Summary: Conflict of Interest

The Charter defines a conflict of interest as any 1) monetary benefit, 2) property benefit 3) commercial benefit, or 4) personal interest in any matter proposed or pending before the council. However, any matter involving the general public interest or a benefit available to all persons similarly situated is not a conflict of interest. Where there is a conflict of interest, the council member should disclose it. The council member must not vote or take any formal action on the matter and should not influence other council members who are voting.

The Municipal Code defines a “potential conflict of interest” as: 1) a situation where a member of city council is in a leadership position (director, president, general manager) or controls a substantial interest (directly or indirectly) in an entity that has an issue or matter pending before the council; 2) a matter before the council that may substantially affect a source (or potential source) of income of the council member or his or her family member; 3) a matter before council that could affect real property having a market value in excess of $5,000 in which a council member (or family member) may have a direct or indirect ownership interest; 4) a matter before council that may affect the interest of any creditor to whom the council member (or family member) owes money in excess of $1,000; or 5) a matter that may substantially affect the interest of any business with which the council member is engaging in business transactions at the time the matter is before the council. No member of the city council should participate in the voting or discussion of any matter before the council in which the member has a potential conflict of interest and the member knows of the conflict.

However, even if a conflict of interest or potential conflict of interest exists, the council member may be permitted to participate in the discussion or voting on the matter if two-thirds of the remaining city council members vote in favor of allowing such participation after a full disclosure. The full disclosure may be made by filing a written statement with the Mayor at least twenty-four hours (24) before the matter is pending before the city council, or by making a statement of the potential areas of conflict prior to discussion of the matter (or as soon after as the council member becomes aware of the potential conflict of interest). If a council member participates in a vote or discussion of any matter before the council where the member has a potential conflict of interest known to the member, this will be considered wrongdoing.

Each member of council files a financial disclosure statement with the city clerk within thirty (30) days of being elected and is asked to file an amended statement by June 1st each year to identify any changes to the financial disclosure statement. The financial disclosure statement includes the name of any entity: that provides a source of income to the council member, of which the council member is a director or officer, or in which the council member has an ownership or control interest. The statement also includes a description of any real property in
which the council member has any direct or indirect interest greater than $5,000 and the name of any creditors owed more than $1,000. The disclosure statements are available to the public on the City Clerk’s page of the City’s website.

Chapter 2.73: Prohibited Gifts to City Officials

This municipal code section defines gifts as the transfer of anything of value for which the person is not receiving lawful compensation or consideration of equal or greater value in return. Gifts include money, real property, services, loans, favors, rewards, awards, discounts, event tickets, travel, meals, and the forgiveness of debt. A city council member may not accept any gift directly or through the member’s spouse or dependent child that is intended to improperly influence the member or is a reward for official action taken. The municipal code contains a list of permitted gifts, such as campaign contributions authorized by law, a gift similarly available to the general public, and the occasional, unsolicited gift having a fair market value of less than fifty ($50) dollars.

Loveland Municipal Charter
Article 5: Code of Ethics

SECTION 5-1 - CONFLICTS OF INTEREST - GENERAL
(a) A "conflict of interest" for purposes of this Article, means:

(1) any pecuniary, property, or commercial benefit of any person covered by this Article or of any parent, spouse, or child of such person; or

(2) any personal or private interest of any person covered by this Article, in any matter proposed or pending before the Council, board or commission, as applicable. However, a "conflict of interest" does not include any matter involving the common public interest, or any matter in which a similar benefit is conferred upon or is available to all persons or property similarly situated.

(b) No person subject to the requirements of this Article shall fail to comply with the applicable disclosure and non-action requirements of this Article.

SECTION 5-2 - DISCLOSURE AND NON-ACTION - MATTERS INVOLVING CONFLICT OF INTEREST
(a) If the Mayor, any Council member, or any member of a board or commission has a conflict of interest with regard to any matter before the Council, board, or commission, as applicable, he or she shall follow the disclosure and other requirements of this section.

(b) At or before the time the matter is heard, the member shall disclose the interest to the Council, board, or commission, as applicable. The member shall not vote on or otherwise take
any formal action concerning the matter, shall not participate in any executive session concerning the matter, and shall refrain from attempting to influence any other member in voting on the matter.

**Loveland Municipal Code**

Chapter 2.14: Public Officials' Financial Disclosure and Open Public Meetings
Section 2.14.010: Disclosure of conflicts of interest and finances.

A. Except as provided in subsection D of this section, no member of the city council shall participate in the voting upon or discussion of any matter before the council in which the member has a potential conflict of interest and such conflict is known to the member.

Chapter 2.73: Prohibited Gifts to City Officials