- D. Appendix C
- E. Appendix D

Respectfully Submitted by: Ernie Hernandez, City Manager  
Recommended by: Pat Jacquez-Nares, Interim City Clerk  
Reviewed by: Alvaro Castellon, Finance Director  
Reviewed by: Noel Tapia, City Attorney