

1 KENDALL L.D. BONEBRAKE  
Chief of Enforcement  
2 ALEX J. ROSE  
Senior Commission Counsel  
3 **FAIR POLITICAL PRACTICES COMMISSION**  
1102 Q Street, Suite 3050  
4 Sacramento, CA 95811

5 Telephone: (279) 237-3752  
6 Email: arose@fppc.ca.gov

7 Attorneys for Complainant

8  
9 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**  
10 **STATE OF CALIFORNIA**

11 In the Matter of:

12 MELANIE BAGBY,

13 Respondent.

FPPC Case No. 2025-00594

STIPULATION, DECISION AND ORDER

14 Date Submitted to Commission:  
15 March 19, 2026

16 **INTRODUCTION**

17 Respondent Melanie Bagby (“Bagby”) is a former member of the Cloverdale City Council (the  
18 “City Council”) from 2016 to 2024. Bagby also served on the Sonoma Clean Power Board of Directors  
19 (the “Board”) from 2018 to 2024. Bagby and their husband are the owners of Sirius Mobile Solutions  
20 (“SMS”), an IT contract service. SMS received \$1,200 from TLCD Architecture (“TLCD”) between the  
21 dates of March 31 and August 17 of 2020. Further, SMS received \$8,584 from Ross Recreation  
22 Equipment (“Ross”) between the dates of January 3 and April 13 of 2023.

23 The Political Reform Act<sup>1</sup> (“Act”) and Section 1090 prohibit officials from making, participating  
24 in making, or attempting to influence governmental decisions and contracts in which the official knows  
25 or has reason to know they have a financial interest. Bagby made governmental decisions and contracts  
26 on the City Council and Board. On November 5, 2020, Bagby, as a Board member, voted to provide

27  
28 <sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014, and all statutory  
references are to this code. The regulations of the Fair Political Practice Commission are contained in Sections 18104 through  
18998 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

1 additional authority to the CEO to execute a third amendment to the contract with TLCD, in violation of  
2 Sections 87100 and 1090. On April 26, 2023, Bagby, as a City Councilmember, adopted a Resolution  
3 amending the FY2022-23 Budget and authorized the City Manager to execute a contract with Ross, in  
4 violation of Sections 87100 and 1090.

## 5 SUMMARY OF THE LAW

6 The Act and its regulations are amended from time to time. All legal references and discussions  
7 of law are intended to be citations to statutes and regulations as they existed at the time of the violations  
8 in this case.

### 9 **Need for Liberal Construction and Vigorous Enforcement of Conflict-of-Interest Laws**

10 When enacting the Political Reform Act, the people of California found and declared that  
11 previous laws regulating political practices suffered from inadequate enforcement by state and local  
12 authorities.<sup>2</sup> For this reason, the Act is to be construed liberally to accomplish its purposes.<sup>3</sup>

13 A central purpose of the Act is to ensure the assets and income of public officials which may be  
14 materially affected by their official actions be disclosed, and in appropriate circumstances, the officials  
15 be disqualified from acting in order that conflicts of interest may be avoided.<sup>4</sup> Another purpose of the  
16 Act is to provide adequate enforcement mechanisms so the Act will be “vigorously enforced.”<sup>5</sup>

17 In 2013, the Legislature approved AB 1090, granting the Fair Political Practices Commission (the  
18 “Commission”) jurisdiction to commence administrative action against an officer or person prohibited by  
19 Section 1090 from making or being interested in contracts.<sup>6</sup> The Commission shall not have jurisdiction  
20 to commence such an administrative action except upon written authorization from the district attorney  
21 of the county in which the alleged violation occurred.<sup>7</sup> In regard to this determination, this decision  
22 applies only to proceedings brought by the Commission and this decision is not admissible in any  
23  
24  
25

---

26 <sup>2</sup> Section 81001, subd. (h).

27 <sup>3</sup> Section 81003.

28 <sup>4</sup> Section 81002, subd. (c).

<sup>5</sup> Section 81002, subd. (f).

<sup>6</sup> Section 1097.1. See also Stats. 2013, Ch. 650, Sec. 5. (AB 1090).

<sup>7</sup> Section 1097.1, subd. (b).

1 proceeding other than a proceeding brought by the Commission.<sup>8</sup> An administrative action shall be  
2 commenced no more than five years after the date on which the violation occurred.<sup>9</sup>

### 3 **Prohibited Conflict of Interest Under Section 1090**

4 Government Code section 1090 states, “Members of the Legislature, state, county, district,  
5 judicial district, and city officers or employees shall not be financially interested in any contract made  
6 by them in their official capacity, or by any body or board of which they are members...” Courts have  
7 interpreted Section 1090 broadly, as the purpose of this conflict of interest provision is to ensure no  
8 divided loyalties by those who serve the public. “An important, prophylactic statute such as Section  
9 1090 should be construed broadly to close loopholes; it should not be constricted and enfeebled.”<sup>10</sup>

10 The prohibition applies to various government officials, including independent contractors. Also,  
11 the prohibition applies to the making of contracts. It is not necessary for the prosecution to show that the  
12 official participated personally in the execution of the questioned contract. It is enough to show that the  
13 official, regardless of his job classification, had the opportunity to, and did, influence execution directly  
14 or indirectly to promote his personal interests. This may be shown by the official’s involvement with  
15 respect to one or more of the following activities, which are embodied in the making of a contract:  
16 planning, discussions, reasoning, preparation of plans/specifications, solicitation of bids, negotiations,  
17 compromises, give and take, etc. Such involvement is in violation of Section 1090 if the resulting  
18 contract causes government business to go to an entity or person in which the official has an interest.<sup>11</sup>

19 The statute is more concerned with what *might* have happened than with what *actually*  
20 happened; Section 1090 prohibits even the *appearance* of impropriety.<sup>12</sup>

21 Section 1090 protects the *actual* integrity of the public treasury – as well as the *perceived*  
22 integrity. “As a result, liability – even criminal liability – can accrue without ‘actual fraud, dishonesty,  
23

---

24 <sup>8</sup> Section 1097.1, subd. (d).

25 <sup>9</sup> Section 1097.2, referencing Section 91000.5.

26 <sup>10</sup> *Carson Redevelopment Agency v. Padilla*, 140 Cal. App. 4th 1323, 1334 (2006); see also *Stigall v. City of Taft*, 58  
27 Cal. 2d 565, 569071 (1962) (Section 1090 is “concerned with any interest, other than perhaps a remote or minimal interest,  
28 which would prevent the officials from exercising absolute loyalty and undivided allegiance to the best interests of the city.”)

<sup>11</sup> See *People v. Sobel* (1974) 40 Cal.App.3d 1046, 1051-53; *People v. Superior Court (Sahlolbei)* (2017) 3 Cal.5th  
230, 239-40; and *City of Imperial Beach v. Bailey* (1980) 103 Cal.App.3d 191, 194-97.

<sup>12</sup> *Thorpe v. Long Beach Cmty. College Dist.* (2000) 83 Cal.App.4th 655, 660; *City of Imperial Beach v. Bailey*,  
*supra*, 103 Cal.App.3d at p. 197.

1 unfairness or loss to the governmental entity.”<sup>13</sup>

2 Under Section 1090, prohibited financial interests are not limited to express agreements and need  
3 not be proven by direct evidence. Rather, forbidden interests include indirect interests and future  
4 expectations of profit (or loss) by express or implied agreement, which may be inferred from the  
5 circumstances. Any financial interest not explicitly excluded by the Legislature (in Sections 1091 and  
6 1091.5) as too “remote or minimal” is sufficient to incur even criminal liability.<sup>14</sup>

### 7 **Conflicts of Interest Under Section 87100**

8 A public official at any level of state or local government shall not make, participate in making,  
9 or in any way attempt to use their official position to influence a governmental decision<sup>15</sup> in which the  
10 official knows or has reason to know the official has a financial interest.<sup>16</sup> A public official has a  
11 financial interest in a decision if it is reasonably foreseeable that the decision will have a material  
12 financial effect, distinguishable from its effect on the public generally, on: any business entity in which  
13 the public official has a direct or indirect investment worth at least \$2,000;<sup>17</sup> or any source of income<sup>18</sup>  
14 amounting to a total of at least \$500 received by the public official within 12 months before the decision  
15 is made.<sup>19</sup>

16 In 2020 and 2023, there were four steps to determine whether a public official had a conflict of  
17 interest in a governmental decision under the Act.<sup>20</sup>

#### 18 **Reasonable Foreseeability**

19 First, for a conflict to exist under the Act, it must have been reasonably foreseeable that the  
20 governmental decision would have a financial effect<sup>21</sup> on the public official’s financial interests.<sup>22</sup> For a

---

21 <sup>13</sup> See *People v. Superior Court (Sahlolbei)*, *supra*, 3 Cal.5th at p. 239 – citing *People v. Honig* (1996) 48 Cal.App.4th  
22 289, 314.

23 <sup>14</sup> See *People v. Honig*, *supra*, 48 Cal.App.4th at p. 315; and *People v. Superior Court (Sahlolbei)*, *supra*, 3 Cal.5th at  
24 p. 239.

25 <sup>15</sup> “Governmental decision” means any action taken by a government agency that has a financial effect on any person  
26 other than the governmental agency making the decision. (Regulation 18700, subd. (c)(4).)

27 <sup>16</sup> Section 87100.

28 <sup>17</sup> Section 87103, subd. (a); Regulation 18700, subd. (c)(6)(A).

<sup>18</sup> Income of an individual also includes a pro rata share of any income of any business entity in which the individual  
owns a 10% interest or greater. (Section 82030.)

<sup>19</sup> Section 87103, subd. (c); Regulation 18700, subd. (c)(6)(C).

<sup>20</sup> Regulation 18700, subd. (d).

<sup>21</sup> “Financial effect” means an effect that provides a benefit of monetary value or provides, prevents, or avoids a  
detriment of monetary value. (Regulation 18700, subd. (c)(5).)

<sup>22</sup> Regulation 18700, subd. (d)(1).

1 financial interest explicitly involved in a decision, a financial effect on a financial interest is presumed  
2 to be reasonably foreseeable if the financial interest is a named party in, or the subject of, a  
3 governmental decision before the official or the official's agency.<sup>23</sup> A financial interest is the subject of  
4 a proceeding if the decision involves the issuance, renewal, approval, denial or revocation of any  
5 license, permit, or other entitlement to, or contract with, the financial interest.<sup>24</sup>

### 6 **Materiality**

7 Second, the reasonably foreseeable financial effect must be material.<sup>25</sup> The reasonably  
8 foreseeable financial effect of a governmental decision on an official's financial interest in a business  
9 entity or in a source of income is material if the entity or source is a named party in, or the subject of,  
10 the decision.<sup>26</sup>

### 11 **Public Generally Exception**

12 Third, the material financial effect on the public official's financial interest must not be  
13 indistinguishable from its effect on the public generally.<sup>27</sup> A governmental decision's financial effect on  
14 a public official's financial interest is indistinguishable from its effect on the public generally if the  
15 official establishes that a significant segment of the public is affected and the effect on the official's  
16 financial interest is not unique compared to the effect on the significant segment.<sup>28</sup> The burden of proof  
17 is on the official to prove this affirmative defense.

### 18 **Governmental Decision**

19 Fourth, the public official must have made, participated in making, or attempted to use their  
20 official position to influence a governmental decision.<sup>29</sup> A public official makes a governmental  
21 decision if the official authorizes or directs any action, votes, appoints a person, obligates or commits  
22 the official's agency to any course of action, or enters into any contractual agreement on behalf of the  
23 official's agency.<sup>30</sup>

---

24 <sup>23</sup> Regulation 18701, subd. (a).

25 <sup>24</sup> *Id.*

26 <sup>25</sup> Regulation 18700, subd. (d)(2).

27 <sup>26</sup> Regulation 18702.1, subd. (a)(1); Regulation 18702.3, subd. (a)(1).

28 <sup>27</sup> Regulation 18700, subd. (d)(3).

<sup>28</sup> Regulation 18703, subd. (a).

<sup>29</sup> Regulation 18700, subd. (d)(4).

<sup>30</sup> Regulation 18704, subd. (a).

1 **SUMMARY OF THE FACTS**

2 Cloverdale is a city in Sonoma County with a population of 8,996 according to the 2020 U.S.  
3 Census. The City Council has five members who are elected to serve four-year terms. Sonoma Clean  
4 Power (“SCP”) is a not-for-profit public agency based in Santa Rosa. SCP offers its customers clean  
5 energy solutions that enhance quality of life while helping solve climate change. SCP is governed by the  
6 SCP Authority and the Board is made up of local representatives from participating cities throughout  
7 Sonoma and Mendocino Counties.

8 At all relevant times, Bagby and their husband were the owners of SMS, an IT contract service.

9 **Governmental Decision - TLCD**

10 On November 5, 2020, Bagby, as a Board member, voted to provide additional authority to the  
11 CEO to execute a third amendment to the contract with TLCD (the “TLCD Contract”) for the Advanced  
12 Energy Center. Specifically, the amendment authorized additional services of TLCD for up to \$99,100.  
13 According to records received from Bagby, SMS received \$1,200 from TLCD in the 12 months prior to  
14 the November 5, 2020 decision.

15 **Conflict of Interests Analysis - TLCD**

16 Under the Act, there is a violation of the conflict of interest provisions when a public official  
17 makes a governmental decision in which it is reasonably foreseeable that the decision would have a  
18 material financial effect on any of the official’s financial interests that is not indistinguishable from its  
19 effect on the public generally.

20 First, it was reasonably foreseeable that the approval of the TLCD Contract would have a  
21 financial effect on TLCD. TLCD is explicitly involved in the governmental decision because it is a  
22 named party to the TLCD Contract. Therefore, the financial effect on TLCD is presumed to be  
23 reasonably foreseeable.

24 Second, the reasonably foreseeable financial effect is material. TLCD, a source of income to  
25 SMS, is explicitly involved in the governmental decision because TLCD is a named party to the TLCD  
26 Contract. Therefore, the reasonably foreseeable financial effect is material.

27 Third, there was no evidence that the reasonably foreseeable material financial effect on TLCD  
28 was indistinguishable from the effect on the public generally.

1 Fourth, on November 5, 2020, Bagby voted to approve the TLCD Contract and SMS received  
2 \$1,200 from TLCD in the 12 months preceding the decision.

3 Additionally, Section 1090 prohibits public officials from being financially interested in any  
4 contract made by them in their official capacity. Here, Bagby, as a Board member, voted to approve the  
5 TLCD Contract at a time when Bagby was financially interested in TLCD since TLCD was a source of  
6 income to Bagby.

7 Based on the foregoing, Bagby had a conflict of interest under both Sections 87100 and 1090 with  
8 respect to the November 5, 2020, governmental decision involving TLCD.

9 **Governmental Decision - Ross**

10 On April 26, 2023, Bagby, as a City Councilmember, adopted a Resolution amending the  
11 FY2022-23 Budget and authorized the City Manager to execute a contract (the “Ross Contract”) and any  
12 change orders with Ross, authorizing a project budget of \$45,811 for the purchase of 17 park benches  
13 and two trash cans. According to records received from Bagby, SMS received \$8,584 from Ross in the  
14 12 months prior to the decision.

15 **Conflict of Interests Analysis – Ross**

16 Under the Act, there is a violation of the conflict of interest provisions when a public official  
17 makes a governmental decision in which it is reasonably foreseeable that the decision would have a  
18 material financial effect on any of the official’s financial interests that is not indistinguishable from its  
19 effect on the public generally.

20 First, it was reasonably foreseeable that the approval of the Ross Contract would have a financial  
21 effect on Ross. Ross is explicitly involved in the governmental decision because it is a named party to the  
22 Ross Contract. Therefore, the financial effect on Ross is presumed to be reasonably foreseeable.

23 Second, the reasonably foreseeable financial effect is material. Ross, a source of income to SMS,  
24 is explicitly involved in the governmental decision because Ross is a named party to the Ross Contract.  
25 Therefore, the reasonably foreseeably financial effect is material.

26 Third, there was no evidence that the reasonably foreseeable material financial effect on Ross was  
27 indistinguishable from the effect on the public generally.

1 Fourth, on April 26, 2023, Ross voted to approve the Ross Contract and SMS received \$8,584  
2 from Ross in the 12 months preceding the decision.

3 Additionally, Section 1090 prohibits public officials from being financially interested in any  
4 contract made by them in their official capacity. Here, Bagby, as a City Councilmember, voted to  
5 approve the Ross Contract at a time when Bagby was financially interested in Ross since Ross was a  
6 source of income to Bagby.

7 Based on the foregoing, Bagby had a conflict of interest under both Sections 87100 and 1090 with  
8 respect to the April 26, 2023, governmental decision involving Ross.

### 9 VIOLATIONS

#### 10 **Count 1: Conflict of Interest – TLCD Contract**

11 Bagby, as a Board member, had a conflict of interest when Bagby made a governmental decision  
12 on November 5, 2020 regarding SCP contracting with TLCD that had a reasonably foreseeable material  
13 financial effect on their financial interest, in violation of Government Code Sections 87100 and 1090.

#### 14 **Count 2: Conflict of Interest – Ross Contract**

15 Bagby, as a City Councilmember, had a conflict of interest when Bagby made a governmental  
16 decision on April 26, 2023 regarding Cloverdale contracting with Ross that had a reasonably foreseeable  
17 material financial effect on their financial interest, in violation of Government Code Sections 87100 and  
18 1090.

### 19 PROPOSED PENALTY

20 The present matter consists of two proposed counts. The maximum penalty that may be imposed  
21 is \$5,000 per count.<sup>31</sup> Thus, the maximum penalty that may be imposed for the counts charged here is  
22 \$10,000.

23 The present case does not qualify for the Streamline Program because conflict of interest  
24 violations and Section 1090 violations are not included in the Streamline Program.

25 In determining the appropriate penalty for a particular violation of the Act, the Enforcement  
26 Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an  
27 emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division  
28

---

<sup>31</sup> See Section 83116, subdivision (c).

1 considers the facts and circumstances of the violation in the context of the following factors set forth in  
2 Regulation 18361.5 subdivision (e)(1) through (8): (1) The extent and gravity of the public harm caused  
3 by the specific violation; (2) The level of experience of the violator with the requirements of the Political  
4 Reform Act; (3) Penalties previously imposed by the Commission in comparable cases; (4) The presence  
5 or absence of any intention to conceal, deceive or mislead; (5) Whether the violation was deliberate,  
6 negligent or inadvertent; (6) Whether the violator demonstrated good faith by consulting the Commission  
7 staff or any other governmental agency in a manner not constituting complete defense under Government  
8 Code Section 83114(b); (7) Whether the violation was isolated or part of a pattern and whether the  
9 violator has a prior record of violations of the Political Reform Act or similar laws; and (8) Whether the  
10 violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

11 A conflict of interest is a serious violation of the Act with a high degree of public harm. This type  
12 of violation undermines public trust in government by creating the appearance that the decision was the  
13 product of a conflict of interest. Also, such conduct contradicts the Act's decree that public officials  
14 should serve the needs of all citizens in an impartial manner—free from bias caused by their own  
15 financial interests. In this matter, Bagby served on the Board and City Council and made governmental  
16 decisions on contracts in which their sources of income were named parties.

17 Bagby did have experience with the Act's requirements as Bagby held office from 2016 to 2024  
18 and directed staff to flag decisions in which their interests were involved. Additionally, Bagby was  
19 required to file SEIs pursuant to the applicable Sonoma County and Cloverdale Conflict of Interest  
20 Codes.

21 The Commission has previously considered another stipulation involving a conflict of interest: *In*  
22 *the Matter of Anthony W. Anderson*, FPPC No. 21-504 (The Commission approved a settlement in this  
23 matter in April 2024). The respondent had an interest in their spouse's income and through that income,  
24 had an interest in a construction company. The respondent had a conflict of interest under both Sections  
25 87100 and 1090 when they authorized invoices from the construction company for a construction project  
26 for CAL FIRE. The Commission imposed a penalty of \$10,000 for two counts.

27 Here, a slightly lower penalty is warranted. By voting in favor of the contracts, Bagby made  
28 prohibited governmental decisions involving TLCD and Ross in which Bagby had source of income

1 interests. Like *Anderson*, the financial interest is an indirect source of income. Here, the income is  
2 through Bagby’s business, SMS, and in *Anderson* it is through the spouse of the respondent. However,  
3 the amounts contracted to the interests in this case were greater at \$99,100 and \$45,811 versus \$36,190 in  
4 *Anderson*. Further, in *Anderson* there were eight purchase orders that were conflicts of interest, whereas  
5 here there are only two instances, two votes. In mitigation, Bagby disclosed their financial interests in  
6 SMS, TLCD and Ross on their relevant SEIs.

7 The evidence supports that Bagby did not act with an intent to conceal or deceive; Bagby timely  
8 and correctly disclosed their financial interests on their relevant SEIs. Bagby has no prior history of  
9 violations and is no longer in office. Further, the violation was isolated and there is no evidence that  
10 Bagby or SMS received any additional income from TLCD or Ross after the subject votes.

11 After considering the factors listed in Regulation 18361.5 and penalties in prior similar cases, a  
12 penalty of \$9,000 is recommended.

### 13 CONCLUSION

14 Complainant, the Enforcement Division of the Fair Political Practices Commission, and  
15 Respondent, Melanie Bagby, hereby agree as follows:

- 16 1. Respondent violated the Act as described in the foregoing pages, which are a true and  
17 accurate summary of the facts in this matter.
- 18 2. This stipulation will be submitted for consideration by the Fair Political Practices  
19 Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.
- 20 3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose  
21 of reaching a final disposition without the necessity of holding an administrative hearing to determine the  
22 liability of the Respondent pursuant to Section 83116.
- 23 4. The Respondent has been given the opportunity to consult with an attorney, and  
24 understands, and hereby knowingly and voluntarily waives, any and all procedural rights set forth in  
25 Sections 83115.5, 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not  
26 limited to the right to appear personally at any administrative hearing held in this matter, to be  
27 represented by an attorney at the Respondent’s own expense, to confront and cross-examine all witnesses  
28 testifying at the hearing, to subpoena witnesses to testify at the hearing, to have an impartial

1 administrative law judge preside over the hearing as a hearing officer, and to have the matter judicially  
2 reviewed.

3 5. The Respondent agrees to the issuance of the decision and order set forth below. Also, the  
4 Respondent agrees to the Commission imposing against it an administrative penalty in the amount of  
5 \$9,000. One or more cashier's checks or money orders totaling said amount—to be paid to the General  
6 Fund of the State of California—is/are submitted with this stipulation as full payment of the  
7 administrative penalty described above, and same shall be held by the State of California until the  
8 Commission issues its decision and order regarding the matter.

9 6. If the Commission declines to approve this stipulation—then this stipulation shall become  
10 null and void, and within fifteen business days after the Commission meeting at which the stipulation is  
11 rejected, all payments tendered by the Respondent in connection with this stipulation shall be reimbursed  
12 to the Respondent. If this stipulation is not approved by the Commission, and if a full evidentiary hearing  
13 before the Commission becomes necessary, neither any member of the Commission, nor the Executive  
14 Director, shall be disqualified because of prior consideration of this Stipulation.

15 7. The parties to this agreement may execute their respective signature pages separately. A  
16 copy of any party's executed signature page including a hardcopy of a signature page transmitted via fax  
17 or as a PDF email attachment is as effective and binding as the original.

18  
19  
20  
21 Dated: \_\_\_\_\_

\_\_\_\_\_  
Kendall L.D. Bonebrake, Chief of Enforcement  
Fair Political Practices Commission

22  
23  
24 Dated: \_\_\_\_\_

\_\_\_\_\_  
Melanie Bagby

1 The foregoing stipulation of the parties “In the Matter of Melanie Bagby,” FPPC No. 2025-00594 is  
2 hereby accepted as the final decision and order of the Fair Political Practices Commission, effective upon  
3 execution below by the Chair.

4  
5 IT IS SO ORDERED.

6  
7 Dated: \_\_\_\_\_

\_\_\_\_\_   
Adam E. Silver, Chair  
Fair Political Practices Commission