

May 10, 2007

To: City Council Members

I met with Guy Reynolds, one of the attorneys recommended to us by our attorney Larry Lacey, to discuss the conflicts of interest issues raised at recent Council Meetings and also in Resolution #476.

Mr. Reynolds was the City Attorney for Amador City a "long time ago" and is very familiar with ancient and recent history of our city.

I showed Mr. Reynolds the map Dokken prepared for us and also the letter of February 17, 2006, from Richard Lynch to Roark Weber. Together these two items explain the projects at hand. I also took every council member's Form 700 to the meeting for Mr. Reynolds review.

Mr. Reynolds saw no conflicts of interest relating to anything on the Dokken map or Lynch's letter, with one exception. He did feel that any discussion regarding private parking lots (Pfeiffer's and the Imperial Hotel's) could be introduced by Lynch, but then Lynch should step down for the discussion and vote because acquiring an interest in either one of those private parking lots for public use would directly benefit Lynch's tenant, Lanza Imports.

Mr. Reynolds reviewed each Council Member's Form 700 and also answered questions I posed about interests of some Council Members. Here are his comments, in alphabetical order:

Brusatori: His Form 700 is complete. He should disclose that the Amador Hotel is owned by his father, Ray Brusatori, in the event any item concerning the Hotel is before the Council. He should also step down for any discussion and vote regarding the Amador Hotel.

Jurisich: On his Form 700, he should list his house and also disclose the gross income derived from his wife's business, Country Living. I asked Reynolds if Jurisich could vote on sign approvals before the Council and the answer was yes; however, if the sign does not meet with Council approval, John should disclose that his wife has a business and is on the Sign Committee and then should step down for the vote. In other words approval of signs is O.K. but disapproval is not.

Knox: On his Form 700 he needs to indicate nature of interest in real estate and reevaluate his response as to the value of his residence.

Lindsay: His Form 700 is complete

Lynch: On his Form 700, he should indicate share ownership in Keystone Mine and also indicate his position on the Board of Directors. He also should list his house. I posed some hypothetical situations to Mr. Reynolds involving Lynch and traffic on Hwy 49 and the possibility of a conflict of interest due to his connection with Keystone Mine. Mr. Reynolds does not feel a conflict of interest exists because 1) We do not know if the Keystone Mine benefits from Sutter Gold Mine 2) Sutter Gold Mine is not in operation. If Sutter Gold Mine begins operation and it can be shown that Keystone Mine benefits from Sutter Gold Mine, then a conflict of interest may exist. By the way, Mr. Reynolds informed me that he represents Sutter Gold Mine.

Mr. Reynolds does not feel a conflict of interest exists for Lynch because his wife has been hired by Dokken to do design work on Sutter Creek's Gateway Project. If she were working for Dokken Engineering on a project in Amador City, then a conflict of interest may exist.

To sum up our 1 ¼ hours meeting, Mr. Reynolds advises to always err on the side of full disclosure on Form 700 and unless it can be shown that one property benefits more than others, a conflict of interest does not exist.

If you have any further questions, or if I failed to cover all issues with Mr. Reynolds, please let me know in writing. Mr. Reynolds has asked that any future questions be brought to him through me.

Sincerely,

Joyce Davidson
City Clerk