

AN ORDINANCE RELATING TO THE ESTABLISHMENT OF A CODE OF ETHICS FOR CITY OFFICIALS AND EMPLOYEES IN THE CITY OF HEBRON ESTATES, KENTUCKY

ORDINANCE NO. 94-04

WHEREAS, THE CITY OF HEBRON ESTATES has the authority pursuant to KRS Chapter 65, to enact an ordinance establishing a code of ethics to guide the conduct of elected and appointed officials and employees of the city, and;

WHEREAS, public office and employment are a public trust and government has a duty both to provide their citizens with standards by which they may determine whether public duties are being faithfully performed, and to apprise their officers and employees of their behavior which is expected of them while conducting their public duties, and;

WHEREAS, it is the purpose of this ordinance to provide a method of assuring that standards of ethical conduct for city officials and employees shall be clear, consistent and uniform in their application; and to provide city officials and employees with advice and information concerning possible conflicts of interest which might arise in the conduct of their public duties.

NOW, THEREFORE, the City of Hebron Estates, does hereby ordain as follows:

SECTION I. DEFINITIONS:

- A. Business associates includes the following:
1. A private employer;
 2. A general or limited partnership;
 3. A corporation that is family-owned or in which all shares of stock are closely-held, and the shareholders, owners, and officers of such a corporation; and

- B. Business organization means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed, individual, holding company, joint stock company, receivership, trust, professional service corporation, or any legal entity through which business is conducted for profit;
- C. Candidate means any individual who seeks nomination or election to a city office. An individual is a candidate when the individual:
1. files a notification and a declaration for office with the county clerk or Secretary of State;
or
 2. is nominated for office
- D. City employee means any person, whether compensated or not, whether full-time or part-time;
- E. City official means any person, whether compensated or not, whether full-time or part-time, who is elected to city council or who is appointed by the mayor whether confirmed or not confirmed by the city Commissioners;
- F. Member of immediate family means a spouse, an unemancipated child residing in an individual's household, or a person claimed by the individual or the individual's spouse as a dependent for tax purposes.

SECTION II. STANDARDS OF CONDUCT:

- A. No city official or employee or a member of his/her immediate family shall have an interest in a business organization or engage in any business, transaction, or professional activity, which is in substantial conflict with the proper discharge of their respective duties in the public interest;

to secure unwarranted privileges or advantages for himself/herself or others;

- C. No city official or employee shall act in his/her official capacity in any matter where he/she, a member of his/her immediate family, or business organization in which he/she has an interest, has a direct or indirect financial or personal involvement that might reasonably be expected to impair his/her objectivity or independence of judgement;
- D. No city official or employee, a member of his/her immediate family, or business organization in which he/she has an interest, shall solicit or accept any gift, favor, loan, political contribution, service, promise of future employment, or other thing of value, based upon an understanding that the gift, favor, loan, contribution, service, promise, or other thing of value was given or offered for the purpose of influencing him/her, directly or indirectly, in the discharge of his/her official duties. Section II., item D shall not apply to the solicitation or acceptance of contributions to a campaign of an announced candidate to the city council. This provision for declared candidates shall be governed by the Kentucky Revised Statutes;
- E. No city official or employee shall be prohibited from giving or receiving an award publically presented in recognition of public service, commercially reasonable loans made in the ordinary course of the lender's business, or

- refreshments furnished in connection with public events, appearances, ceremonies or fact-finding trips related to official city business;
- F. No city official or employee shall undertake any employment or service, compensated or not, which might reasonably be expected to prejudice his/her independence of judgement in the exercise of his/her official duties;
- G. No city official or employee shall be prohibited from accepting a gratuity for solemnizing a marriage;
- H. No city official or employee shall use, or allow to be used, his/her public office or employment, or any information, not generally available to the members of the public, which he/she receives or acquires in the course of and by reason of his/her office or employment, for the purpose of securing financial gain for himself/herself, and member of his/her immediate family, or any business organization with which he/she is associated except under the "rule of necessity";
- I. No city official or employee or business organization in which he/she has an interest shall represent any person or party other than the city in connection with any cause, proceeding, application or other matter pending before any agency in the city in which he/she serves;
- J. No city official or employee shall be deemed in conflict with these sections and/or provisions if, by reason of his/her participation in the enactment of any ordinance, resolution or other matter required to be voted upon or which is subject to executive approval or

gain accrues to him/her as a member of any business, profession, occupation or group, to any greater extent than any gain could reasonably be expected to accrue to any other member of such business, profession, occupation or group;

- K. No elected city official shall be prohibited from making an inquiry for information or providing assistance on behalf of a constituent, if no fee, reward or other thing of value is promised to, given to, or accepted by the elected city official or a member of his/her immediate family, whether directly or indirectly, in return therefore; and
- L. No city official or employee or a member of his/her immediate family, shall be prohibited from representing him/herself, or themselves, in negotiations or proceeding concerning their respective individual or collective interest.

SECTION III. FINANCIAL DISCLOSURE:

- A. Any elected and appointed city official and any employee who has a financial interest in business conducted by the city shall file a financial disclosure with the commission.
 - 1. Elected officials;
 - 2. Candidates for elected office;
 - 3. Appointed officials such as chiefs, deputy chiefs, and department heads;
 - *4. Employees with procurement authority exceeding Five Hundred Dollars (\$500.00) per purchase; and
 - 5. Members of boards and commissions which set tax rates, have procurement authority, or vote to adopt budgets, and ethics commission members.

- number and home
3. Title of filer's public office held or office sought;
 4. Occupation of filer and spouse;
 - * 5. Positions held by the filer ^{and} any member of the filer's immediate family in any business organization or non-profit entity from which the filer or any member of the filer's immediate family received compensation in excess of five thousand dollars (\$5000) during the preceeding calendar year, and the name, address, and telephone number of the business organization or non-profit entity from which the compensation was received.
 6. Name, address and telephone number of each business organization located within the Commonwealth in which the filer or any member of the filer's immediate family had an interest of ten thousand dollars (\$10,000) at fair market value or five percent (5%) ownership or more during the proceeding calendar year;

C. The financial disclosure statement shall be provided by the ethics commission. The financial disclosure statement shall be filed annually by the elected and appointed officials and employees, affected by this code of ethics, no later than twenty-one (21) days after the filing date or the date of nomination. Newly-appointed officials and employees shall file their initial financial statement no later than twenty-one (21) days after the date of appointment.

filed with the City of Hebron Estates Ethics Commission. Failure to comply with this section of the code of ethics may result in a fine of up to \$500 in amounts not to exceed \$25 dollars per day.

- E. The Ethics Commission shall be the "official" custodian of the financial disclosure statements. The statements shall become public documents and available for public inspection immediately upon filing;
- F. Financial statements shall be retained by the Ethics Commission for a period of five (5) years after filing; provided that:
 - 1. Upon the expiration of three (3) years after an individual ceases to be an official or employee of the city, the Ethics Commission shall cause to be destroyed any financial statements or copies of those statements filed by the individual; and
 - 2. Upon the expiration of three (3) years after any election at which a candidate for elected office was not elected, the Ethics Commission shall cause to be destroyed any financial statements or copies of those statements filed by the individual.
- G. Nothing in this section shall be construed to require any official or employee to disclose any specific dollar amounts nor the names of individual clients or customers of businesses listed as sources of income.
- H. Any individual who intentionally files a financial statement which he/she knows to contain false information or intentionally omits required information shall be guilty of a Class A

official capacity to hire or cause to be hired any member or his/her immediate family at an hourly pay rate or with benefits in excess of any other employee with similar job duties, responsibilities and qualification requirements;

- B. This section shall not apply to any person appointed to a city office or employed by the city prior to the effective date of this ordinance;
- C. No elected or appointed official shall avoid the prohibitions set forth herein by delegating his/her authority to another individual; and
- D. Nothing in this section is intended to prevent any two (2) or more members of the same family from being appointed or employed by the city without regard to whether there is real potential for abuse.

V. CITY ETHICS COMMISSION:

- A. A City Ethics Commission is hereby created which shall have the powers to enforce all sections and provisions of the Code of Ethics adopted by Ordinance # 94-04;
- B. The Ethics Commission shall consist of three (3) members who shall be appointed by the Mayor, subject to the approval of the City ~~Commissioners~~. The initial members of the Ethics Commission shall be appointed within ~~thirty~~ (30) days of the effective date of this ordinance. The members shall serve for a term of three (3) years; except that with respect to members initially appointed, one (1) member shall be appointed for a term of one (1) year. One member shall be appointed for a term of two (2) years and one (1) appointed for a term of three (3) years, Thereafter,

years. Each member of the Commission shall have been a resident of the city for at least six months prior to the effective date of the ordinance. The members of the Ethics Commission shall be chosen by virtue of their known and consistent reputation for integrity. The members may be reappointed for any number of consecutive terms;

- C. Any member of the Commission may be removed by the authority of the mayor, subject to the approval of the City Council for misconduct, inability, or willful neglect of duties. Before any member is removed from office under this section, the member shall be afforded the opportunity for a hearing before the mayor and city council;
- D. Vacancies on the Commission shall be filled within sixty ~~(60)~~⁽³⁰⁾ days by the mayor and City Council. If a vacancy is not filled by the mayor and City Council within THIRTY days, the remaining members of the Ethics Commission shall fill the vacancy. All vacancies shall be filled for the remainder of the unexpired term;
- E. Members of the Ethics Commission shall serve without compensation, but shall be reimbursed for all necessary and reasonable expenses incurred in the performances of their duties;
- F. Upon the initial appointment of its members, and annually thereafter, the mayor shall appoint a chairperson from among the membership. The chairperson shall be the presiding officer and a full voting member of the Commission;

or at the written request of a majority of the members;

- II. The presence of two (2) or more members shall constitute a quorum and the affirmative vote of two (2) or more members shall be necessary for any official action to be taken. Any member who has a conflict of interest with respect to any matter to be considered by the Commission shall disclose the nature of the conflict, shall disqualify himself/herself from voting on the matter, and shall not be counted for purposes of establishing a quorum;
- I. A recording secretary shall be selected from the Commission's membership, and minutes shall be kept for all proceedings, and the vote of each member on any issue decided by the Commission shall be recorded in the minutes;
- J. The Powers and Duties of the Ethics Commission shall be as follows:
 1. To initiate on its own motion, receive and investigate complaints, hold hearings, and make findings of fact and determinations with regard to alleged violation of the provisions of this ordinance;
 2. To issue orders in connection with its investigations and hearings, requiring persons to submit in writing and under oath reports and answers to questions that are relevant to the proceedings and to order testimony to be taken by deposition before any individual designated by the Commission who has the power to administer oaths ;

3. To administer oaths and to issue subpoenas for the attendance and testimony of witnesses and the production of documentary evidence relating to an investigation or hearing being conducted by the Commission;
4. To refer any information concerning violations of this ordinance to the mayor and city council, as necessary;
5. To render advisory opinions to city officials and employees regarding whether a given set of facts and circumstances would constitute a violation of any provision of this ordinance;
6. To enforce the provisions of this ordinance with regard to all officials and employees of the city who are subject to its terms by issuing appropriate orders and imposing penalties authorized by this ordinance;
7. To control and maintain all statements of financial interests that are required to be filed by this ordinance and to insure that the statements are available for public inspection in accordance with the requirements of this ordinance and the Kentucky Open Records Act;
8. To develop and submit any reports regarding the conduct of its business that may be required by the mayor and city council; and
9. To adopt rules and regulations and to take other actions, as necessary, to implement the provisions of this ordinance, provided that the rules, regulations, and actions are not in conflict with the provisions of this ordinance or any state or federal law.

Given first reading on the 1st day of November, 1994

Given second reading on the 6th day of December, 1994

Votes for 3 Votes against 0

Herschel Ruben 12/6/94
Mayor

Attested: Martha Ferguson 12/6/94