



## ITEM 8

Executive Staff

Richard Stensrud  
Chief Executive Officer

Vacant  
Chief Investment Officer

Robert L. Gaumer  
General Counsel

Kathryn T. Regalia  
Chief Operations Officer

John W. Gobel, Sr.  
Chief Benefits Officer

**For Agenda of:**  
August 17, 2016

August 12, 2016

**TO:** President and Members  
Board of Retirement

**FROM:** Robert L. Gaumer  
General Counsel

**SUBJECT:** Amendment to Conflict of Interest Code

### **Recommendation:**

1. Adopt the proposed Amendment to the Conflict of Interest Code (Resolution attached).
2. Authorize the General Counsel to submit the Resolution to the Board of Supervisors for its review and approval as the Code Reviewing Body.

### **Background:**

Under the California Political Reform Act (Government Code §81000 et seq.) all public agencies are required to adopt a conflict of interest code, and to periodically review the Code to insure that it stays up to date.

The Code is required to include three primary elements:

- a. Terms of the Code. Provisions regarding disclosure requirements, restrictions on participation in making governmental decisions, etc. The Fair Political Practices Commission ("FPPC") recommends that local agencies incorporate its Regulation 18730 for this element, including any changes adopted by the FPPC from time to time. Accordingly, the Code will automatically be updated regarding any regulatory changes in the substantive law. As a refresher for your Board, a copy of California Code of Regulations §18730 is attached as Exhibit A. You will note that the annual review

documents that Staff distributes to your Board regarding gifts, travel, honoraria and Form 700 requirements are simply plain language summaries of §18730.

- b. Designated Positions. A list of positions within the organization that make or participate in making decisions, such as voting on matters, negotiating contracts, and making recommendations to the Board. Basically, the positions that will be required to file Form 700. Note: Certain positions are required to file Form 700 because they are specifically designated in Government Code §87200 or are determined to manage the investment of public funds (so-called "Code filers).

In addition, since 2000 the FPPC has made it clear that certain outside consultants, such as investment managers and the investment consultant are required to be included as designated positions.

- c. Disclosure Categories. A description of the types of investments, interests in real property, sources of income and business positions that particular designated positions are required to disclose.

The Code adopted by a local agency is required to have its Code, or any amendment, reviewed and approved by its Code Reviewing Body before the Code or amendment will become effective (Government Code §87303). The Board of Supervisors is the Code Reviewing Body for SCERS.

SCERS last amended its Conflict of Interest Code in 2010 (copy attached as Exhibit B). Since that time SCERS has added staff positions, and redefined the duties of other positions, so that there are now persons occupying additional positions who may participate in the making of governmental decisions.

**Discussion:**

The proposed resolution will amend the SCERS Conflict of Interest Code in accordance with its terms, subject to the review and approval of the Board of Supervisors. I recommend approval.

Respectfully submitted,

Concur:

Robert L. Gaumer  
General Counsel

Richard Stensrud  
Chief Executive Officer

Attachments

# Exhibit A

2 CCR § 18730

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq . The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq .

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.<sup>1</sup>

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.<sup>2</sup>

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided

the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of as-

suming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property<sup>3</sup> is required to be reported,<sup>4</sup> the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,<sup>5</sup> the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, <sup>6</sup> the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$460.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$460 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to [subdivisions \(c\), \(d\), \(e\), \(f\), and \(g\) of Section 4 of Article VII of the Constitution](#) shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to [subdivisions \(c\), \(d\), \(e\), \(f\), and \(g\) of Section 4 of Article VII of the Constitution](#) shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's 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 persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her 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, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, 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, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of \$100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$460 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

# Exhibit B



Executive Staff  
Richard Stensrud  
Chief Executive Officer  
James G. Line  
General Counsel  
Kathryn T. Regalia  
Chief Operations Officer  
John W. Gobel, Sr.  
Chief Benefits Officer

## SCERS Conflict of Interest Code

Under the California Political Reform Act (Government Code §81000 et seq.) all public agencies are required to adopt a conflict of interest code, and to periodically review the Code to insure that it stays up to date.

The Code is required to include three primary elements:

- a) Terms of the Code. Such substantive provisions as those regarding disclosure requirements, restrictions on participation in making governmental decisions, etc. The Fair Political Practices Commission ("FPPC") recommends that local agencies incorporate its Regulation 18730 for this element, including any changes adopted by the FPPC from time to time. Accordingly, the Code will automatically be updated regarding any regulatory changes in the substantive law.
- b) Designated Positions. A list of positions within the organization that make or participate in making decisions, such as voting on matters, negotiating contracts, and making recommendations to the Board. Basically, the positions that will be required to file Form 700. Note: certain positions are required to file Form 700 because they are specifically designated in Government Code §87200 or are determined to manage the investment of public funds (so-called "Code filers"). In addition, since 2000 the FPPC has made it clear that certain outside consultants, such as investment managers and the investment consultant are required to be included as designated positions.
- c) Disclosure Categories. The Code adopted by a local agency is required to have its Code, or any amendment, reviewed and approved by its Code Reviewing Body before the Code or amendment will become effective (Government Code §87303). The Board of Supervisors is the Code Reviewing Body for SCERS.

Amendment to SCERS Conflict of Interest Code has been approved by SCERS Board on February 18, 2010.

RESOLUTION NO. SCERS 2010-03

RESOLUTION OF THE BOARD OF RETIREMENT  
OF THE SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
TO AMEND THE CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act, Government Code Sections 81000, et. seq., requires every local agency to adopt a conflict of interest code; and,

WHEREAS, the Board last amended its conflict of interest code on October 19, 2000 ("current conflict of interest code"); and,

WHEREAS, the current conflict of interest code was approved by the Board of Supervisors as code reviewing body on December 5, 2000; and,

WHEREAS, it is necessary to amend the current conflict of interest code in order to add certain designated positions required to disclose financial interests in accordance with specified disclosure categories;

NOW, THEREFORE BE IT RESOLVED that the current conflict of interest code is amended, as follows:

The provisions of 2 Cal. Adm. Code Section 18730 (copy attached), as amended from time to time by the California Fair Political Practices Commission ("FPPC"), together with the appendices A and B attached hereto designating positions and applicable disclosure categories, respectively, are hereby adopted and incorporated by reference as the Conflict of Interest Code for the Sacramento County Employees' Retirement System ("SCERS").

Persons holding designated positions shall file statements of economic interest (Form 700) with SCERS, which shall retain copies of such statements, and forward the originals of such statements to the County Clerk as filing officer.

This conflict of interest code shall be effective upon approval by the Sacramento County Board of Supervisors in its capacity as code reviewing body.

On motion made by Member Kelly, Seconded by Member Wolford-Landers, the foregoing Resolution was passed and adopted by the Board of the Sacramento County Employees' Retirement System this 18th day of February, 2010, by the following vote:

AYES: DeVore, Kelly, Hickox, Johnson, O'Neil, Wolford-Landers, Woods

NOES: None

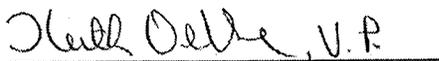
ABSTAIN: None

ABSENT: Diepenbrock, Norris

ATTEST:



Secretary of the Board of the  
Sacramento County Employees'  
Retirement System



President of the Board of the  
Sacramento County Employees'  
Retirement System

## APPENDIX A

### DESIGNATED POSITIONS

Persons occupying the following positions are designated as persons who must disclose financial interests as specified under categories described in Appendix B:

<u>POSITION</u>	<u>DISCLOSURE CATEGORY</u>
Assistant Retirement Administrator(s)	All categories
General Counsel	All categories
Investment Officer(s)	All categories
Retirement Services Manager	Category 3
Accounting Manager	Category 3
*Consultants	All categories

\*The Chief Executive Officer may determine in writing that a particular consultant performs a range of duties that is limited in scope, and is therefore not required to comply, in whole or in part, with the disclosure requirements described in this code. Such written determination shall include a description of the consultant's duties and, based upon that description, a determination of the extent of disclosure required, if any. The determination is a public record, and shall be retained for public inspection in the same manner and location as this conflict of interest code.

**Note:** The following positions, although not designated in this Conflict of Interest Code, are required to file Form 700 as "public officials who manage public investments" under Government Code Section 87200 ("Code Filers"):

Members of the Retirement Board  
Chief Executive Officer  
Chief Investment Officer

## APPENDIX B

### DISCLOSURE CATEGORIES

#### CATEGORY 1

All interests in real property required to be disclosed by the FPPC in Form 700, but also including any interest in real property in which SCERS has an investment, whether direct or indirect.

#### CATEGORY 2

All investments, business positions and sources of income, including gifts, loans and travel payments, required to be disclosed by the FPPC in Form 700.

#### CATEGORY 3

All investments, business positions, and sources of income, including gifts, loans and travel payments, involving persons or business entities that provide, or may offer to provide, goods and services to SCERS, for which a person holding a designated position may participate in the making of a contract for such goods or services.

Resolution No. SCERS 2016-07

**RESOLUTION NO. SCERS 2016-07**

**RESOLUTION OF THE BOARD OF RETIREMENT  
OF THE SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM  
TO AMEND THE CONFLICT OF INTEREST CODE**

WHEREAS, the Political Reform Act, Government Code Sections 81000, et. seq., requires every local agency to adopt a conflict of interest code; and,

WHEREAS, your Board last amended its conflict of interest code on February 18, 2010 ("current conflict of interest code"); and,

WHEREAS, the current conflict of interest code was approved by the Board of Supervisors as code reviewing body; and,

WHEREAS, it is necessary to amend the current conflict of interest code in order to add certain designated positions required to disclose financial interests in accordance with specified disclosure categories;

NOW, THEREFORE BE IT RESOLVED that the current conflict of interest code is amended, as follows:

The provisions of 2 Cal. Adm. Code Section 18730 (copy attached), as amended from time to time by the California Fair Political Practices Commission ("FPPC"), together with the appendices A and B attached hereto designating positions and applicable disclosure categories, respectively, are hereby adopted and incorporated by reference as the Conflict of Interest Code for the Sacramento County Employees' Retirement System ("SCERS").

Persons holding designated positions shall file statements of economic interest (Form 700) with SCERS, which shall retain copies of such statements, and forward the originals of such statements to the County Clerk as filing officer.

This conflict of interest code shall be effective upon approval by the Sacramento County Board of Supervisors in its capacity as code reviewing body.

On motion made by Member \_\_\_\_\_, Seconded by Member \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of the Sacramento County Employees' Retirement System this 17th day of August, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
President of the Board of the  
Sacramento County Employees'  
Retirement System

ATTEST:

\_\_\_\_\_  
Secretary of the Board of the  
Sacramento County Employees'  
Retirement System

## APPENDIX A

### DESIGNATED POSITIONS

Persons occupying the following positions are designated as persons who must disclose financial interests as specified under categories described in Appendix B:

<u>POSITION</u>	<u>DISCLOSURE CATEGORY</u>
Assistant Retirement Administrator(s)	All categories
General Counsel	All categories
Investment Officer(s)	All categories
Retirement Services Manager	Category 3
Senior Accounting Manager	Category 3
Accounting Manager	Category 3
*Consultants	All categories

\*The Chief Executive Officer may determine in writing that a particular consultant performs a range of duties that is limited in scope, and is therefore not required to comply, in whole or in part, with the disclosure requirements described in this code. Such written determination shall include a description of the consultant's duties and, based upon that description, a determination of the extent of disclosure required, if any. The determination is a public record, and shall be retained for public inspection in the same manner and location as this conflict of interest code.

**Note:** The following positions, although not designated in this Conflict of Interest Code, are required to file Form 700 as "public officials who manage public investments" under Government Code Section 87200 ("Code Filers"):

Members of the Retirement Board  
Chief Executive Officer  
Chief Investment Officer

## **APPENDIX B**

### **DISCLOSURE CATEGORIES**

#### **CATEGORY 1**

All interests in real property required to be disclosed by the FPPC in Form 700, but also including any interest in real property in which SCERS has an investment, whether direct or indirect.

#### **CATEGORY 2**

All investments, business positions and sources of income, including gifts, loans and travel payments, required to be disclosed by the FPPC in Form 700.

#### **CATEGORY 3**

All investments, business positions, and sources of income, including gifts, loans and travel payments, involving persons or business entities that provide, or may offer to provide, goods and services to SCERS, for which a person holding a designated position may participate in the making of a contract for such goods or services.