

CITY OF MINNEAPOLIS ETHICAL PRACTICES BOARD 2007 ANNUAL REPORT

Introduction

The Ethical Practices Board (“EPB”) was created in 2003 with the passage of the City’s Ethics in Government Ordinance (“Ordinance”), codified at M.C.O. Ch. 15. Section 15.210 of the Ordinance establishes the EPB and outlines the powers and the duties of the EPB, which include issuing advisory opinions and investigating complaints from City employees and members of the public that the Ordinance has been violated. The Ordinance sets forth some specific standards below which no City official or employee should violate and, as importantly, sets forth aspirations for ethical conduct that go above and beyond the minimum requirements of the Ordinance.

M.C.O. §15.210(f) states:

The ethical practices board shall prepare and submit an annual report to the mayor and the city council detailing the ethics activities of the board and the city during the prior year. The format of the report must be designed to maximize public and private understanding of the board and city ethics activities. The report may recommend changes to the text or administration of this Code. The city clerk shall take reasonable steps to ensure wide dissemination and availability of the annual report of the ethical practices board and other ethics information reported by the board.

This annual report is respectfully submitted to the Mayor and to the City Council in response to the requirements of the Ordinance in that regard.

Appointment and Membership

The 2007 chair of the EPB was William Dooley, Jr. Mr. Dooley was appointed to the Board in September 2005. He is a lobbyist in Minnesota, Oregon, North Dakota, and South Dakota on various issues, and was a liaison between American Family and National Black Caucus of State Legislators and the Congressional Black Caucus. Mr. Dooley is currently a Case Placement Coordinator for Volunteer Lawyers Network. Mr. Dooley’s term expired on January 2, 2008 and the EPB appointing panel has recommended him for reappointment.

Mr. Schumacher was an original member of the EPB and was appointed in May of 2004. Mr. Schumacher resigned in December of 2007 after beginning new employment with Cardiac Rhythm Disease Management division of Medtronic as their Vice President, Ethics and Compliance. Applicants for this position are currently being sought.

Patricia Kovel-Jarboe was first appointed to the Board in appointed to the Board in September 2005 and has been reappointed to a term ending January 2, 2009. Ms. Kovel-Jarboe is the 2008 EPB chair. Ms. Kovel-Jarboe is a former professor at the University of Minnesota and was also an administrator. Ms. Kovel-Jarboe is currently a self-employed consultant on organizational effectiveness.

Mission

The Mission of the Ethical Practices Board is to provide interpretations of the ethics code, to respond to allegations of Ethics Code violations, and to provide policy advice to the Ethics Officer.

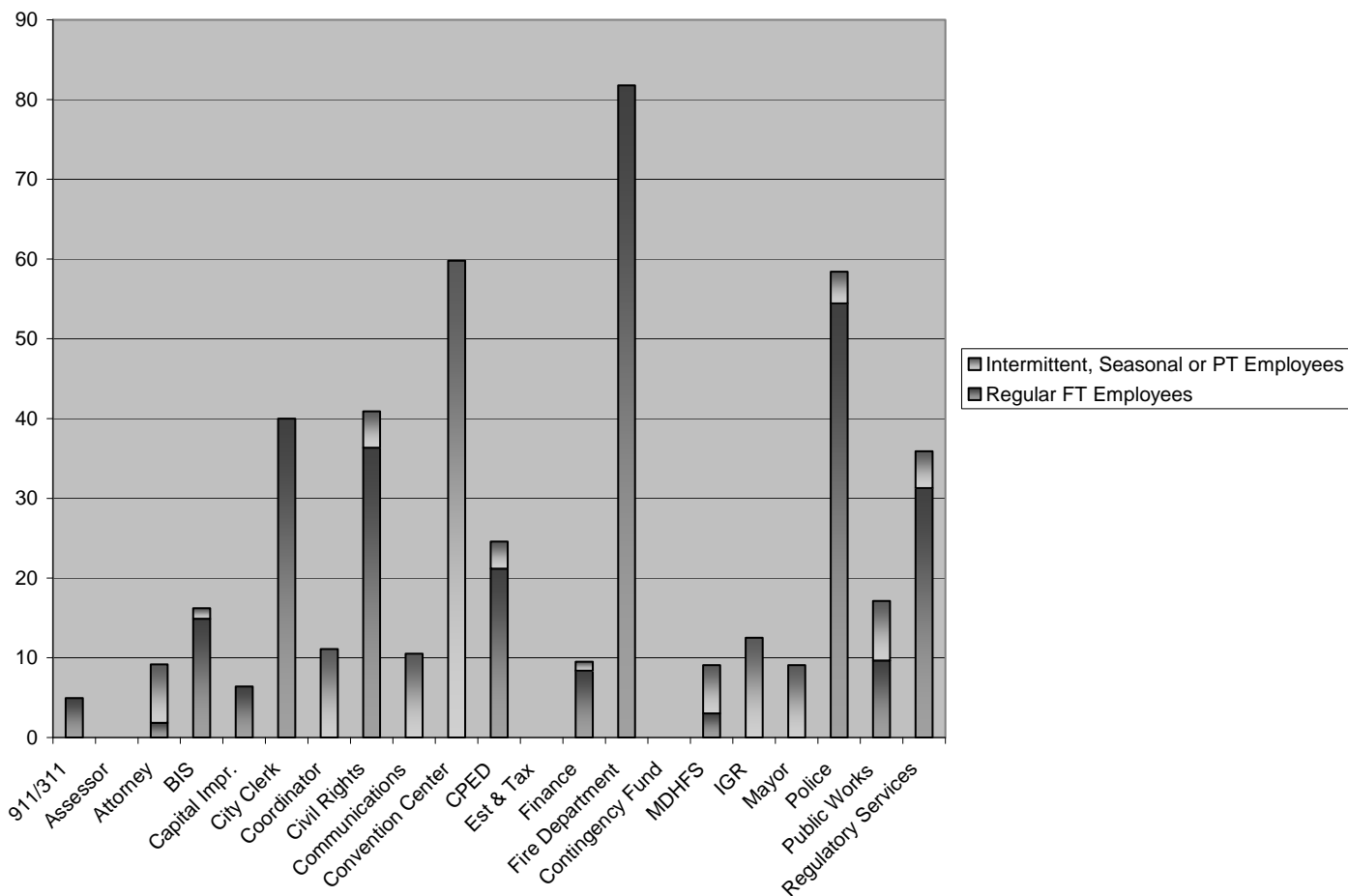
2007 Accomplishments

The primary activities and accomplishments achieved by the Ethical Practices Board and assigned staff in 2007 included:

- *Ethics Education to City employees.*

In 2007, the Ethics Officer conducted 46 Ethics Code training sessions reaching 1211 employees, approximately 30% of the City’s workforce. According to HRIS and Workforce Director records¹, 90% of the City’s fulltime permanent employees have attended the required ethics training. In 2008, over 1100 of the City’s fulltime permanent employees will need ethics training to remain in compliance with the ordinance’s requirement of ethics education once every four years. The following chart depicts the education needs relative to each department:

EMPLOYEES LACKING REQUIRED ETHICS EDUCATION



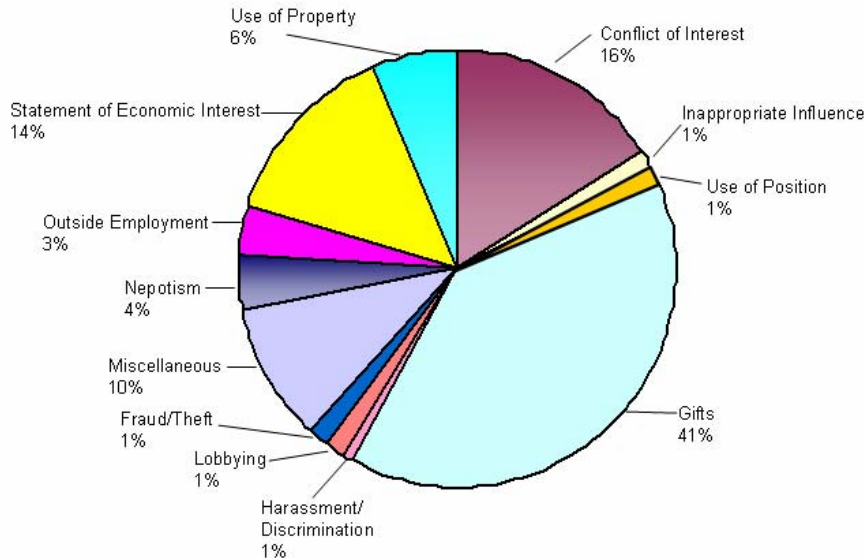
Reaching the temporary, intermittent, part-time and seasonal employees has proven to be more elusive. Only one-third of the City’s temporary employees, intermittent employees, part-time and seasonal employees have completed ethics training. A vast majority (65%) of the temporary, intermittent, part-time and seasonal employees with outstanding ethics education needs are employees of the Convention Center.

¹ The accuracy of these statistics is dependent upon the attendance data contained the MPD/MFD Workforce Director and the HRIS systems. To the extent that individuals have not completed certification of attendance sheets or departments and/or Human Resources have not entered ethics training attendance into either system, a department’s percentage of employees with outstanding training requirements will be disproportionately higher.

Another issue is ethics education for contract employees. By Ethics Code definition, independent contractors are not employees. Some of the City's independent contractors, however, spend many months and sometimes years at City worksites and their contracts include clauses requiring them to comply with the Ethics Code. The Ethics Board believes that these contract employees should attend ethics training so they are aware of the rules governing their time in the City's work environment.

The Ethics Code requires the citizen volunteers serving on our more than 45 boards, commissions and advisory committees attend ethics education upon beginning their service and every four years thereafter. When the Ethics Code was adopted nearly all members of the City's boards, commissions and advisory committees attended ethics education. Since the beginning of 2004, however, membership on the City's boards, commissions and advisory committees has experienced substantial turnover. Members appointed since the beginning of 2004 generally did not receive any ethics education training. 100% of the citizen volunteers need to receive ethics education in 2008.

- *Ethics Inquiries.* From January 1, 2007 through December 31, 2007, the Ethics Officer answered 144 telephone and email inquiries. The topics of inquiries were as follows:



As anticipated, the percentage of calls related to gifts remained the most frequent category of inquiry. Questions related to gifts are fact dependant and not easily answered by FAQ or other informational brochure. Inquiries raised during trainings and in-person immediately after ethics training sessions are not included in these numbers though the Ethics Officer has noticed that the number of inquiries increase in the days after training has been conducted. The miscellaneous category includes inquiries ranging from requests for a copy of the Ethics Code or a complaint form to information about serving on the Board.

- *Ethics Complaints.* The Board received three complaints on city officials and ten complaints regarding employees, and one complaint regarding a former employee. The subject matter of the complaints covered the entire Ethics Code:²

Gifts – 3
 Fiduciary Duty – 1

² Some complaints contained more than one allegation so these numbers will not equal the number of complaints received.

Conflict of Interest – 1
 Nepotism – 1
 Use of City Property- 5
 Harassment/Discrimination – 1
 Use of Official Position/Solicit Favors – 3
 Post-employment Violations – 1
 Political Activity - 1

All three of the city official complaints were dismissed by the board. The outcomes of the ten employee related complaints were as follows:

Open, Pending Investigation – 1
 Dismissed, Lacked of Probable Cause – 5
 Substantiated, Coaching Sessions Held – 3
 Substantiated, Department Changes Made – 1

Two city official complaints (former Council Member Zimmerman and former Fire Chief Bleskachek) and two city employee complaints remained open at the beginning of 2007. One employee related complaint remains open and continues to be investigated by the Respect in the Workplace investigator. As to the remaining employee complaint, it was determined that the Ethics Code was not applicable because the employee was not a City employee but an employee of one of the City’s independent agencies.

Both the Zimmerman and the Bleskachek matters were reported to the Ethical Practices Board as required by section 15.230. The Board’s practice has been to defer to other city processes and/or outside entities provided the ethics allegations be appropriately examined and the Board continued its practice as to both the Zimmerman and the Bleskachek matters. Once Zimmerman’s criminal conviction was upheld on appeal, his matter was dismissed as resolved. The Bleskachek matter was likewise dismissed as otherwise resolved.

- *Confidential Reporting Line.* On January 12, 2007, the City Council adopted the recommendation for implementation of the confidential reporting line and directed the City Coordinator’s Office to select a vendor for the confidential reporting line using a competitive procurement process, to make a recommendation about funding the confidential reporting line and to implement the confidential reporting line enterprise wide. The Ethics Officer has been working with the confidential reporting line implementation committee and the Network was selected as our vendor. A contract is currently being negotiated and the implementation committee is working toward the rollout of the confidential reporting line. The committee expects the confidential reporting line to be active by the end of the second quarter. Once the confidential reporting line is fully implemented, the Ethics Officer will provide semi-annual reports on the utilization of the confidential reporting line.

2007 Expenses

Board member parking	\$105.25
COGEL membership	\$445.00
Attorney III at 37% time (\$133,390.00 FTE per year)	\$49,354.30
Law Clerk	\$885.28
COGEL Conference Attendance	\$2,346.87
Mileage for training purposes	\$77.69
	<u>\$53,214.39</u>

2007 Revenue

During 2007 the Ethical Practices Board did not receive any income from grants, awards or donations.

2007 Volunteer Hours

The three members of the Ethical Practices Board reported that collectively they spent approximately 81.25 hours on work related to the Board during the 2007 calendar year.

2008 Ethical Practices Board Work Plan

The 2008 work plan is predicated on the availability of city staff to complete the tasks requiring staff involvement.

- Conduct ethics education refresher seminars for city employees.
- Work with the Convention Center and other departments to address ethics education for temporary, intermittent, part-time and seasonal employees.
- Work with Departments with substantial numbers of contract employees to determine ethic education needs.
- Conduct ethics education as a part of the City's "Principles of Effective Supervision" seminars.
- Conduct ethics education seminars for other departments as requested.
- Examine ethics education needs of the City's local officials serving on the agencies, authorities, or instrumentalities.
- Collaborate with the City's Human Resources Department to create an interactive video or computer program to be used for ethics education refresher seminars.
- Complete the City-wide solicitation policy for City Council consideration.
- In collaboration with the City's Communication and City Coordinator Departments, educate city employees of the confidential reporting line.
- Research issues related to potential gaps in the City's conflict of interest ordinance.
- Research issues related to gifts to supervisors.
- Collaborate with the City's Communication Department to create a question and answer brochure for frequently asked questions.
- Collaborate with the City's Human Resources Department to establish ethics as a topic of annual performance reviews.
- Collaborate with the City's Human Resources Department to establish protocol to include ethics questions in all employee exit interviews.

2008 Budget Request

The Ethical Practices Board will submit a budget request for 2009 during the City's budget process when the Office of the City Attorney submits its 2009 Budget request.