



FACT SHEET ON DISQUALIFICATION FROM MUNICIPAL DECISIONS PART 5: PERSONAL FINANCES

The City's Ethics Ordinance includes laws that prohibit City Officials from influencing municipal decisions when those decisions are substantially likely to have a material financial effect on their economic interests. This fact sheet is one of a series of fact sheets designed to offer general conflict of interest guidance to City Officials who participate in making municipal decisions. This particular fact sheet is focused on conflicts that stem from a City Official's interests in his or her own personal finances. Keep in mind that the information offered in this fact sheet should not be considered a substitute for the actual language contained in the Ethics Ordinance.

- ❖ 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 the officials’ personal finances. In other words, a conflict of interest may exist when a decision will increase or decrease the personal expenses, income, assets, or liabilities of an official or of any member of the official’s immediate family.
- ❖ The term “immediate family” means an official’s spouse (or registered domestic partner) and any dependent children.
- ❖ A decision’s financial effect on a City Official’s personal finances is considered “material” if it is at least \$250 in any twelve month period.
- ❖ Under the personal finances rule, a City Official could, for example, be precluded from participating in a municipal decision to create a landscape maintenance district if it is substantially likely that the decision will cause the district to assess the official’s family \$250 or more in a twelve month period.
- ❖ When determining whether or not the decision will cause you to reach the \$250 threshold, you need not consider any financial effect the decision will have on the value of your real property or on the revenues, expenses, assets, or liabilities of a business entity in which you have a direct or indirect investment interest. If you anticipate that there could be a financial effect on such interests, consult the Ethics Commission’s fact sheets pertaining to disqualification based on “Interests in Real Property” or “Interests in Business Entities,” respectively.
- ❖ With respect to personal finances, there is no need to determine whether your finances are “directly” or “indirectly” involved in a decision. You must disqualify yourself from participating in any decision if it is substantially likely that the decision will affect your personal finances by \$250 or more.
- ❖ Whether or not it is substantially likely that a municipal decision will have a particular effect on your personal finances is a determination that you must make yourself. The Ethics Commission does not act as a finder of facts when providing conflict of interest advice.

- ❖ Even if it is substantially likely that a municipal decision will have a material financial effect on your personal finances, you will not be disqualified from participating in that decision if you can 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.” The “public generally” exception will apply if the decision also affects, in substantially the same manner:
 - ✓ Ten percent or more of the City’s residents (or of the district you represent, if applicable);
or
 - ✓ 5,000 individuals who are City residents.
- ❖ If the municipal decision involves a contract, be sure you also review the Ethics Commission’s “Fact Sheet on Financial Interests in a Contract.”

Determining whether or not you have a conflict of interest in a particular municipal decision can be a complicated matter. Do not hesitate to contact the Ethics Commission at (619) 533-3476 for additional assistance.

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