

**ETHICS COMMISSION  
CITY AND COUNTY OF HONOLULU**



Advisory Opinion No. 284

This is an advisory opinion in response to your letter requesting advice from the Ethics Commission as to whether your employment creates a conflict of interest with your appointment as a City officer.

The Commission understands the facts relative to your inquiry to be as follows:

You are an officer of a trust company ("Trust"). You serve as an investment portfolio manager. In your position you buy and sell municipal bonds, including those of the City and County of Honolulu. The Trust currently holds a significant percentage of the City's indebtedness. These bonds are purchased on the open market from a brokerage firm selected by the City to underwrite them, and they are independently insured against default by the City.

In your position with the Trust, you have periodic discussions with City personnel concerning the City's finances and fiscal policy. Additionally, you are occasionally consulted by the Department of Finance prior to the issuance of new City bonds for your opinion about various aspects of the terms. None of these conversations involve confidential information.

You have been appointed to serve on a commission, in which capacity you would become an officer of the City and County of Honolulu.

The ethical question presented is whether your responsibilities as an investment portfolio manager would create a conflict of interest with your service as a commissioner.

The general rules in relation to your question are found in the Revised Charter of the City and County of Honolulu 1973 (1994 Ed.) [RCH]. Section 11-102 (c), RCH, states in pertinent part:

No elected or appointed officer or employee shall... [e]ngage in any business transaction or activity or have a financial interest, direct or indirect, which is incompatible with the proper discharge of such person's official duties or which may tend to impair the independence of judgment in the performance of such person's official duties.

Additionally, Section 11-102 (e), RCH, states in pertinent part, "No elected or appointed officer or employee shall... appear in behalf of private interests before any agency...."

Based on the evidence presented, the Commission finds that no conflict of interest exists between your employment with the Trust and your responsibilities as an officer of the City because your purchase of municipal bonds is essentially an arm's length transaction. Furthermore, the Ethics Commission does not believe that your conversations sharing opinions and public information with City personnel constitute appearances in behalf of private interests before a City agency. It should be noted, however, that this opinion is based upon the Commission's understanding that neither you nor any person you supervise at the Trust will be engaged in bidding on any private placement bonds issued by the City and County of Honolulu.

Dated: October 7, 1997

GOLDIE D. BRANGMAN-DUMPSON  
Chair, Ethics Commission