

Policy

Title: CONFLICT OF INTEREST POLICY		Number: 8045
Reference: Administrative Committee - September 28, 2022 November 9, 2022 January 11, 2023	Adopted by City Council: February 6, 2023	
	City Clerk	City Manager
		Supersedes: Policy 8006
Administered by: HUMAN RESOURCES DEPARTMENT		

STATEMENT

INTEGRITY AND TRUST ARE CORNERSTONES OF THE RELATIONSHIP BETWEEN THE MUNICIPAL CORPORATION OF THE CITY OF MEDICINE HAT ("CITY") AND ITS RESIDENTS. IN ORDER TO MAINTAIN THIS INTEGRITY AND TRUST IN ACCORDANCE WITH THE VALUES OF THE CITY, CITY EMPLOYEES MUST AVOID, DISCLOSE, AND ADDRESS CONFLICTS OF INTEREST IN ACCORDANCE WITH THIS POLICY. EACH EMPLOYEE'S COMPLIANCE WITH THIS POLICY HELPS BUILD AN EFFECTIVE AND EFFICIENT MUNICIPAL ORGANIZATION THAT SUSTAINS THE PUBLIC TRUST.

PURPOSE

The purpose of this policy is to establish how all Employees will protect the reputation and integrity of the City, preserve public trust in the City, and protect and advance the interests of the City and its residents, by avoiding, disclosing, and addressing Conflicts of Interest.

APPLICATION

This policy applies to all City Employees. This policy does not apply to City Council members. For rules relating to the conduct of City Council members, please see applicable sections of the *Municipal Government Act* and its regulations, including Part 5 of the *Municipal Government Act*, as well as the Council Code of Conduct Bylaw.

Nothing herein shall be interpreted to lessen any duties, obligations, powers, procedures, or remedies expressly set forth in any other applicable policy, bylaw, agreement, statute or other law in respect of Conflicts of Interest.

ROLE OF COUNCIL

To receive, review and adopt this policy and any recommended amendments thereto.

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ROLE OF ADMINISTRATIVE COMMITTEE

To receive, review and adopt any recommended amendments to the procedure of this policy.

1. DEFINITIONS

- 1.01 Business Associate – means a person legally linked with an Employee in respect of any business including, but not limited to, through business contracts, partnerships, firms, enterprises, franchises, trusts, joint ventures, finances, real estate, or through other for-profit legal entities or agreements.
- 1.02 City Resources – means any City owned property of any kind, including, but not limited to, buildings, land, equipment, supplies, stores, vehicles, materials, technology, financial assets, information, work time, and other resources.
- 1.03 Confidential Information – means information connected with an Employee's employment with the City, which is not public property, is not in the public domain, or could cause harm to individuals or to the City if disclosed without City approval, and includes, but is not limited to, information provided in confidence, either by being expressly identified as confidential, or because the character of the information is otherwise confidential.
- 1.04 Conflict of Interest – means, with respect to an Employee, having a Private Interest that does, has the potential to, or may be reasonably perceived to, influence or compete with, the objective performance of the Employee's City duties.
- 1.05 Response Plan – means a written plan developed and mutually agreed upon by an Employee and their Supervisor, or, where applicable, imposed by the Director of Human Resources, with respect to a Conflict of Interest.
- 1.06 Director of Human Resources – means the Director of the City of Medicine Hat's Human Resources Department, and includes any delegate of the Director or any person appointed to act in place of the Director.
- 1.07 Employee – means any permanent, temporary, full time, part time, or casual employee on the City payroll, and includes volunteers utilized by the City, and, for greater certainty, also includes all City employees under any union or association jurisdiction as well as City employees who are out of the scope of any union or association, as well as residents who serve on committees in a volunteer capacity, but does not include Members of Council.
- 1.08 Outside Interest – includes, but is not limited to, secondary employment, sitting as a director on external boards, business undertakings or ownership, teaching and involvement with charitable, political, community service and professional organizations.
- 1.09 Personal Relationship – means, with respect to an Employee, a relationship between that Employee and another person which is, or has been, sufficiently close such that objectivity of the Employee with respect to that person is, has the potential to become,

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or may be reasonably perceived to be, biased, and includes, but is not limited to, a romantic relationship.

- 1.10 Political Activity – includes, but is not limited to, being a candidate for elected office, campaigning for a candidate for elected office, fundraising for an election campaign, and/or promoting a political party or cause.
- 1.11 Private Interest – means a relationship, obligation, duty, responsibility or benefit which is unique to the Employee, their Relative, their Business Associate, or a person with whom the Employee has a Personal Relationship, and includes, but is not limited to, an obligation of the Employee on account of an Outside Interest of the Employee.
- 1.12 Relative – means an individual with whom the Employee has a family relationship, and includes an Employee's:
 - (a) husband, wife, common law spouse, adult interdependent partner, legally separated spouse;
 - (b) children and grandchildren (including foster or step);
 - (c) dependents;
 - (d) parents (including foster or step) and parents-in-law;
 - (e) brothers and sisters (including foster or step) and brothers-in-law and sisters-in-law;
 - (f) sons-in-law and daughters-in-law;
 - (g) nieces and nephews;
 - (h) uncles and aunts;
 - (i) cousins; and
 - (j) grandparents.
- 1.13 Supervisor means the person to whom an Employee directly reports, and in the case of the City Manager, the Supervisor is Council.

2. RESPONSIBILITIES

- 2.01 City Manager & Managing Directors
 - (a) Through the Administrative Committee, receive and approve appropriate procedures in respect of this policy;
 - (b) Actively and openly promote awareness about this policy and about the duty of all Employees to avoid, disclose and address Conflicts of Interest; and
 - (c) In co-operation with the Director of Human Resources, ensure appropriate action is taken to prevent and rectify any violations of this policy.
- 2.02 Director of Human Resources
 - (a) Monitor compliance with this policy, maintain records about Conflicts of Interest and Response Plans, and provide reports regarding same to the City Manager, as requested;
 - (b) Inform Employees about the contents of this policy, and about related Employee supports, including Employee Assistance Programs;
 - (c) Allocate resources to cover the cost of any external support reasonably required in connection with Conflicts of Interest or the development of Response Plans, including any external counsel engaged by the City Solicitor to carry out a function in accordance with this policy;

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- (d) Upon request or otherwise as appropriate, assist Employees with the interpretation and application of this policy;
- (e) Assist Supervisors in managing Conflicts of Interest, developing Response Plans, or investigating violations of this Policy, as required; and
- (f) Make recommendations to the Administrative Committee regarding proposed amendments to this policy and the procedure.

2.03 Supervisors

- (a) Actively and openly promote awareness about this policy and about the duty of Employees reporting through the Supervisor to avoid, disclose and address Conflicts of Interest; and
- (b) Prevent, as far as reasonably practicable, violations of this policy among Employees reporting through the Supervisor.

2.04 Employees

- (a) Read and comply with this policy;
- (b) Avoid any conduct or circumstance that does, has the potential to, or may be reasonably perceived to, create or advance a Conflict of Interest;
- (c) Fully cooperate with their Supervisor and Director of Human Resources in the identification, development and implementation of any Response Plan, as required;
- (d) If unclear as to the meaning of one or more provisions herein, request an interpretation of this policy from their Supervisor or the Director of Human Resources;
- (e) As soon as an Employee becomes aware of any of the following, the Employee shall immediately disclose the same to their Supervisor:
 - (i) any Conflict of Interest affecting that Employee, and, following such disclosure to their Supervisor, the Employee shall work cooperatively with their Supervisor to develop and comply with a Response Plan to address such Conflict of Interest; and
 - (ii) Any violation or suspected violation of this policy by the Employee, provided that where the Employee believes another Employee has violated or may have violated this policy, the Employee is recommended to report such suspected violation in accordance with the provisions of the Whistleblower Policy.
- (f) Perform their City duties in an unbiased, consistent and objective manner, without showing personal favouritism or personal animus towards persons interacting with the City;
- (g) Fully cooperate with their Supervisor, the Director of Human Resources, and any other Employee appointed by the City to carry out any investigation that is authorized in accordance with this policy; and
- (h) Complete and submit an annual attestation form, prepared by the Director of Human Resources, in respect of the Employee's acknowledgement of and compliance with this policy.

2.05 Director of Human Resources

- (a) Ensure Employees are made aware of this policy at the time of their hire and on a regular basis thereafter.

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- (b) Prepare attestation forms to be completed by Employees, determine, in consultation with the Administrative Committee, which Employees shall be required to complete such attestation forms, and distribute, collect, and review all such attestation forms.
- (c) Work with City departments to establish enhanced Conflict of Interest guidelines applicable to each department, as required.
- (d) Ensure Employees are made aware of any enhanced Conflict of Interest guideline applicable to their Department.

2.06 Supervisors

- (a) Provide Employees with information about this policy, its application and interpretation.
- (b) Seek out guidance from the Director of Human Resources about issues arising in connection with this policy which are complex or cannot be easily resolved.
- (c) Engage with Employees disclosing a Conflict of Interest in order to identify, develop and implement a Response Plan to address same, provided that where such Response Plan has not been mutually and expediently agreed upon, the Supervisor shall promptly disclose the matter to the Director of Human Resources and shall comply with the Response Plan imposed by the Director of Human Resources.
- (d) Document information related to any Conflicts of Interest affecting an Employee on the personnel file of that Employee.
- (e) Take appropriate action with respect to any violations of this policy.
- (f) Inform their Supervisor of any violations of this policy and any actions taken to address it.
- (g) If applicable, remind an Employee who is leaving their employment with the City of their ongoing obligation to protect the confidentiality of any information which is sensitive, confidential or of a proprietary nature which they acquired during the course of their employment with the City.

2.07 Administrative Committee

- (a) As necessary or appropriate, establish oversight committees to assess Conflict of Interest issues and advise the Administrative Committee on appropriate measures and controls with respect thereto.
- (b) Approve any amendments to the Procedure of this Policy.

3. PRINCIPLES

3.01 Outside Interests

- (a) The City encourages its Employees to undertake volunteerism, additional public service opportunities, and opportunities for civic participation outside of assigned work hours for the City.
- (b) Employees must not use City Resources for any purpose related to an Outside Interest without the prior written approval of their Supervisor in consultation with the Director of Human Resources.

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- (c) An Employee with Outside Interests must ensure that their ability to perform their assigned City duties, and their actual performance of their assigned City duties, is not in any way diminished or compromised by the Employee's Outside Interests.
- (d) Some circumstances where an Outside Interest could constitute a Conflict of Interest include, but are not limited to, the following:
 - (1) The Employee's ability to perform their assigned City duties, or their actual performance of their assigned City duties, is diminished or compromised by an Outside Interest.
 - (2) An Employee uses City Resources for purposes related to the Outside Interest, without first obtaining the prior written approval of their Supervisor.
 - (3) An Employee, acting on behalf of an Outside Interest, seeks an advantage, or appears to seek an advantage, with respect to a City approval, permit, license or inspection.
 - (4) An Employee's actions or statements in respect of an Outside Interest appear to be an official City act or appear to be a statement of the City.
 - (5) The Outside Interest involves services offered on a commercial basis that compete with services offered by the City.
 - (6) An Employee's actions in their City role affects or appears to provide an advantage to an Outside Interest.
 - (7) An Employee receives from an Outside Interest additional compensation for performing their assigned City duties.
 - (8) An Employee's performance of assigned City duties is influenced by offers of future employment from the Outside Interest.

3.02 Gifts, Hospitality and Other Benefits

- (a) An employee may accept any gift, hospitality or other benefit which:
 - (1) is offered or awarded to them by the City;
 - (2) is of a perceived value of 25 dollars or less (e.g. a small gift of appreciation such as cookies or chocolate);
 - (3) falls within the normal standards of courtesy or protocol in the public sector (e.g. greeting cards, pens, lapel pins, calendars);
 - (4) constitutes a normal presentation made to persons participating in public functions or an award presented to an Employee who is representing the City; or
 - (5) is a service or gratuity the offering and receipt of which constitutes an ordinary business practice in the industry or commercial sector within which the Employee's City duties are performed, provided the Employee has been authorized in writing by their Supervisor, in consultation with the Director of Human Resources, to receive same.
- (b) An Employee must not solicit or accept cash, store credit or gift cards in connection with their position or work for the City.
- (c) An Employee must not solicit or accept the following in connection with their position or work for the City without the prior written approval of their Supervisor:
 - (1) a ticket to a paid event;
 - (2) a gift or prize of a perceived value greater than \$25;
 - (3) an invitation to a social outing or to a conference where the employee's costs are paid by a third party; or

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- (4) any other benefit that may have a real, perceived, or potential influence on their objectivity as an Employee or which places them, as an Employee, under any express or implied obligation to the third party providing the benefit.
- (d) In the occasional circumstances where it is impossible to decline a Gift, Hospitality or Other Benefit (e.g., for reasons of protocol), the recipient's Supervisor will consult with the Director of Human Resources and provide direction to the Employee about the disposition of same.
- (e) If an Employee is uncertain whether to accept a Gift, Hospitality or Other Benefit, they shall decline it or refer the matter to their Supervisor, who will consult with the Director of Human Resources and provide direction to the Employee about the disposition of same.
- (f) When purchasing goods or services for their personal use from a supplier who provides goods and services to the City, an Employee shall not solicit or accept, a discounted rate which that supplier has contracted to provide to the City.
- (g) An Employee shall not solicit or accept, on account of their employment with the City, any discount on any goods or services unless it is the publicly advertised practice of the business to provide discounts to employer groups including, but not limited to, the City of Medicine Hat.

3.03 Private Interests

- (a) An Employee shall not use their position with the City in any manner to further a Private Interest of the Employee, or a Private Interest of the Employee's Relatives, Business Associates, or any person with whom the Employee has a Personal Relationship.
- (b) An Employee shall disclose to their Supervisor any Private Interest of which the Employee is, or ought to be, aware, including those of any Relative, Business Associate, or a person with whom they have a Personal Relationship, prior to participating in or seeking to influence any City decision-making process affecting such an interest. The Supervisor may consult with the Director of Human Resources with regard to any appropriate further actions.
- (c) An Employee shall not:
 - (1) In the course of their City duties, take part in a decision (e.g., allotting work or ordering goods or services) if the decision would, may be reasonably expected to, or may be reasonably perceived to, further a Private Interest of the Employee, a Relative, a Business Associate, or a person with whom the Employee has a Personal Relationship.
 - (2) Participate in, or attempt to influence, a human resources decision about the hiring, compensation, selection, progressive discipline or performance evaluation of a Relative, a Business Associate, or a person with whom they have a Personal Relationship.
 - (3) Use their employment with the City to influence or seek to influence a City decision that would, may be reasonably expected to, or may be reasonably perceived to, further a Private Interest of the Employee, a Relative, a Business Associate, or a person with whom they have a Personal Relationship.

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- (d) An Employee shall disclose to their Supervisor any Private Interest of the Employee, a Relative, a Business Associate, or a person with whom they have a Personal Relationship, which is, has the potential to, or may be reasonably perceived as being, affected by the Employee in their capacity as an Employee. The Supervisor may consult with the Director of Human Resources with regard to any appropriate further actions.

3.04 Using City Resources

- (a) An Employee will use City Resources only for approved City purposes and the performance of assigned City duties, unless otherwise expressly permitted in writing by their Supervisor or as otherwise expressly permitted under any other applicable law or policy.
- (b) An Employee shall not use the City's name or likeness, and shall not use the City's procurement or purchasing process, for any unauthorized purpose.

3.05 Using Confidential Information

- (a) An Employee shall collect, use and disclose information only for approved City purposes and in accordance with the *Freedom of Information and Protection of Privacy Act* (Alberta).
- (b) An Employee shall not seek to further any Private Interest of the Employee, a Relative, a Business Associate, or a person with whom they have a Personal Relationship through the Employee's use of Confidential Information.
- (c) Except where expressly authorized to do so in writing by the City or where required to do so by law, an Employee, or a former Employee, shall not use, share or disclose any Confidential Information that was gained by the Employee in the course of carrying out their City duties.
- (d) The Supervisor of a departing Employee, who is deemed to be in possession of Confidential Information, will remind the departing Employee, in writing, that they cannot work on files or specific elements of files where they possess Confidential Information acquired while in the employ of the City. Furthermore, if a departing Employee fails to comply with this rule, the City may contact the departing Employee's new employer requesting that the departing Employee be removed from certain work or files, failing which court action against the new employer and/or the departing Employee may follow.

3.06 Political Activity

- (a) Political Activity by Employees is permitted, but must be conducted during non-work time and outside the workplace. Employees are expected to be politically neutral in the performance of their City duties.

3.07 Alternative Disclosure Processes

- (a) Notwithstanding any other provision herein, if a Conflict of Interest or violation of this policy involves:
 - (1) the Director of Human Resources;
 - (2) the Managing Director of Corporate Services; or
 - (3) the City Manager;
 then such shall be reported to and managed by the City Solicitor.

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4. CONSEQUENCES OF NON-COMPLIANCE

The City will take appropriate action in response to any violation of this policy. An Employee's actions and omissions will be reviewed and may result in disciplinary action being taken against the Employee, up to and including dismissal from employment, seeking restitution (including reimbursement), commencement of civil action, criminal prosecution, instructing the Employee to divest themselves of a Private Interest or an Outside Interest, transferring the Employee to another position, or any combination thereof.