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2015 "Wine Region of the Year"

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August 1, 2018

Hon. Linda Lofthus, Presiding Judge
San Joaquin County Superior Court
180 East Weber Avenue Room 1306J
Stockton, CA 95202

RE: **Response to the San Joaquin County Grand Jury Report titled "San Joaquin County Municipality Ethics Policies 2017-2018 Case No. 0917"**

Dear Judge Lofthus:

The City of Lodi has reviewed the follow-up report to the 2017-2018 San Joaquin County Grand Jury Case No. 0917, regarding the City of Lodi's lack of a requirement that executive management staff participate in biannual AB 1234 training. The Council has seriously considered Grand Jury finding F5.1 and the accompanying Grand Jury recommendation applicable to the City of Lodi, discussed the same with its professional staff and pursuant to Penal Code section 933.05, submits its comments as set forth below.

As required by Penal Code section 933(c), the Council's comments were approved at the Council's regularly scheduled meeting of August 1, 2018.

Finding F5.1: *The ethics policy for the City of Lodi does not cover the city manager, city attorney, city clerk or subordinate employees not represented by a bargaining unit. These officials require the same guidelines as elected officials to ensure they are acting ethically.*

City Response: Lodi agrees with this finding in part and disagrees in part. Lodi agrees that in general appointed officials should be held to the same ethical standard as elected officials. Indeed Lodi and its executive management team are bound by state law ethics rules that form the basis of ethics practices above and beyond the requirements of any local ordinance and are the product of California's Fair Political Practices Act. Our executive management team is required to review their Fair Political Practices Commission Form 700 and file the same annually. The form 700 contains an extensive discussion of ethics requirements that must be reviewed to accurately fill out the form. The state Legislature enacted AB 1234 in 2006 which required Council Members and Board Members who receive reimbursement or pay to receive biennial training on state ethics laws. AB 1234 explicitly left it up to municipalities to determine whether executive team members should be included in the biennial training. As such there is no legal requirement that executive management team members receive the training. That is not to say that it is not a good practice to require AB 1234 training and in Lodi under its current City Manager, executive management staff have been required to attend the AB 1234 ethics training session that the City Manager and City Attorney present to our

Council and Commissions. Council agrees that formalizing that policy is a good practice and will revise its AB 1234 Policy to require the Executive Management Team to receive biennial AB 1234 ethics training

Recommendation R5.1: *By October 31, 2018, The Lodi City Council develop and adopt an ethics policy that governs the city management team.*

City Response: As discussed above State ethics law and AB 1234 already govern the City executive management team. However the City did not include AB 1234's option to require biennial training of the Executive Management Team in its AB 1234 policy. City will amend its AB 1234 training policy to require biennial training of the executive management team by October 31, 2018.

The City thanks the Grand Jury for its engagement and review of ethics practices in San Joaquin County and appreciates the opportunity to respond to the report. Please feel free to contact us if you have any further questions.

Respectfully,

Alan Nakanishi
Mayor

c: Stephen Schwabauer, City Manager
       Jennifer M. Ferraiolo, City Clerk
       Janice D. Magdich, City Attorney