

**PAJARO VALLEY HEALTH CARE DISTRICT  
NOTICE OF INTENTION TO ADOPT A  
CONFLICT OF INTEREST CODE**

**NOTICE IS HEREBY GIVEN** that the Board of Directors of the **Pajaro Valley Health Care District** intends to adopt a Conflict of Interest Code pursuant to Government Code Section 87300.

A conflict of interest code designates those employees, members, officers and consultants who make or participate in the making of governmental decisions which may affect their financial interests, who must disclose those interests in financial disclosure statements, and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

Any interested person may be present electronically and comment at the public meeting or may submit written comments concerning the proposed amendment. No public hearing on this matter will be held unless an interested person or his or her representative requests a public hearing no later than March 24, 2024, 15 days prior to the close of the written comment period. Any comments or inquiries should be directed to the attention of Rosie Brown, Clerk of the Board at [Rosalie\\_Brown@watsonvillehospital.com](mailto:Rosalie_Brown@watsonvillehospital.com). Written comments must be submitted no later than April 8, 2024 at 5:00 p.m.

Copies of the proposed Code may also be obtained from the Board Clerk at [Rosalie\\_Brown@watsonvillehospital.com](mailto:Rosalie_Brown@watsonvillehospital.com).

CONFLICT OF INTEREST CODE  
PAJARO VALLEY HEALTH CARE DISTRICT

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The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the **Pajaro Valley Health Care District.**

Individuals holding designated positions shall file their statements of economic interests with the **District**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.)

# Appendix – Part A

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## OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

The following positions are NOT covered by the conflict-of-interest code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

District Board Member  
Chief Executive Officer  
Chief Financial Officer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

## DESIGNATED POSITIONS

Position	Disclosure Categories
District Board Member	1, 2
Chief Executive Officer	1, 2
Chief Financial Officer	1, 2
District Legal Counsel	1, 2
District Treasurer	1, 2
Consultants/New Position	*

\*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitations:

The Chief Executive Officer may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’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. (Gov. Code Sec. 81008.)

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 Chief Executive Officer  
 Chief Financial Officer~~

~~An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political~~

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~~Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.~~

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Appendix – Part B

**DISCLOSURE CATEGORIES**

Category 1: An individual holding a designated position in this category must report investments, business positions in business entities and income (including receipt of gifts, loans and travel payments) from sources of the type to provide:

- medical/health care treatment, facilities, services, products, equipment, machines
- medical insurance products and services
- and other products and services utilized (or planned to be utilized) by the District including telecommunications and information technology, janitorial, and legal.

The medical/health care sources include the full range of products and services including: medical providers, hospitals, pharmaceutical products/facilities, transportation companies and consultants.

Category 2: An individual holding a designated position in this category must report interests in real property within 2,000 feet from property owned or used by the District or that may be acquired by the District for its use.

CATEGORY 1. An individual holding a designated position in this category shall disclose:

Investments and business positions in business entities, and income, including loans, gifts, and travel payments, from sources that provide services, supplies, materials, machinery, or equipment of the type to be utilized by the District.

CATEGORY 2. An individual holding a designated position in this category shall disclose:

Interests in real property within the boundaries of the District that are used by the District or are of the type that could be acquired by the District as well as real property within two miles of the property used or the potential site.

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# PAJARO VALLEY HEALTH CARE DISTRICT

## EXPLANATION OF DESIGNATION OF POSITIONS AND THE ASSIGNMENT OF DISCLOSURE REQUIREMENTS

Pursuant to Government Code sections 87300 and 87303, as well as 2 California Code of Regulations section 18750.1, the Pajaro Valley Health Care District (the "District") has proposed its initial Conflict of Interest Code (the "Code"). The Code must designate those employees, members, officers, and consultants who make or participate in the making of decisions which may foreseeably have a material effect on a financial interest and are therefore, subject to the disclosure and disqualification requirements of the Code.

The Code must also set forth Disclosure Categories to be assigned to the designated positions requiring individuals holding each position to disclose personal interests that may be affected by the exercise of the individual's duties.

Below is an explanation of the specific designations, their disclosure requirements and the requirements of the Disclosure Categories created.

### "OFFICIALS WHO MANAGE PUBLIC INVESTMENTS"

The District has delineated those primary officials determined to fall under the definition of "Officials Who Manage Public Investments" as required by the Fair Political Practices Commission (the "FPPC"). The Code does not establish disclosure requirements for these officials as specified in Gov. Code Section 87200.

The positions meeting the definition of "Officials Who Manage Public Investments" have full disclosure requirements under Section 8720 and are as follows:

**Members, Board of Directors and their Alternates:** The Board is the primary body responsible for "formulating or approving investment policies," a pivotal component of the management of public funds. [§18700.3]. Therefore, it has been determined that the Members of the Board of Directors and their Alternates meet the definition of "officials who manage public investments." Pursuant to Section 18700.3, these officials are subject to the conflict-of-interest provisions of the Political Reform Act (the "Act") and have full disclosure responsibilities.

**Chief of Executive Director:** The Executive Director is the primary Officer responsible to and who works with the Board in "formulating or approving investment policies," and "approving or establishing guidelines" for asset allocations. This position is also the primary Officer responsible for "directing" and/or "approving" investment transactions and requirements. These are all the critical elements in the management of public funds. [§18700.3]. Therefore, it has been determined that this Officer meets

the definition of "officials who manage public investments." Pursuant to Section 18730(b)(3), this official is subject to the conflict of interest provisions of the Act and has full disclosure responsibilities.

**Chief Financial Officer.** The Chief Financial Officer is an Officer responsible to and who works with the Board in "formulating or approving investment policies," and "approving or establishing guidelines" for asset allocations. This position is an Officer responsible for "directing" and/or "approving" investment transactions and requirements. These are all the critical elements in the management of public funds. [§18700.3]. Therefore, it has been determined that this Officer meets the definition of "officials who manage public investments." Pursuant to Section 18730(b)(3), this official is subject to the conflict of interest provisions of the Act and has full disclosure responsibilities.

**Investment Consultant:** This generic position has been added to cover contracting with consultants that specifically advise in portfolio development and investments, or fall under other elements of the definition of the "management of investments."

### **“DESIGNATED POSITIONS”**

The District's list of Designated Positions specifically enumerates all positions within the District which make or participate in the making of District decisions which may foreseeably have a material effect on that position's financial interests.

Disclosure Categories have been assigned to the Designated Positions on a narrow basis in relation to their official duties with the District to prevent requiring over disclosure.

Positions that, by virtue of their positions, are involved in all facets of District operations have been assigned Categories 1 and 2 indicating "full disclosure" requirements. Likewise, positions having narrower involvement and/or responsibilities with the District have been assigned more limiting disclosure requirements based on the duties of the position. (See Explanation of Types of Disclosure Categories, below.)

Currently, the District has very few positions creating its structure.

#### **General Counsel - 1, 2**

Added with full disclosure. This position is involved in a broad range of District decisions too numerous and varied to narrow.

#### **Consultants and New Positions**

Consultants is a generic designated position to cover any contracted positions not specifically designated meeting the definition of Consultant under the Political Reform Act and required to file disclosure statements because they may make, participate in making or influence decisions, as defined.

New Positions covers any newly created positions for interim filing requirements pending amendment of the Code.



Consultants and New Positions have specific language appended to them indicating that these positions have full disclosure responsibilities unless specifically narrowed or waived, in writing, by the Executive Director, based on their duties and placed on file with the District's Filing Officer. Identification of New Positions and Consultants will be done on FPPC Forms 804 and 805, respectively, and place on file with the District's Filing Officer.

## **EXPLANATION OF DISCLOSURE CATEGORIES**

Disclosure Categories identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property which the Designated Employee must disclose for each disclosure category to which he or she is assigned.

The District cannot require a Designated Position to over-disclose. Disclosure Categories must be designed and assigned **depending on the duties and responsibilities of the position held**. Therefore, five Disclosure Categories have been designed to be assigned to the various designated positions listed in Part "A" of the Appendix to the proposed Code. This list of Disclosure Categories provides flexibility in the application of the various Categories to the different designated positions but are narrow enough so as not to require over-disclosure by a Designated Position or Consultant.

### **ASSIGNMENT OF DISCLOSURE CATEGORIES:**

**Category 1** requires the disclosure of reportable investments, business positions, and sources of income in the jurisdiction of the District.

**Category 2** requires the disclosure of reportable interests in all real property (not including personal residence) located in the jurisdiction of the District (or within 2 miles thereof).

The assignment of Categories 1 and 2 means the Designated Position has full disclosure requirements of reportable interests that own real property, are located in, do business in or have done business in the District's jurisdiction in the past two years of filing a statement. These Categories are usually assigned to General Counsel, and other very broad decision-makers whose responsibilities are too broad to be narrowed and warrant full disclosure. These are also the disclosure requirements provided Consultants, as defined, and New Positions if not narrowed in writing as described above, in Forms 804 and 805.