



CITY OF SACRAMENTO

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June 17, 1980

CITY MANAGER'S OFFICE
RECEIVED
JUN 16 1980

Honorable City Council
City of Sacramento
City Hall
Sacramento, California

In re: Supplemental Conflict of Interest Code re:
Family Relatives (Applicable to Designated
City Employees)

APPROVED
BY THE CITY COUNCIL

Members in Session:

JUN 24 1980

SUMMARY

OFFICE OF THE
CITY CLERK

Attached is a supplemental conflict of interest code which would prohibit designated City employees from making or participating in a decision on an application involving a family relative as defined.

DISCUSSION

This supplemental conflict of interest code pertains to family relatives and applies only to those employees who are "designated employees" under the existing departmental conflict of interest codes (i.e., those employees who must file financial disclosure statements). Basically, this code prohibits such employees from making or participating in the making of a decision on an application before the City in which a family relative is the applicant or is principally involved.

Family relative is defined as:

1. The spouse of a City employee;
2. The parent or child or spouse of the parent or child of a City employee or of the spouse of a City employee;
3. Any person or any spouse of any person related within the third degree inclusive of collateral consanguinity to any City employee or the spouse of any City employee.

APPROVED
BY THE CITY COUNCIL PFP

JUN 17 1980 Cont to 6-24-80

OFFICE OF THE
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June 17, 1980

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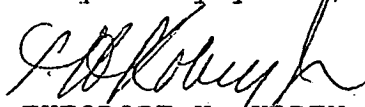
Thus, the brother, sister, uncle, aunt, niece or nephew (and the spouse of any of the foregoing) of a City employee or the spouse of a City employee is a family relative of the City employee within the meaning of this code.

At the time of its review of the supplemental conflict of interest code pertaining to City employees with investments and real property held with persons who are applicants to the City, the Personnel and Public Employees Committee expressed interest in the attached code. The Committee asked that both codes be circulated to the affected City employees. If there was a substantial number of questions, comments or objections, the Committee instructed that the codes be returned to it for hearing. The Personnel Department has sent both codes to all affected City employees. Only one comment has been received since the codes were circulated and hence, both codes are being forwarded to the City Council.

RECOMMENDATION

The Personnel and Public Employees Committee recommends that the attached code relating to family relatives be adopted.

Very truly yours,

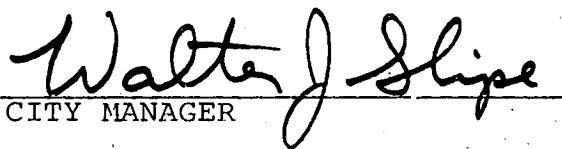


THEODORE H. KOBAY, JR.
Assistant City Attorney

THK:kn

Attachment

RECOMMENDATION APPROVED:


CITY MANAGER

AN ORDINANCE ENACTING A SUPPLEMENTAL
CONFLICT OF INTEREST CODE FOR CITY
EMPLOYEES PERTAINING TO FAMILY RELATIVES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

APPROVED
BY THE CITY COUNCIL

Section 1.

Secs. 2.126-23 through 2.126-29 are hereby added to the Sacramento City Code to read as follows:

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Sec. 2.126-23 Applicability.

The provisions of Secs. 2.126-23 through 2.126-29 shall apply to each designated employee required to file a statement disclosing financial interests pursuant to the Conflict of Interest Code adopted by the City Council for his or her department pursuant to the provisions of the Political Reform Act of 1974 (California Government Code Sections 81000 et. seq.).

Sec. 2.126-24 Disqualification.

(a) Each City employee shall disqualify himself or herself from making or participating in the making of any decision when he or she knows or in the exercise of reasonable diligence should know that a family relative is an applicant or is principally involved in a matter before the department in which the City employee is employed, or the City Council or any board or commission of the City. No such City employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made.

(b) No City employee shall make or participate in making a decision on a matter for which disqualification is required under subsection (a).

Sec. 2.126-25 Manner of Disqualification.

A City employee required to disqualify himself or herself shall give written notice of disqualification to the City Clerk, to his or her immediate supervisor and to his or her division head or department head if there is no division head. The notice of disqualification shall include the name of the applicant or person principally involved in the matter before the department who is a family relative. Such notice shall be given as soon as is reasonably possible after said employee learns or, in the exercise of reasonable diligence should have learned of the facts requiring disqualification and shall be made part of the official records of the City Clerk. The City employee shall refrain from participation and shall not attempt in any way to use his or her official position to influence any other person with respect to the matter.

Sec. 2.126-26 Opinion of City Attorney.

Upon request, any City employee who is unsure of any right or obligation arising under this code may request a formal opinion or letter of advice from the City Attorney. If an opinion is rendered by the City Attorney stating in full the facts and the law upon which the opinion is based, compliance by the City employee may be evidence of good faith in any civil or criminal proceeding brought pursuant to law.

Sec. 2.126-27 Definition of Terms.

a. "Board." For purposes of this code, the term "board" shall include the City Council and the boards and commissions listed below:

Administration, Investment and Fiscal
Management Board of the City Re-
tirement System
Architectural Review Board
Civil Service Board
Construction Code Advisory and Appeals Board
Housing Code Advisory and Appeals Board
Old Sacramento Variance Appeals Board
Planning Commission
Preservation Board
Retirement Hearing Commission

b. "Business entity." For purposes of this code, the term "business entity" shall mean any organization or enterprise operated for profit, including, but not limited to, a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation or association.

c. "City employee." For purposes of this code, the term "City employee" shall mean any employee identified in Sec. 2.126-23 of this code.

d. "Family relative." For purposes of this code, the term "family relative" shall mean and include:

1. The spouse of a City employee;
2. The parent or child or spouse of the parent or child of a City employee or of the spouse of a City employee;
3. Any person or any spouse of any person related within the third degree inclusive of collateral consanguinity to any City employee or the spouse of any City employee.

Thus, the brother, sister, uncle, aunt, niece or nephew (and the spouse of any of the foregoing) of a City employee or of the spouse of a City employee is a family relative of the City employee within the meaning of this code.

e. "Investment in business entity." For purposes of this code, the meaning of the term "has an investment in a business entity":

1. Shall include any financial interest in or security issued by a business entity, including, but not limited to, common stock, preferred stock, rights, warrants, options, deed instruments and any partnership or other ownership interest; and,

2. Shall apply to any investment regardless of where such business entity is located or does business; and,

3. Shall apply to a City employee, if the employee and the person who is an applicant or is principally involved in the matter before such City employee's department, the City Council or any board, each have a \$25,000 or greater or ten percent (10%) or greater investment in such business entity.

f. "Ownership interest in real property". For purposes of this code, the term "has an ownership interest in real property" shall mean and include any leasehold beneficial or ownership interest or option to acquire such an interest in real property regardless of where such property is located, if the City employee and the person who is an applicant or is principally involved in the matter before such City employee's department, the City Council or any board, each have a \$25,000 or greater or ten percent (10%) or greater interest in such property.

g. "Principally involved." For purposes of this code, the term "principally involved" shall mean and include:

1. A person who has a twenty-five percent (25%) or greater investment in the business entity or a twenty-five percent (25%) or greater ownership interest in the real property for which an application is made, or

2. A person who is appealing a disciplinary action to the Civil Service Board, or,

3. A person who is appealing a decision of the Retirement System Manager to the Retirement Hearing Commission, or,

4. A person with a financial interest in the outcome of the decision of the City employee's department, the City Council or any board which will exceed \$5,000.

Sec. 2.126-28

The provisions of Secs. 2.126-23 through 2.126-29 are in addition to the conflict of interest provisions in the Political

Reform Act of 1974. (Government Code Sections 87100, et. seq.)
and the Conflict of Interest Codes for the various departments
of the City of Sacramento and any other City ordinance or other
provision of law relating to conflicts of interest.

Sec. 2.126-29

This code shall become effective on _____.

PASSED FOR PUBLICATION:

ENACTED:

MAYOR

EFFECTIVE:

ATTEST:

CITY CLERK