

# State of California



## Fair Political Practices Commission

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Technical Assistance •• Administration •• Executive/Legal •• Enforcement  
(916) 322-5662 322-5660 322-5901 322-6441

May 6, 1985

Margaret Mang  
Vista Del Mar Union  
School District  
Route 1, Box 268  
Goleta, CA 93117

Re: Your Request for Advice  
Our File No. A-85-082

Dear Mrs. Mang:

Thank you for your request for advice concerning your duties under the conflict of interest provisions of the Political Reform Act.<sup>1/</sup>

On January 9, 1985, I wrote a letter to Mr. Don Vickers, Deputy County Counsel for the County of Santa Barbara advising him that due to your financial interest in Texaco, you are prohibited from participating in basic decisions of the Board of Trustees of the Vista Del Mar Union School District concerning the school relocation plan and the processing facility construction plan. You have informed us that the Board of Trustees has stated its intention to work with the oil companies on a school relocation plan, and to move the school if a safe, suitable, new location can be found.

The Board of Trustees is currently involved in selecting the new school site. The Board of Trustees also wishes to hire an architect and to begin developing a plan for a new school facility. The Board of Trustees is forming a committee of community members, district staff, and one or two board members to work with the architect in designing the new school.

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<sup>1/</sup> Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated.

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Your first question is whether it is a conflict of interest for you to serve as a member of the school design committee.

In my previous letter I stated that Texaco is a source of income to you (Section 87103(c)), that you must disqualify yourself from participating in any decision which would have a reasonably foreseeable material financial effect on Texaco, and that an effect of \$100,000 or more on Texaco's annualized gross revenues was considered material. Before I answer your specific questions, it is important to inform you that the Commission has recently adopted a new regulation, 2 Cal. Adm. Code Section 18702.2, which changes the monetary guidelines for determining a material financial effect on a business entity. The recently adopted regulation provides that, for a company the size of Texaco, the effect of a decision will be considered material if it could result in Texaco experiencing any of the following: (1) an increase or decrease of \$1,000,000 or more in the gross revenues for the fiscal year, (2) an increase or decrease in expenses for a fiscal year in the amount of \$250,000 or more, or (3) an increase or decrease of \$1,000,000 or more in the value of assets or liabilities.

These monetary guidelines apply with regard to your participation on the school design committee. The Political Reform Act does not prevent you from serving on the committee; however, you may not participate in decisions which could increase or decrease Texaco's share of expenses by \$250,000 or more. The Board of Trustees has already made the basic decision that if a safe site can be found, it will agree to the relocation of the school and construction of a new school facility at the expense of the oil companies. The school design committee would make proposals regarding the specific type of facility to construct, and could be faced with various decisions which could increase or decrease Texaco's share of expenses for the construction of the new school facility.

If, for example, there is a proposal that the new school facility include a large physical education and recreation facility, as opposed to a more standard gym, and the cost of building the large physical education and recreation facility would be at least \$250,000 more than to build a standard gym, you may participate in the decision on that proposal only if Texaco's share of the cost would be less than \$250,000. Therefore, because several oil companies are bearing the cost of the new school facility, you would be required to learn from Texaco the portion of the costs of the new school facility it has agreed to incur. However, if, for example, you are faced with a decision to build either an auditorium or a multi-purpose

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room, and the difference in cost between the two facilities is less than \$250,000, it is clear that the effect of the decision on Texaco would be less than \$250,000 regardless of the portion of the costs Texaco has agreed to incur.

On the telephone, you mentioned that the school district was considering hiring an architect to design the new facility. The cost of the architect's services may be borne by Texaco and the other oil companies. If, for example, the school district is considering which of several architects to hire, you generally may participate in the decision. You must disqualify yourself only in the unlikely event that the difference in cost, to Texaco, of the district choosing one architect instead of another would be \$250,000 or more. In contrast, if the district is considering whether or not it should hire any architect at the expense of the oil companies, you may participate in the decision only if Texaco's share of the cost of the architect's services would be less than \$250,000.

You also inquired about your ability to participate in the decision regarding the selection of the school site. The board has identified five possible sites, and is proceeding with evaluations of the safety of those sites in accordance with criteria established by the State Department of Education. If, for example, only two sites are evaluated as safe sites, and the school district is confronted with the decision to choose one of those sites, you may participate in that decision if Texaco's share of the difference in cost of the sites would be less than \$250,000. However, if the school district is considering whether either of the two proposed sites is suitable, and could potentially reject both sites as unsuitable, thereby threatening the ability of the oil companies to construct the oil processing facility, the decision would be critical to the progress of the construction of the oil processing facility and one from which you must disqualify yourself, regardless of the difference in price of the two potential sites.

If you have any further questions, please contact me at (916) 322-5901.

Very truly yours,

*Kathryn E. Donovan*

Kathryn E. Donovan  
Counsel  
Legal Division

KED:plh



March 28, 1985

**Shalee C. Kelly**  
Principal/Superintendent

Dear Community Members,

After having somewhat of a hiatus from the oil issue in January and February, the Board is now back in the "thick of it."

Chevron approached the Board on March 11th with a potential site for the school relocation. That meeting was adjourned to, and continued on March 14th, and the Board and Chevron and many interested parents went on a "site walk." We looked at Chevron's site, referred to as the "Smith property" (which actually consists of two sites, one upper shelf and one lower shelf). We also looked at a site east of there, between Canada de Guillermo and Arroyo Hondo, and a site at Las Cruces. After visiting these sites, the Board asked Chevron to attend our March 18th meeting with additional information on all the sites.

At the March 11th meeting, the Board made a motion indicating it would be working with Chevron on a relocation plan. In essence, the Board's intention is to move the school if a safe, suitable, new location can be found.

At the March 18th meeting, a motion was made to get a site analysis done on each of the five potential sites that have now been identified. (The three sites the Board previewed and the two sites brought before the Board at the March 18th meeting.) After a site analysis is completed, the State Board of Education, School Facilities Planning Department, will look at them and tell us which are acceptable or not acceptable, according to State guidelines.

A motion was also made to begin the process of hiring an architect. It is felt that the architect we choose should be in on the "ground floor" of the project.

The Board is also very interested in forming a committee of community members, staff, and a board member or two, to begin developing a plan for what we want in the way of a new school facility. This committee would work closely with the architect in designing the new school. This will be a lengthy process and serving on the

**Board Members**

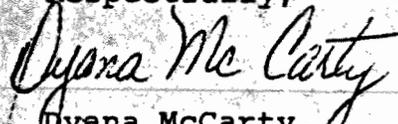
Bob Isaacson • Debbie Tautrim • Margaret Mang • Dyana McCarty • Bob Hazard

committee will mean a commitment of many hours of your time. Please contact the school if you are interested. Any person living in the district is welcome to participate on the committee, or to give input to the project. Written suggestions will go to the committee for consideration. The idea is to get as much input from as big a cross-section of the community as possible.

If you are a community member who does not have children at the school and you would like to be notified of Board Meetings, please call the school and ask to be put on the mailing list. You must renew this request annually.

We urge all of those who can to attend the meetings. Things are starting to happen and the best way to stay informed is to be there when they happen. If you can't make it, remember that all of the board members welcome hearing from you on all school matters. Please feel free to call, or even better, write to the Board.

Respectfully,

  
Dyana McCarty,  
Board President