

City of Fremont

Related Party Transactions & Conflict of Interest Policy

Resolution 2021-022

A POLICY OF THE CITY OF FREMONT, NEBRASKA ESTABLISHING PROCEDURES FOR RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS.

Related Transaction: The City will enter into or ratify a Related Party Transaction, subject to state law, only after the Mayor and City Council, acting on the recommendation of the City Attorney, determines that the Related Party Transaction is in (or is not inconsistent with) the best interests of the City and that a Statement of Financial Interest has been filed with the City Clerk.

Conflict of Interest: Public officials and public employees are prohibited from taking official action or making an official decision if he or she or their immediate family member¹ or a business with which he or she is associated with² has a conflict of interest. If a public official or public employee has a potential conflict of interest, they must file a Potential Conflict of Interest Statement (NADC Form C-2A) with the City Clerk prior to taking any official action or making an official decision.

Definitions

1. A "Related Party" is:
 - a. A public official or public employee of the City;
 - b. A person who is an immediate family member of a public official or public employee; or
 - c. An entity which is owned or controlled by a person listed in (a) or (b) above, or an entity in which a person listed in (a) or (b) above has a substantial ownership interest or control of such entity.
2. A "Related Party Transaction" is a transaction between the City and any Related Party or a transaction in which the Related Party has, or will have, a direct or indirect interest, including any transactions required to be disclosed pursuant to Nebraska Accountability and Disclosure Commission.
3. A "Conflict of Interest" is:
 - a. Any action or decision which may result in a financial benefit or detriment to a person listed in (1.a.) or (1.b.) above; or
 - b. An interest in a contract between the City and a person listed in (a) or (B) above, unless the interest is properly disclosed and the person abstains from taking action to approve the contract, or
 - c. Use of public resources, personnel, property, or funds for:
 1. Personal financial gain or financial gain of an immediate family member or business association,
 2. To support or oppose the nomination or election of a candidate or the qualification, passage or defeat of a ballot question.
4. A "Potential Conflict of Interest" is:

- a. Any action or decision which may result in a financial benefit or a financial detriment to the public official; a member of his or her immediate family; or a business with which he or she is associated. The financial effect of the action or decision must be distinguishable from the financial effect on the general public or a broad segment of it.

A Related Party is responsible to advise the City Attorney promptly of any material changes to any Related Party Transaction.

¹ "Immediate family member" means a child residing in your household, your spouse or an individual claimed by you or your spouse as a dependent for federal income tax purposes.

² "Business with which you are associated shall mean a business: (1) of which you are the sole proprietor; (2) or in which you are a partner, director, or officer; (3) or in which you or a member of your immediate family is a stockholder of closed corporation stock worth \$1,000 or more at fair market value or which represents more than a 5 percent equity interest, or is a stockholder of publicly traded stock worth \$10,000 or more at fair market value or which represents more than a 10 percent equity interest.

NOW THEREFORE BE IT RESOLVED: That the Mayor and City Council approve the Related Party Transactions & Conflict of Interest policy and authorize the Mayor to execute it.

PASSED AND APPROVED THIS 9th DAY OF FEBRUARY, 2021

Joey Spellerberg, Mayor

ATTEST:

Tyler Ficken, City Clerk

