

CONFLICT OF INTEREST POLICY

Purpose

The purpose of this Conflict-of-Interest Policy (the “Policy”) is to ensure that the business of the Colorado Firefighter Heart, Cancer, and Behavioral Health Benefits Trust (the “CFT”) is conducted so that no Trustee or subcommittee member gains a personal or financial advantage from CFT service, that public trust is preserved, and that all decisions are made in the best interests of the CFT.

Effective Date

This Policy shall be effective as of [INSERT DATE]. This Policy shall be effective as it relates to each Trustee and subcommittee member as of their appointment and requires annual review, understanding, and signature of this Policy via a separate Conflict of Interest Statement by each such Trustee and subcommittee member.

Who the Policy Covers

- All appointed Trustees and subcommittee members

Scope of Policy

A conflict of interest covers direct, and indirect or private interests involving Trustees or subcommittee members in their public, private, or fiduciary interests to the CFT or closely tied persons such as:

- Spouse
- Household member
- Child or stepchild
- Parent
- Grandparent
- Grandchild
- Sibling
- Aunt or uncle
- Brother- or sister-in-law
- Business associate
- Employer or employee
- Affiliated organization/association

Types of Conflict:

1. **Direct financial conflict** — the matter has a direct financial impact on the Trustee or subcommittee member
2. **Indirect financial conflict** — the matter financially affects a person closely tied to the Trustee or subcommittee member
3. **Direct personal conflict** — the matter directly affects the Trustee or subcommittee member in a significant non-financial way
4. **Indirect personal conflict** — judgment may be affected by a familial, personal, or organizational relationship
5. **Prejudgment in a quasi-judicial proceeding** — the Trustee or subcommittee member has publicly displayed a prejudgment of the merits of a particular proceeding
6. **Undisclosed ex parte communication in a quasi-judicial proceeding**
7. Any activity which contradicts or undermines the purpose or mission of the Trust as determined by the majority of the Trustees.

Important Exception

1. A conflict does **not** arise where the Trustee or subcommittee member interest is no greater than that of others generally affected by the decision, such as establishing a subsidy rate.

Other Helpful Definitions:

- **Emergency** — an imminent threat or peril to public health, safety, or welfare
- **Ex parte communication** — communication outside a quasi-judicial proceeding with a party or interested person about the substance or merits of the underlying matter
- **Official act or action** — legislative, administrative, or quasi-judicial acts taken on behalf of the municipality, but not ministerial acts
- **Public body** — board, council, commission, or committee of the CFT
- **Public interest** — an interest of the CFT conferred generally on residents
- **Quasi-judicial proceeding** — a matter involving party status, evidence, cross-examination, written decision, and appeal rights

Prohibited Conduct

A Trustee or subcommittee member is prohibited from:

- Participating in any official act or action if they have a real or perceived conflict of interest
- Representing, appearing for, or negotiating in a private capacity on behalf of a person or organization with an interest in a matter pending before the Trust
- Accepting gifts or offerings for personal gain by virtue of appointed position that is not available to the public generally
- Requesting or accepting any reward, gift, or favor for taking or advocating for or against any specific official action
- Using CFT resources unavailable to the public for private gain or personal purposes
- Giving the impression, if a member of a public body, that they alone have authority to act for that body

Disclosure Process

A Trustee or subcommittee member who may have an actual or perceived conflict must:

- Publicly disclose the conflict before participating in the matter
- Disclose the nature of the conflict at a public meeting or hearing
- Any single Trustee or subcommittee member may request that another Trustee or subcommittee member consider recusal due to an actual or perceived conflict

Consideration of Recusal

After a Trustee or subcommittee member disclosure:

- Other Trustees or subcommittee members should have an opportunity to ask questions or comment
- If a previously unknown conflict arises during a meeting or hearing, the CFT should take evidence on the issue

Recusal Decision

After disclosure and discussion, the Trustee or subcommittee member should:

- Declare whether they will recuse
- Explain the basis for that decision

If the Trustee or subcommittee member believes they can still act fairly, objectively, and in the public interest despite the conflict, they should say why; otherwise, they should recuse.

IMPORTANT GOVERNANCE DISTINCTION

Appointed Trustee and Subcommittee Member:

Failure to recuse despite a real or perceived conflict may be grounds for discipline or removal from position, subject to applicable law.

Recording Requirements

The meeting minutes or written decision should document:

- The disclosure
- Any questions or comments
- The recusal decision
- The explanation given
- The final actions taken

Post-Recusal Procedure

If a Trustee or subcommittee member recuses, they:

- Shall not sit with the Trust Committee or applicable subcommittee on that matter
- Shall not deliberate with the Trust Committee or applicable subcommittee
- Shall not participate in discussions in their capacity as a Trustee or subcommittee member; however, they may still participate as a member of the public or private party, if applicable.

If recusal prevents the Trust Committee or applicable subcommittee from acting because there is not a quorum, the Trust Committee or applicable subcommittee may adjourn to a later time, date, and place and resume once sufficient Trustees or subcommittee members are present.

ENFORCEMENT OPTIONS

Appointed Trustees and Subcommittee Members

1. The Chair meets informally with the respective Trustee or subcommittee member to discuss the issue
2. The Trust Committee meets to discuss the conduct with the respective Trustee or subcommittee member who is allowed to request a public meeting
3. The Trust Committee may admonish the respective Trustee or subcommittee member in private or at an open meeting, with the action reflected in the minutes
4. The Trust Committee may vote in an open meeting to request, but not order, that the applicable Trustee or subcommittee member resign
5. The Trust Committee may vote to remove the applicable appointed Trustee or subcommittee member, subject to state law

Emergency Exception

A recusal is not required if:

- An emergency exists, or
- The Trust Committee otherwise could not act; however, the applicable Trustee or subcommittee member must still disclose the conflict or potential conflict