ORDINANCE <u>0-4513</u>

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING CHAPTER 3.82 OF THE KIRKLAND MUNICIPAL CODE ENTITLED "EMPLOYEE CODE OF ETHICS," AMENDING SECTION 3.82.020, "DEFINITIONS;" AMENDING SECTION 3.82.030, "CONFLICT OF INTEREST;" AND ADDING A NEW SECTION 3.82.050, "VIOLATION - PENALTY."

The City Council of the City of Kirkland do ordain as follows:

<u>Section 1</u>. Kirkland Municipal Code Section 3.82.020 is amended as follows:

6 3.82.020 Definitions.

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Definitions, as used in this chapter, unless additional meaning clearly
 appears from the content, shall have the meaning subscribed:

(1) "Employee" means any person holding a regularly
 compensated position of employment with the city, but does not include
 members of the city council and persons who serve without
 compensation on city boards and commissions.

(2) "<u>Relative" means spouse or domestic partner, child, step-child,</u>
 <u>parent, step-parent, parent-in-law, grandparent, grandchild, sibling,</u>
 <u>aunt, uncle, niece, nephew, son- or daughter-in-law, brother- or sister-in-law.</u>

18 (2) "Interest" means any direct or indirect monetary or material 19 benefit accruing to a city employee as a result of a contract or transaction which is or may be the subject of an official act or action by or with the city, except for such contracts or transactions which confer 20 similar benefits to all other persons and/or to property similarly situated. 23 For the purpose of this chapter an employee shall have an interest in 24 the affairs of:

25 (A) Any person of <u>the</u> employee's family or any person with whom
 26 the employee has a close or ongoing business or social relationship;

27 (B) Any business entity in which the city employee is an officer,
 28 director or employee;

29 (C) Any-business entity-in which the stock, or legal or beneficial ownership, in excess of five percent of the total stock, legal or beneficial 30 ownership, is controlled or owned directly or indirectly by the employee; 31 32 (D) Any person or business entity-with whom a contractual relationship exists with the employee, provided that a contractual 33 obligation of less than five hundred dollars, or a commercially 34 35 reasonable loan made in the ordinary course of business or a contract 36 for a commercial retail sale shall not create an interest in violation of 37 this chapter. 38

39Section 2.Kirkland Municipal Code Section 3.82.040 is amended40as follows:

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42 **3.82.040 Conflict of interest.**

No city employee shall engage in any act which is in conflict with, or
creates an appearance of conflict with, the performance of official
duties. An employee is deemed to have a conflict of interest if the
employee:

47 (1) Receives or has any financial interest in any sale to the city of any
48 service or property when such financial interest was received with prior
49 knowledge that the city intended to purchase such property or obtain
50 such service;

(2) Solicits, accepts or seeks anything of economic value as a gift,
gratuity, or favor from any person, firm or corporation involved in a
contract or transaction which is or may be the subject of official action
of the city; provided, that the prohibition against gifts or favors shall not
apply to:

(A) Attendance of an employee at a hosted meal when it is provided
 in conjunction with a meeting directly related to the conduct of city
 business or where official attendance by the employee as a staff
 representative is appropriate.

60 (B) An award publicly presented in recognition of public service; or

61 (C) Any gift which would have been offered or given to the employee 62 if he or she were not a city employee;

(3) Participates in his or her capacity as a city employee in the making
of a contract in which he or she has a private pecuniaryfinancial interest,
direct or indirect, or performs in regard to such a contract some function
requiring the exercise of discretion on behalf of the city;

(4) Influences the city's selection of, or its conduct of business with,
a corporation, person or firm having business with the city if the
employee has financial interest in or with the corporation, person or
firm;

(5) Engages in, accepts private employment from or renders services
for private interest when such employment or service is incompatible
with the proper discharge of official duties or would tend to impair
independence of judgment or action in the performance of official
duties;

(6) Appears on behalf of a private person, other than his or herself or
an immediate family member or except as a witness under subpoena,
before any regulatory governmental agency or court of law in an action
or proceeding to which the city or a city officer in an official capacity is
a party, or accepts a retainer or compensation that is contingent upon
a specific action by the city;

(7) Discloses or uses, without legal authorization, confidential
information concerning the property or affairs of the city to advance a
private interest with respect to any contract or transaction which is or
may be the subject of official action of the city;

(8) Has a financial or personal interest in any legislation coming
before the city council, participates in discussion with or gives an official
opinion to the city council, unless the employee discloses on the record
of the council, the nature and extent of such interest;

90 (9)Holds, directly or indirectly, for purposes of personal financial gain, 91 investment or speculation, any interest in real property situated within the city, if such employee iIn the course of his or her official duties 92 performs any function requiring the exercise of discretion and 93 administrative authority on behalf of the city in regard to the regulation 94 of land use or development; of real property located within the city limits 95 in which the employee or a relative has any financial interest provided, 96 that this prohibition shall not apply to: 97

98 (A) Real property devoted to the personal use or residence of the
 99 employee or member of the employee's immediate family; or

(B) Any other interest in real property held by the employee on the
 date of enactment of this chapter.

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103Section 3.A new section, Kirkland Municipal Code 3.82.050,104is added as follows:

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106 3.82.050 Violation – Penalty.

107 <u>Any city employee violating the provisions of this chapter shall be</u>
 108 <u>subject to discipline up to and including termination.</u>

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Section 4. This ordinance shall be in force and effect five days from and
 after its passage by the Kirkland City Council and publication pursuant
 to Section 1.08.017, Kirkland Municipal Code in the summary form
 attached to the original of this ordinance and by this reference approved
 by the City Council.

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Passed by majority vote of the Kirkland City Council in open meeting this 15th day of March, 2016.

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Signed in authentication thereof this 15th day of March, 2016.

MAYOR

Attest:

City Clerk

Approved as to Form:

son City Attorney

Publication Date: March 21, 2016

PUBLICATION SUMMARY OF ORDINANCE <u>0-4513</u>

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING CHAPTER 3.82 OF THE KIRKLAND MUNICIPAL CODE ENTITLED "EMPLOYEE CODE OF ETHICS," AMENDING SECTION 3.82.020, "DEFINITIONS;" AMENDING SECTION 3.82.030, "CONFLICT OF INTEREST;" AND ADDING A NEW SECTION 3.82.050, "VIOLATION - PENALTY."

<u>SECTION 1</u>. Amends Kirkland Municipal Code ("KMC") Section 3.82.020 deleting the definition of "Interest" and adding the definition of "Relative."

SECTION 2. Amends KMC Section 3.82.040 relating to confilict of interest.

<u>SECTION 3</u>. Adds a new KMC Section 3.82.050 setting forth the penalty for violating KMC Chapter 3.82.

<u>SECTION 4</u>. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 15th day of March, 2016.

I certify that the foregoing is a summary of Ordinance O-4513 approved by the Kirkland City Council for summary publication.

AdingCity Clerk