



CITY OF CORONADO

CITY COUNCIL STAFF REPORT

Introduction and First Reading of an Ordinance Amending the Coronado Municipal Code Regarding Conflict of Interest, and Adoption of Resolutions Identifying State-Mandated Ethics and Fiscal Training Rosters

RECOMMENDATION

Introduce and conduct the first reading of Ordinance 2026-01 amending Chapter 1.20, Section 1.20.060, Section 1.20.070 (A-P), and Section 1.20.080 (A-B) of Title 1 of the Coronado Municipal Code regarding conflict of interest and adopt resolutions 2026-18 and 2026-19, identifying officials and employees required to complete ethics and fiscal training, respectively.

BACKGROUND

The Political Reform Act of 1974 was established to ensure that state and local officials act with integrity and do not prioritize personal economic interests in their official capacities. This law requires public officials to disclose financial interests that may be affected by governmental decisions. Under Government Code Section 87100, local officials are prohibited from making, participating in, or influencing any decision in which they have a known financial interest. The city's Conflict of Interest Code identifies the specific officials subject to these requirements and requires disclosure via Statement of Economic Interest - Form 700. State law mandates that the city review and amend this code no later than October 1 of every even-numbered year.

Recently, Senate Bill 827 significantly expanded these requirements by broadening the scope of mandatory ethics training under Assembly Bill 1234 to include all department heads and similar administrative officers across all types of local agencies. Additionally, this new legislation establishes a first-of-its-kind mandatory fiscal and financial training requirement for local agency officials, which the state legislature deemed a matter of statewide concern following reports of fiscal mismanagement in various jurisdictions. The dual training structure ensures that those who manage public funds or exercise regulatory authority possess a foundational understanding of both ethical obligations and fiduciary responsibilities.

ANALYSIS

The proposed ordinance introduces amendments to Title 1 of the Coronado Municipal Code, specifically revising Section 1.20.060 regarding Department Positions, Section 1.20.070 regarding Boards, Commissions, and Committees, and Section 1.20.080 regarding consultants. These modifications ensure the code reflects the adopted budget and personnel outlined in the Personnel Authorization and Compensation Plan (PACP).

To implement the updated state requirements, staff recommends adopting two accompanying resolutions to manage the mandated training rosters. Resolution 2026-18 identifies the officials and administrative officers required to complete ethics training, while Resolution 2026-19 designates the individuals required to receive fiscal and financial training. Structuring these rosters as resolutions rather than codifying them in the municipal code gives the City Clerk's Department greater administrative flexibility to accommodate personnel changes and title updates over time. If directed, staff can return to repeal the relevant sections of city code and reintroduce them as resolutions, either now or at the next scheduled update in 2028. Copies of all pertinent resolutions will be posted online. These rosters will be reviewed biennially in

conjunction with the conflict of interest review cycle to ensure continued accuracy.

The individuals designated for training include those responsible for managing public resources, exercising regulatory authority, or influencing city financial policy. Under state law, these officials must complete at least two hours of each training every two years. The City Clerk will track compliance and maintain these certifications as public records for five years. Additionally, the city must post instructions on its website by July 1, 2026, explaining how the public can request these training records.

FISCAL IMPACT

The fiscal impact of adding a fiscal and financial training component to NetFile, the City's e-filing service, is \$1,000 annually. Funding for this cost has been incorporated into the department's budget.

ALTERNATIVE

The City Council may decline any or all of the proposed amendments and provide further direction to staff.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

This action is not subject to CEQA.

PUBLIC NOTICE

In lieu of publication of the ordinance in its entirety, the City Clerk will publish a summary of the ordinance a minimum of five days prior to adoption, and again within 15 days after adoption of the ordinance. No public notice of the resolutions is required.

ATTACHMENTS

1. Proposed Redline Changes to Municipal Code
2. Ordinance 2026-01
3. Resolution 2026-18, Identifying Positions Required to Take Ethics Training (AB 1234)
4. Resolution 2026-19, Identifying Positions Required to Fiscal/Financial Training (SB 827)

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