

SAN LUIS OBISPO CODE OF ETHICS

“The measure of a man’s real character is what he would do if knew he would never be found out.”

— Thomas Babington Macaulay, Historian

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I. INTRODUCTION

We, as officials and employees of the City of San Luis Obispo, whether elected, appointed or employed, are guided by the following value statement:

"Ethical behavior is critical to this organization's ability to achieve its mission, goals, and objectives. The community's perception of and confidence in City employees and officials are fundamental to quality government. As public servants, we are accountable for high standards of conduct."

The Code of Ethics is an attempt to explain this value statement as it applies to our daily activities as City employees. In using this Code, several factors should be considered:

- A. The Code of Ethics is an official administrative policy.
- B. The use of the term "employee" in this document is intended to apply to all employees and officials whether elected, appointed, or employed.
- C. The Code of Ethics is not the only policy related to employee conduct. Some conduct may be ethical without being efficient, safe, or practical. Therefore, the Code of Ethics may not be the only standard to which an employee is held.
- D. Existing law and policy already address many areas of ethical conduct. Attached as Exhibits to this document are several of those additional laws and policies. (See excerpts from the City's Personnel Regulations, Sexual Harassment Avoidance Policy, Affirmative Action Plan, and Drug Free Workplace Policy, Purchasing Policy, and Travel Guidelines.) The Code of Ethics is not intended to supersede these other sources of guidance.
- E. Not all conduct fits neatly under the Code of Ethics. The standards and examples are designed to clearly guide conduct in common situations. Special circumstances may not be easily resolved by simply referring to the Code of Ethics. Your supervisor, department head, or the Personnel Department can provide specific interpretation if necessary.

II. CODE OF ETHICS

A. General Rule with Respect to Conflicts-of-Interest.

As a general rule, employees should not engage in or hold any direct or indirect

interest in any business or transaction which may conflict with their official duties. This includes any obligations (real or perceived) which may impair their independence of judgment in the discharge of their duties. Furthermore, employees should not engage in conduct which could reasonably give rise to the appearance of wrong-doing.

B. Actions and Conduct Designed to Build Public Confidence. Employees should be impartial and dedicated to the best interests of the City. They should conduct themselves, both inside and outside the City's service, so as not to cause distrust of their impartiality or of their dedication to the City's best interests.

Perceived conflicts are actions of an employee that the public may consider preferential service or a lack of neutrality in dealing with department clientele. Employees should avoid perceived conflicts of interest.

Examples: The Code Enforcement Officer should not offer to do code compliance checks for his/her bowling partner.

A department head should not provide exceptional notification to a friend who has a project being reviewed by the department.

Planners should not coach their friends on how to critique a City project at a public hearing.

C. Acceptance of Favors and Gratuities. Employees should not accept money or other consideration or favors from anyone other than the City for an act which they would be required or expected to perform in the regular course of their duties nor should employees accept any gifts, gratuities, including meals, or favors of any kind from individuals or firms doing business or proposing to do business with the City if, considering all the circumstances involved in a given situation, acceptance of said gifts, gratuities or favors would give the impression that possible preference or special privilege is being sought or given.

1. Individual employees should not accept gifts from department clientele. Gifts are objects or services that have a material value.

Example: Individual employees should not accept gifts such as candy, flowers, food or liquor from people who deal with their department.

2. The department or division may accept small gifts when they can be consumed at the work place, are in keeping with the occasion and are made available to all personnel.

Examples: The department could accept a box of candy at Christmas.

The Fire Department could accept cake, fruit or candy from a citizen thanking the personnel for their response to a medical emergency (alcoholic gifts cannot be accepted because they cannot be consumed

on the job or in the work place.)

3. Employees should not accept services from department clientele in return for providing exceptional levels of service.

Example: The Assistant CAO should not accept preferential seating at a local concert in return for rapidly processing a permit for the activity.

4. Employees should not attend events or functions paid for by department clientele unless the event is of a public nature.

Example: It is all right to attend a grand opening lunch sponsored by a client if City Council, the press, or the general public is invited.

5. When in doubt, thank the person for the kind thought and explain that it is department policy not to accept gifts.

Example: "It was kind of you to offer me a discount at your business--but it is our department's policy not to accept gifts. And it really was not necessary. We are here to provide the service."

D. Use of Confidential Information. Employees should not disclose confidential information acquired by or available to them in the course of their employment with the City or use such information for personal gain. This applies to improper disclosure within the organization as well as to the public.

Examples: A records clerk should not discuss a police report with friends.

A planner should not disclose or use information obtained in discussion with a developer except as pertinent to the public review of a project.

The accounting manager should not disclose payroll information to another City employee or to the public unless complying with a lawful request for such information.

E. Use of City Employment and Facilities for Private Gain. Employees should not use, for private gain or advantage, their City time or the City's facilities, equipment or supplies, nor should they use or attempt to use their position to secure unwarranted privileges or exemptions for themselves or others.

1. Employees may not be given priority use of City facilities and programs unless it is an explicit perquisite of employment (e.g., provided for by an employee group's MOA or an individual employee's contract).

Example: Employees may not be assigned a preferential tee-off time at the Municipal Golf Course. They may be assigned parking spaces according to established policy or practice.

2. Employees should not use heavy equipment for purposes unrelated to their official duties. Employees may be allowed limited use of office equipment or hand tools during off-duty hours for non-business purposes provided it does not conflict with any City use or represent a direct cost to the City and is done with supervisor approval. Equipment should not be taken out of City facilities for non-City purposes. All equipment used away from the City work place for City business must be authorized. Employees on 24-hour duty may use office and other light equipment during their assigned recreational periods with departmental approval.

Examples: A treatment plant operator should not use his City vehicle to transport firewood on the weekend.

An employee may type a personal letter on his or her lunch break.

Employees may use City copiers to make a few copies if they pay for the copies.

Employees may use City phones for limited personal calls and they must pay for the phone charges.

3. In general, employees should use lunch time to do personal business, make phone calls and run errands. However, limited personal business may be conducted during normal working hours if it is approved, in advance, if the time involved is made up and if it does not detract from job performance.

Example: During breaks, an employee could make arrangements for some upcoming auto maintenance, provided the time for making the arrangements is short, does not detract from official duties and any phone charges are paid.

4. With supervisor approval, employees may take, for personal use, discarded or unnecessary materials that would otherwise be wasted. Employees may purchase surplus equipment like the general public if they have not been involved in the decision to declare it surplus.

Examples: A secretary may take used computer paper for personal scratch paper.

A secretary should not take an old stapler even if it is of no use to the department. Old equipment should be declared surplus.

An employee may purchase surplus equipment, but an employee who was involved in the decision to surplus the equipment should not.

F. Contracts with the City.

City officers and employees cannot be involved, in any way, with any contract or sale in which they have a financial interest. Government Code Section 1090

expressly prohibits such involvement, and a violation of this statute can be punishable as a felony. (See Government Code Section 1097.) This means that an employee shall not exercise any discretionary powers for, nor make any recommendations on behalf of or to the City or any City Department with respect to any contract or sale involving the City if that employee is directly or indirectly financially interested in the contract or sale. If you have questions about this issue, you should consult with the City Attorney.

G. Outside Employment. Employees should not engage in outside employment or business activities which involve such hours of work or physical effort that it would or could be reasonably expected to reduce the quality or quantity of such person's services to the City. Employees should not be engaged in any outside employment which involves the performance by them of any work which will come before them as officers or employees of the City, or under their supervision, for approval or inspection. Employees should not accept employment that is in conflict with provisions of Government Code Section 87000 (Conflict of Interest). Before accepting outside employment, an employee must review and comply with City Personnel Regulation 2.36.390, which is attached to this document as Exhibit B.

1. With approval of the CAO and Department Head, employees may be employed or conduct business outside City employment consistent with the limitations above.

Examples: With approval, an engineering technician could draw maps for developers who only work outside the City.

A building inspector could work for sponsors of projects in Paso Robles.

An accounting assistant could do the bookkeeping for a store in Paso Robles.

The planners can file a zone change application for a friend in Morro Bay.

A firefighter could service commercial fire extinguishers, but not within the City.

A secretary could work as a sales clerk at a retail store located in the City of San Luis Obispo.

2. Employees should not make decisions nor participate in decisions affecting projects sponsored in whole or in part by people or companies they have contracted or subcontracted with. Employees should not make decisions or participate in decisions concerning projects sponsored (in whole or in part) by people they have worked for within the past 12 months, are currently working for, or anticipate working for in the future.

Examples: Fire inspectors should not inspect projects when they have

worked for the project's owner, developer, primary contractor or subcontractors within the past 12 months.

The Engineers should not accept an assignment for reviewing a project (any type of discretionary review including counter counseling) when they are working for the project's sponsor, owner, developer, real estate broker or contractors in any capacity.

Building inspectors should not inspect the work of people that they have previously hired as contractors or subcontractors for their own outside projects.

H. Personal Investments. Employees should not make personal investments which could be expected to create a substantial conflict between their private interests and the public interests. If an employee has a financial interest in a matter coming before him, or before the department in which he is employed, he should disqualify himself from any participation in the matter.

1. Employees should not make decisions or participate in decisions affecting projects that may affect (either positively or adversely) their personal property.

Example: Planners or building officials should not critique or inspect construction projects that are in close proximity to their residences.

2. Conflicts of interest, as defined by state law and presented below, focus on public decision making and measurable "financial interests." Government Code Section 87100 states the following:

"No public official [which includes many City employees] shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."

Government Code Section 87103 further defines "financial interest" as follows:

"An official has a financial interest within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official or his or her immediate family, or on:

"a. Any business entity in which the official has a direct or indirect investment worth \$1,000 or more;

"b. Any real property in which the official has a direct or indirect interest worth \$1,000 or more;

"c. Any source of income of at least \$250 received or promised within 12 months prior to the decision;

"d. Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any management position;

"e. Any donor of or any intermediary or agent for a donor of, a gift or gifts aggregating \$250 or more received or promised within 12 months prior to the decision."

3. Employees should not participate in decisions that may significantly affect relatives or close personal friends.

Example: A planner should not review a subdivision proposal sponsored by her uncle.

I. Behavior in the Workplace.

Employees are responsible for conducting themselves professionally and lawfully in the workplace. Employees are expected to be aware of and conduct themselves in accordance with the following policies of the City of San Luis Obispo:

1. Sexual Harassment Avoidance Policy (see attached Exhibit C).
2. Affirmative Action Plan (see attached Exhibit D).
3. Drug Free Workplace Policy (see attached Exhibit E).
4. Purchasing Policy Ethics (see attached Exhibit F).
5. Travel Guidelines (see attached Exhibit G).

J. Responsibility.

Ethical behavior, consistent with the foregoing Value Statement and Code of Ethics, is the responsibility of each employee. Moreover, each employee is responsible for reporting ethical violations committed by fellow employees to a supervisor, department head, or the Personnel Department. Any employee who violates this Code of Ethics will be subject to disciplinary action in accordance with the City Personnel Regulations. If you have any questions about the appropriateness of an action, you should consult with your supervisor, department head or the Personnel Department or the City Attorney.

EXHIBITS

Exhibit F
Excerpt from the Purchasing Policy

Section 205

ETHICAL STANDARDS OF CONDUCT

OVERVIEW

The purpose of this policy is to set forth the ethical standards of professional behavior expected of all officials and employees conducting purchasing activities on behalf of the City.

STANDARDS OF CONDUCT

Any employee or official engaging in purchasing activities on behalf of the City is required to employ the following standards of conduct:

- Consider, first, the interests of the City in all transactions.
- Carry-out the established policies of the City.
- Buy without prejudice, seeking to obtain the maximum value for each expenditure of public funds.
- Subscribe to and work for honesty and truth in buying and selling, and to denounce all forms and manifestations of commercial bribery.
- Cooperate with all organizations and individuals engaged in activities designed to enhance the development of purchasing practices.
- Respect obligations to others, and require the same respect from others for their obligations.

PROHIBITED PRACTICES

The following practices are specifically prohibited in performing purchasing activities on behalf of the City:

- Having a financial or personal beneficial interest (directly or indirectly) in any contract or purchase order for supplies, equipment, services, or projects furnished to the City.
- Accepting or receiving (directly or indirectly) from any person, firm, or corporation to whom any contract or purchase order may be awarded (by rebate, gift or otherwise) any money or anything of value, or any promise, obligation or contract for future reward or compensation. Inexpensive advertising items bearing the name of the firm - such as pens, pencils, paper weights, or calendars - are not considered articles of value or gifts in relation to this policy.
- Using information available to officials and employees, solely because of their City position, for personal profit, gain, or advantage.

- Directly or indirectly furnishing services or information not available to all prospective bidders to any person or firm bidding on, or who may reasonably be expected to bid on, a contract with the City.
- Providing confidential information to persons to whom issuance of such information has not been authorized.
- Using a position or status in the City to solicit (directly or indirectly) business of any kind; or to purchase products at special discounts or upon special concessions for personal private use from any person or firm who sells or solicits sales to the City.
- Serving the interests of any organization (either as an officer, employee, member of the board of directors, or in any capacity for consideration) which transacts or attempts to transact business with the City for profit when such employee holds a City position of review or control - even though remote - over such business transactions.

RESPONSIBILITY

- **Employee.** Each employee is responsible for following these practices. Violation of this policy may result in disciplinary action, termination of employment, or criminal prosecution.
- **Department Heads.** Department heads are responsible for ensuring that all employees of their department who conduct purchasing activities possess a thorough understanding of the above standards of ethical conduct and prohibited practices.

EXHIBIT G

Excerpt from Travel Guidelines

Section 301

TRAVEL GUIDELINES

OVERVIEW

These guidelines establish the basic policies and procedures for travel on City business by all employees and officials. Everyone who travels on City business - or supervises someone who travels - is responsible for knowing and following these guidelines.

These guidelines are organized into seven sections:

- General standards
- Planning an official trip
- Submitting travel authorizations and cash advance requests
- Making the trip
- Incurring non-travel expenses
- Accounting for expenses
- Completing travel authorizations/expense reports

The key document in the administrative process is the Travel Authorization/Expense Report (TA). Besides ensuring that travel by City employees and officials is conducted in accordance with adopted policies, the TA summarizes the total cost of attending conferences, meetings, and seminars and provides documentation for cash advances and vendor payments. General instructions for completing and processing this form are also included in these guidelines.

GENERAL STANDARDS

These guidelines do not require you to take a bus, stay in a cheap motel, or eat only in fast food restaurants. A bus or a train may cost less than a plane, but the added time away from work can make these slower options more expensive to the City overall. The meal allowances established in these guidelines allow you to eat in moderately priced restaurants.

In all areas, not just economy, you are responsible for exercising good judgment in requesting, arranging, and making a trip. It should be thoroughly planned, well in advance. Personal business should not be mixed with official business if it will cost the City anything in dollars or lost time, or if it will harm the City's interests in any way.

These guidelines are not intended to address every issue, exception, or contingency that may arise in the course of City travel. Accordingly, the basic standard that should always prevail is to exercise good judgment in the use and stewardship of the City's resources.