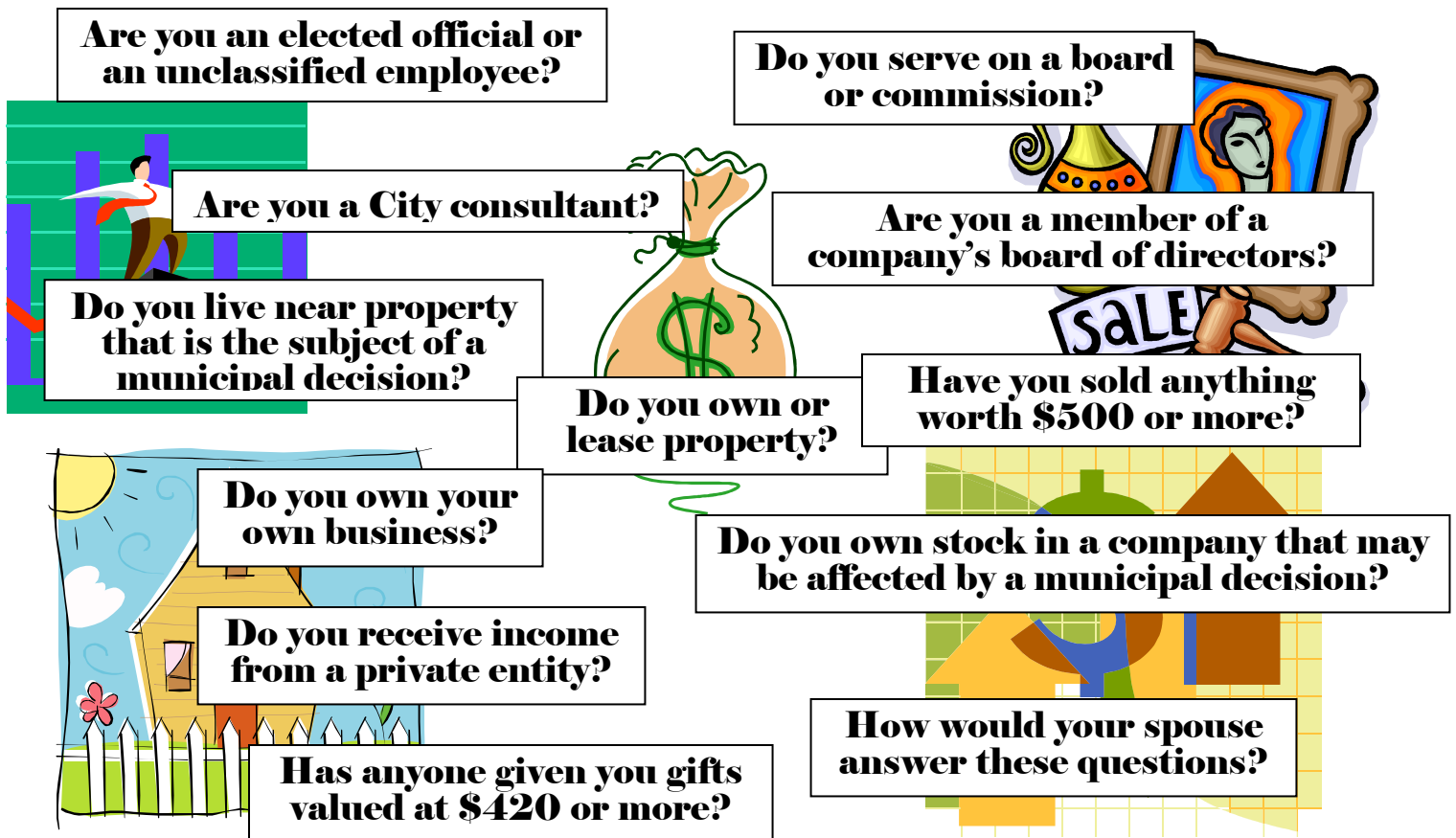


## INTRODUCTION TO FACT SHEETS ON DISQUALIFICATION FROM MUNICIPAL DECISIONS



- ❖ The Ethics Ordinance prohibits City Officials from participating in a municipal decision if it is reasonably foreseeable (i.e., substantially likely) that the decision will have a “material financial effect” on one or more of the City Official’s economic interests.
- ❖ This rule stems from the concept that City Officials should perform their duties in an impartial manner, free from any bias caused by their own financial interests.
- ❖ The rule applies to any City Official who make municipal decisions (e.g., voting, appointing, entering contract, or otherwise obligating the City), those who participate in the making of municipal decisions (e.g., negotiating, advising, or making recommendations), and those who influence municipal decisions (e.g., providing information). In other words, conflict of interests rules apply to all City Officials who are involved in municipal decisions, not just officials who vote on such matters.
- ❖ The term “City Official” includes elected City officeholders, members of the City’s unclassified staff, members of the City’s boards and commissions, and City consultants, to the extent that such individuals file an annual Statement of Economic Interests. “City” includes the City’s agencies and corporations, such as Centre City Development Corporation, San Diego Data Processing Corporation, and the Convention Center Corporation.

- ❖ The five fact sheets that follow are designed to give you general guidance in determining whether or not one of your economic interests disqualifies you from participating in a particular municipal decision. Your “economic interests” may include:
  - ✓ a financial interest in a business entity;
  - ✓ serving on a business entity’s board of directors or in a position of management;
  - ✓ owning or leasing real property;
  - ✓ a person or entity who has given you income of \$500 or more within the past twelve months;
  - ✓ a person or entity who has given you gifts aggregating \$420 or more within the past 12 months;
  - ✓ personal expenses that could be affected in the amount of \$250 or more in a twelve month period.
- ❖ In most cases, your economic interests also include interests of your spouse, registered domestic partner, or dependent children.
- ❖ A “municipal decision” includes:
  - ✓ any part of the process of adopting, amending, or repealing a resolution or ordinance;
  - ✓ the preparation of any report to the City Council or a City Council committee;
  - ✓ any City contract;
  - ✓ any quasi-judicial decision (e.g., land development permit);
  - ✓ any decision of the City Council, the board of directors of any City agency, or any City board, commission, committee, or task force (whose members file Statements of Economic Interests).
- ❖ Disqualification is generally required when the decision has a “material” (i.e., significant) financial effect on your financial interest. Whether or not a financial effect is “material” can depend on many factors. Please consult the attached fact sheets for assistance in determining the materiality standards for each type of financial interest.
- ❖ Even if it is substantially likely that a municipal decision will have a material financial effect on your economic interests, you will not be disqualified from participating in that decision if you establish that the decision will affect you in a manner that is no different from the manner in which the decision will affect the “public generally.” Refer to the individual fact sheets for more information on this subject.
- ❖ Note that in rare circumstances, despite having a financial interest in a municipal decision, you may be able to establish that you are legally required to participate in the decision. This exception to the general conflict of interest rules applies only if it is impossible for the decision to be made without you, and only in circumstances where the City is legally required to make a decision.
- ❖ If you are a “high level filer” and are disqualified from participating in a municipal decision, you must identify the disqualifying interest when the decision is being considered at any public meetings of the body on which you sit. You must then leave the room while the matter is discussed and voted upon. (High level filers include elected City Officials, members of the Planning Commission, Funds Commission, Retirement Board, San Diego Data Processing Corporation Board, Defined Contribution Plan Board, and the Ethics Commission.)
- ❖ If the municipal decision involves a contract, be sure you also review the Ethics Commission’s “Fact Sheet on Financial Interests in a Contract.”