



Ethical Practices Board

Annual Report 2008



R. T. Rybak, Mayor
Barbara Johnson, City Council President
Patricia Kovel-Jarboe, Chair
Susan L. Trammell, Ethics Officer

TABLE OF CONTENTS

| | |
|---|-----------|
| Introduction | 3 |
| Appointment and Membership | 3 |
| Mission | 4 |
| Accomplishments | 4 |
| Ethics Education | 4 |
| Ethics Inquiries | 8 |
| Ethics Complaints and Ethics Report Line | 9 |
| Code Interpretation Through Policy Development | 12 |
| Proposed Ordinance Changes | 13 |
| 2008 Expenses | 16 |
| 2008 Revenue | 16 |
| 2008 Volunteer Hours | 16 |
| 2009 Ethical Practices Board Work Plan | 16 |
| 2009 Budget Request Plan | 17 |

Introduction

The Ethical Practices Board (“EPB”) was created in 2003 with the passage of the City’s Ethics in Government Ethics Code (“Ethics Code”), codified at M.C.O. Ch. 15. Section 15.210 of the Ethics Code establishes the EPB and outlines the powers and duties of the EPB, which include issuing advisory opinions and investigating complaints from City employees and members of the public that the Ethics Code has been violated. The Ethics Code 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 Ethics Code.

Further, Ethics Code §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 Ethics Code.

Appointment and Membership

The 2008 chair of the EPB was Patricia Kovel-Jarboe. Ms. Kovel-Jarboe was first appointed to the EPB in September 2005 and has been reappointed to a term ending January 2, 2012. Ms. Kovel-Jarboe is a former professor at the University of Minnesota and was also an administrator at the University of Minnesota. Ms. Kovel-Jarboe is currently a self-employed consultant on organizational effectiveness.

Mr. Juan Vega was appointed to the EPB in June of 2008. Mr. Vega is a prosecutor with the Office of the St. Paul City Attorney. Mr. Vega is a former U. S. Marine and business owner. He is currently the Vice-Chairman of the Latino District of the Boy Scouts of America.

Ms. Susan Humiston was appointed to the EPB in November of 2008. Ms. Humiston is a an Adjunct Writing Professor at William Mitchell College of Law and is a former shareholder attorney with the law firm of Leonard, Street, and Deinard where she focused her practice on product liability litigation and business and commercial matters. Ms. Humiston is a member of the Hennepin County District Ethics Committee for which she investigates ethics complaints filed against attorneys for the Office of Lawyers Professional Responsibility as well as a member of the Society of Corporate Compliance and Ethics.

Ethics Code §15.220 provides that the City Attorney shall designate an assistant city attorney as the City’s Ethics Officer. Susan Trammell was designated Ethics Officer in February of 2006.

Mission

The Mission of the Board is to promote integrity in City government by providing the services set forth in Ethics Code §15.210(e). These services include providing interpretations of the Ethics Code, responding to allegations of Ethics Code violations, and providing policy advice to the Ethics Officer.

2008 Accomplishments

The primary activities and accomplishments achieved by the Ethical Practices Board and assigned staff in 2008 included:

I. Ethics Education

Requirements of the Ethics Code

The Ethics Code currently requires attendance at an ethics education seminar within six months of becoming a local official or employee and every four years thereafter. The Ethics Code states the education seminars are to be designed and implemented by the Human Resources Department to educate local officials and employees of their duties and responsibilities under the Ethics Code. Department heads are responsible for ensuring that all of their employees attend the required ethics education seminars.

Historical Perspective and Current Statistics

Upon passage of the Ethics Code in March of 2003, a concerted effort was made to provide Ethics Code education to the entire City workforce, the elected officials and the members of the City's boards and commissions. To this end, a videotaped training featuring "Dr. Bill" was produced and the vast majority of covered persons attended ethics education prior to March 31, 2004. The Dr. Bill videotape was replaced with a video featuring ethics officer Burt Osborne in 2005. Beginning in October 2006, Ethics Officer Susan Trammell began conducting "in person" ethics education seminars for city employees, elected officials and the members of the City's boards and commissions. In collaboration with the Human Resources Department Training and Development division, a city-wide employee Ethics Code refresher class is offered each month in conjunction with required Respect in the Workplace education. Ethics Code education is also provided at each new employee orientation session. In addition, the Ethics Officer often provides Ethics Code education to individual departments or divisions as well as to the City boards and commissions.

In 2008, the Ethics Officer, with assistance from Human Resources Training and Development, conducted 43 Ethics Code training sessions reaching 194 new employees and providing refresher education to 975 employees, approximately 31% of the City's workforce. According to HRIS and Workforce Director records as of December 31, 2008, 68% of the City's employees have attended the required Ethics Code education.¹

Approximately 23% of the ethics education attendees completed survey questions about the training. 87.4% of the respondents strongly agreed or agreed that they were engaged in the session and 82% of the respondents

¹ The accuracy of these statistics is dependent upon the attendance data contained in 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 staff have not entered ethics training attendance into either system, a department's percentage of employees with outstanding training requirements will be disproportionately high.

rated the Ethics Officer as an excellent or very good instructor. The Respondents reported that at the end of the session they understood well or very well:

| | Very Well | Well | Total |
|---|-----------|-------|-------|
| Who to contact for an Ethics Code Question: | 56.5% | 37% | 93.5% |
| The purpose of the Ethics Code | 52.2% | 37.5% | 89.7% |

These responses favorably compare to the responses attendees provided for other City offered trainings.

Attendees are also asked to provide additional comments. Some of the comments offered after joint Ethics and Respect in the Workplace Education sessions are as follows:

“I went in thinking everything would be old news but I came away with a lot of new information. There was quite a bit of dialogue amongst the participants which was good. Overall a very good session. Thank you.”

“It was a very interesting class, which surprised me since it was a repeat for me.”

“The class enlightened me in several areas; there are situations in our daily routine that apply to the learning experience. Good job on the presentation.”

“Didn’t fall sleep this time . . . Didn’t even drift off. Good job”

“The session was greatly improved from prior years. The previous movies were somewhat entertaining, but were not as interesting as the discussion that occurred today.”

“Ooo, you guys did such a good job”

The survey responses and comments affirm the value of “in person” ethics education. The Ethics Officer believes that the ethics education classes help create a connection between employees and the Ethics Officer leading to a willingness on the part of employees to call the Ethics Officer with ethics questions. The Board views this as an affirmative change in the ethical culture of the City.

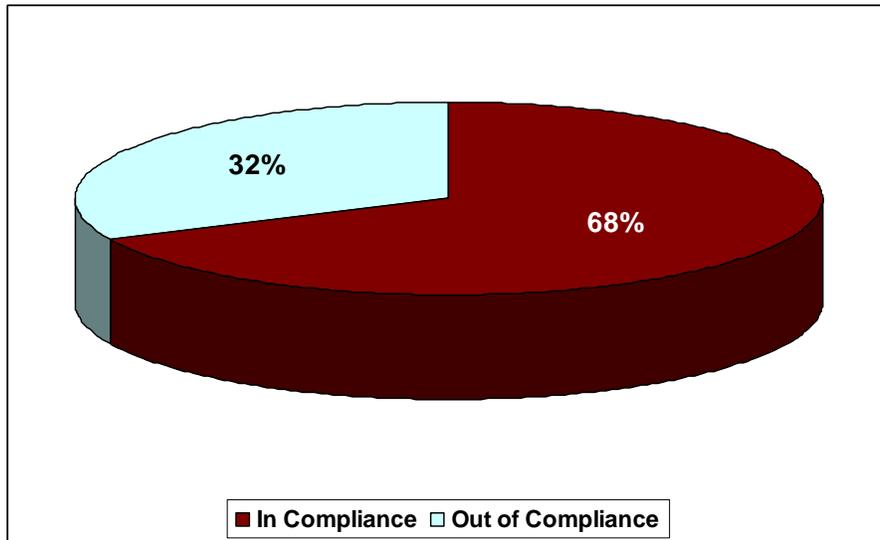
Closing the Employee Ethics Education Gap

Because of the large numbers of persons attending ethics education in 2003 and early 2004, most employees’ ethics education compliance lapsed in 2007 and 2008. Once compliance lapsed, many employees did not attend a required refresher course. As of December 31, 2008, 32% of the City’s workforce remains out of compliance with the ethics education requirement. The impact of conducting the initial ethics education of the City’s workforce in a very short time span is also evident from the small percentage of employees whose initial ethics education compliance occurred in 2005 and will lapse in 2009. Only approximately 3% of the City’s workforce is due for training in 2009.

Only one city department, the Department of Health and Family Services, has 100% employee ethics education compliance. Other departments with greater than 90% employee ethics education compliance are the Fire Department (93.84%), the Office of the City Attorney (92.31%) and 911/311 (91.67%). As of December 31,

2008, roughly 68% of the City's workforce is in compliance with the ethics education requirement of the Ethics Code and 32% are out of compliance.²

Employees and Ethics Education as of December 31, 2008



To address the substantial percentage of noncompliant employees, the Ethics Officer, in collaboration with the Human Resources Training and Development Division, has scheduled morning and afternoon ethics education refresher classes each month. The Ethics Officer has sent emails to department heads reminding them that this education is required every four years; the Ethics Code holds the department heads responsible for their employees' compliance with the ethics education requirement and the ethics education management reports are available on HRIS for all City managers and supervisors to view. The email also contains the names of the department's employees who need ethics education and provides information regarding enrollment via HRIS Learning Management. The Ethics Officer is also available if employees require special delivery arrangements such as shift timing or departmental on site training. At the end of June 2009, follow-up emails will again be sent to encourage enrollment.

Reaching the temporary, intermittent, part-time and seasonal employees (collectively "part-time") has proven to be difficult. Only slightly more than 30% of the City's part-time employees are in compliance with the required ethics education attendance. The Convention Center employs most of these part-time employees and would be 99% compliant instead of 46.5% compliant if only full-time regular employees were required to attend training. During 2008, the Convention Center made a concerted effort to provide the required ethics education to its part-time employees and ethics education was even presented in the middle of the night for third shift employees.

The Ethics Officer is collaborating with the Human Resources Training and Development Division to create and/or purchase suitable alternative training options such as an interactive computer or web based training program so that these employees can more easily participate without significant additional payroll costs to the departments.

² For department by department numbers see Attachment A.

Proposed Ethics Code Change and Impact upon Ethics Education

The Ethics Code, § 15.260, requires local officials and employees to attend ethics education every four years. The City’s Respect in the Workplace Policy requires employee education once every three years. In 2008, the Human Resources Training and Development Division began offering a joint Respect in the Workplace and Ethics Education training class. The Ethics Officer conducts the Ethics Education portion of the class.

Although an employee could register for the class and only attend the portion of the class required to keep the employee in compliance with education requirements, both Training and Development and the Ethics Officer believe that greater efficiency would be achieved if City Ethics and Respect in the Workplace education requirements were the same. The Ethics Officer is proposing changing the ethics education ordinance from a four year to a three year ethics education requirement for employees. The proposed ordinance change would not impact elected officials or non-employee local officials. Those requirements would remain on a four year cycle and the ethics education attended by an elected official upon taking office would be sufficient for the entirety of the elected official’s term.

The following chart depicts the current ethics education cycles and the percentage of employees in each cycle. The 2009-2013-2017 cycle includes the percentage of employees who are out-of-compliance with ethics education.

| 4-year Ethics Education Cycles | % Employees |
|--------------------------------|-------------|
| 2009 - 2013 - 2017 | 34.7% |
| 2010 - 2014 - 2018 | 18.6% |
| 2011 - 2015 - 2019 | 19.4% |
| 2012 - 2016 - 2020 | 27.3% |

Assuming an ordinance change in 2009, those due for ethics education in 2010 would need to be folded into the 2009 education sessions. The following chart shows the resulting education cycle and the percentage of employees in each cycle.

| 3-year Ethics Education Cycles | % Employees |
|----------------------------------|-------------|
| 2009 – 2010 – 2012 – 2015 – 2018 | 53.3% |
| 2010 - 2013 – 2016 – 2019 | 19.4% |
| 2011 - 2014 – 2017 – 2020 | 27.3% |

It is likely that the Ethics Officer would be unable to reach all 53.3% of the employees in 2009 and the percentage of employees requiring ethics education in 2010 would increase proportionately. The Ethics Officer is collaborating with the Human Resources Training and Development division in efforts to reach out to employees to maintain a steady three year rotation of employees through both Respect in the Workplace and Ethics in Government education classes.

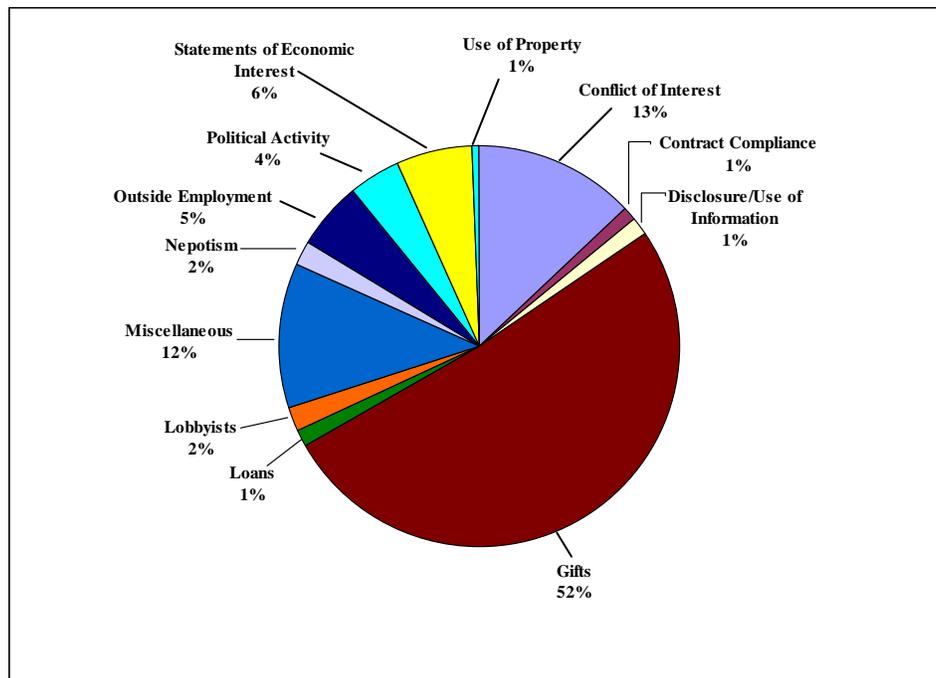
Board and Commission Ethics Code Education

The Ethics Code requires the citizen volunteers serving on our more than 45 boards, commissions and advisory committees (collectively “boards”) to 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 attended ethics education. Since the beginning of 2004, however, membership on the City’s boards has experienced substantial turnover but no ethics education was held when new members began serving their terms. In 2008, the Ethics Officer presented seven ethics education sessions and reached 82 citizen volunteers. The ethics education provided to boards focuses mainly upon conflicts of interest.

Providing ethics education to these boards is challenging because over 38 boards remain in need of ethics education, the boards often meet in the evening and their agendas are tightly packed. An efficient and effective method of reaching board members is through computerized training available via CD. This method permits board members to participate in the training at their own convenience. A potential donor has informed the Ethics Officer of a willingness to create an interactive computerized ethics education course for these boards in the first quarter of 2009. Should this gift actually materialize, the Ethics Officer will bring the gift before City Council for approval by resolution prior to using the computerized training.

Ethics Inquiries

From January 1, 2008 through December 31, 2008, the Ethics Officer answered 147 telephone and email inquiries³. The number of inquiries is slightly higher than the 142 inquiries answered in 2007. The substantive topics of inquiries were as follows:



The top three categories of inquiries did not change from last year: Gifts, Conflict of Interest, and Statements of Economic Interest. In fact, the calls related to gifts remained the most frequent category of inquiry for the third

³ Inquiries raised during education sessions and in-person immediately after ethics education sessions are not included in the numbers.

consecutive year. A substantial portion of the employee ethics education sessions are devoted to gifts and it is encouraging that employees will call the Ethics Officer when faced with uncertain situations. Questions related to gifts are highly fact dependent and not easily answered by FAQ or other informational brochures.

The number of conflicts of interest questions decreased 3% and the number of questions related to statements of economic interest decreased 7%. The number of questions related to the remaining categories remained fairly constant from 2007 to 2008. Not included as a substantive inquiry category are the miscellaneous inquiries which range from requests for a copy of the Ethics Code or a complaint form to information about serving on the Board. The number of miscellaneous inquiries remained consistent with 2007.

Minneapolis is not the only city to track inquiries related to its Ethics Code. The following chart contains information from other cities and the City of Minneapolis:

| | Number Persons Covered | 2008 Inquiries | Top Three Substantive Inquiries |
|--------------------|---------------------------------------|---------------------------|---|
| Chicago | 36,700 | 5,377 | Financial Interest Disclosure, Lobbying, Gifts/Travel/Honoraria |
| Atlanta | 7,000 - 8,000 | 276 | Use of City property, Conflict of Interest, Gratuity & Travel (3-way tie) Outside Employment |
| Honolulu | 9,500 | 395 | Benefit/disadvantage of another Political activity Gifts |
| Minneapolis | 4,950 | 147 | Gifts Conflict of Interest Statements of Economic Interest |

Ethics Complaints and Ethics Report Line

Ethics Complaints

The Ethics Officer received twenty-eight total complaints alleging violations of the Ethic Code during 2008. The complaints were reported in four ways:

- Ethics Officer – 9
- Ethics Report Line – 16
 - Internet (6)
 - Phone (10)
- Required reporting by department – 2
- 311 – Citizen reporting - 1

Twenty-three of the complaints related to employees and/or departmental actions and four were either not really complaints or were dismissed for lack of jurisdiction.

Ethics Code §15.230(c) requires a supervisor or department head to notify the Ethics Officer of a report of an alleged Ethics Code violation and the subsequent outcome. The Ethics Officer received only two such reports in 2008. Given the breadth of the Ethics Code and the inclusion of the City's Respect in the Workplace policy in the Ethics Code though §15.150, Discrimination or Harassment, it is fair to say that the complaint statistics reported above do not cover all of the ethics related complaints reported and handled by City Departments throughout 2008.

The subject matter of the thirty-one allegations⁴ covered the entire Ethics Code as well as other management concerns:

- Improper use of City property or time – 7
- Respect in the Workplace Policy – 2
- Nepotism – 1
- Use/Disclosure of Information – 4
- Inappropriate Influence – 1
- Use of Official Position – 1
- Gifts – 2
- Employee Relations – 8
- Safety Issues – 1
- Other/Not a complaint - 4

The outcomes of the allegations⁵ were as follows:

- Open, Pending Investigation – 14
- Sustained, Discipline Imposed – 2
- Dismissed after Investigation – 4
- Dismissed, Insufficient Information to Proceed – 2
- Dismissed after Coaching Session - 4
- Substantiated, Coaching Sessions Held – 2
- Substantiated, Department Changes Made – 1
- Declined – 1
- Closed, Other – 4

In addition one complaint carried over from last year and it was dismissed after investigation.

Ethics Report Line

On January 12, 2007, the City Council adopted the recommendation of the City's Ethics Board to implement a confidential reporting line. After seeking and reviewing proposals, a confidential reporting line implementation committee selected The Network as the City's vendor. The Ethics Report Line was fully implemented on June 1, 2008 and in the remaining seven months of the year received sixteen original incident reports of which ten were anonymous reports.

Three methods were utilized to inform employees of the Ethics Report Line. The Mayor and Council President sent a letter to each employee's home describing the new reporting mechanism along with an Ethics Report

⁴ Some complaints contained more than one allegation so these numbers will not equal the number of complaints received.

⁵ Some complaints contained more than one allegation so these numbers will not equal the number of complaints received.

Line brochure which was mailed out the third week of June⁶. The Ethics Report Line received three reports, all anonymous, the following week. The Ethics Officer also received four emails and/or phone calls as a result of the mailing. A copy of the Mayor and Council President letter is included in all new employee orientation packets.

The second method utilized by the Ethics Report Line implementation committee to inform employees of the new Ethics Report Line was through an article in the June 12, 2008 on-line employee newsletter, Minneapolis Matters.⁷ Like the employee mailing, the Minneapolis Matters article focused on the Ethics Report Line as an extension of the City’s current reporting process through an additional method of reporting.

The third method utilized to inform employees of the Ethics Report Line is through inclusion in both Ethics and Respect in the Workplace education sessions. Trainers of these sessions remind employees of the availability of the Ethics Report Line via both telephone and internet, inform them of their responsibility to check back for further information when making an anonymous report, discuss the appropriate uses of the Ethics Report Line, and stress the importance of communicating directly with supervisors and managers about workplace concerns whenever possible.

When reports are made through the Ethics Report Line the report is forwarded to the City’s Ethics Officer, Susan L. Trammell, the City’s Respect in the Workplace Lead Investigator, Steven G. Kennedy, and/or the City’s Internal Auditor, Robert H. Bjorklund. Once received, the reports are forwarded as required by the Ethics Code to the appropriate official for investigation, usually the Ethics Liaison for the applicable department. The Ethics Officer contacts the departmental liaison each month to check on status of the report.

The Network tracks statistics related to the reports made through its clients’ compliance lines:

| Original Incident Reports | % City Reports | % The Network Compliance Line Reports |
|-----------------------------------|-----------------------|--|
| Anonymous Reports | 62.5% | 48.2% |
| Non-Anonymous Reports | 37.5% | 52.8% |
| | | |
| Escalated Incident Reports | 0% | 1.5% |
| Previously Reported to Management | 31.3% | 31.3% |
| | | |
| Caller Callbacks | 21.9% | 9.4% |

For calendar year 2008, the City’s anonymous reporting was significantly higher than that of the Network’s other clients. Anonymous callers are instructed to re-contact the Network after a designated period of time to answer any questions the assigned investigator may have for the caller. Again, the City’s anonymous callers have a very high percentage of follow up as compared to The Network’s other clients.

⁶ A copy of the letter is included as Attachment B.

⁷ The text of the Minneapolis Matters article is included as Attachment C.

The Network also tracks the allegations raised in a report made through the Ethics Report Line:

| | Number City Allegations | % City Allegations | % The Network Compliance Line Reports |
|---|--|-------------------------------|--|
| Use of Property/Time | 5 | 23.8% | 4.7% |
| Nepotism | 1 | 4.8% | N/A |
| Safety Issues | 1 | 4.8% | 3.6% |
| Use/Disclosure of Information | 1 | 4.8% | .2% |
| Outside Employment | 1 | 4.8% | N/A |
| Harassment/Discrimination (Respect in the Workplace Policy) | 2 | 9.5% | 10.3% |
| Employee Relations | 5 | 23.8% | 60.7% |
| Gifts | 2 | 9.5% | 0.0% |
| Other | 3 | 14.3% | 5.6% |

The Network categorizes the nepotism and outside employment issues in a combined category of policy issues. The percentage of other Network clients' 2008 reports related to policy issues was 11.2%.

The Network is in the process of upgrading its management and executive reports to compare report type by industry designation. The upgrade will permit comparison of the City's Ethics Report Line allegations with The Network's other governmental entity clients. This information should be available for calendar year 2009 reporting.

Code Interpretation Through Policy Development

The Ethics Code was amended in 2007, in part, to include a solicitation exception to the gift ban. The solicitation exception reads as follows:

(b) Exceptions. The prohibitions in this [gift ban] section do not apply if the gift is: * * * A solicitation for city purposes conducted pursuant to a city council approved solicitation policy. Absent a city council approved solicitation policy, a solicitation for city purposes must be pre-approved by city council.

After the solicitation exception was added to the Ethics Code, the City Council requested the Ethics Officer prepare a Solicitation Policy. The Board provided comments on a proposed policy prior to its submission to the City's Policy Review Group in October, 2008. The Solicitation Policy is pending at the City's Policy Review Group.

Also presented to the Policy Review Group in October was a Gifts Between Employees Policy. The Board had previously discussed the employee – supervisor relationship and the potential for an interested person situation due to the authority of the supervisor and department head to make decisions impacting the employee's financial interest. Given that employees and local officials are prohibited from accepting gifts from interested

persons, the Board directed the Ethics Officer to draft a proposed Gifts between Employees Policy. The proposed policy is pending with the City's Policy Review Group.

In June of 2008, the Minneapolis Police Department forwarded a proposed departmental policy regarding kenneling of retired MPD service canines at the MPD canine facility. The Board opined that any owner of a retired MPD service canine should be permitted to board the canine with the MPD canine facility provided that the facility has the space and personnel to accommodate the canine and that the canine does not require special care that MPD canine facility personnel are unable to provide.

Proposed Ordinance Changes

The Board recommends the following amendments to the Ethics Code:

1. Correction of typographical error in Conflicts of Interest § 15.40(c)(4)

The conflicts of interest section was amended in August of 2007 resulting in renumbering of the section's paragraphs. A reference to "this paragraph (3)" in paragraph (4) needs to be changed to "this paragraph (4)" to be accurate.

A potential correcting amendment is:

15.40. Conflicts of interest.

* * *

- (c) Disclosure of conflicts of interest. If a local official or employee, in the discharge of his or her official duties, recognizes that his or her participation would create a conflict of interest, the local official or employee shall disclose the conflict of interest as follows:

* * *

- (4) An employee who is not covered by paragraphs (1), (2) or (3) above shall disclose a conflict of interest (i) orally to his or her supervisor; and (ii) in writing as described below. If there is no supervisor, an employee shall disclose a conflict of interest in writing as described below. An employee who is required to disclose a conflict of interest in writing under this paragraph (~~3~~ 4) shall prepare, on a form prescribed by the city clerk, a written statement describing the matter requiring action or decision and the nature of his or her conflict of interest. The written statement shall be distributed to the employee's immediate supervisor and department head, and filed with the city clerk.

2. Variance from Minnesota State Gift Law, M.S. §10A.071

During the 2005 legislative session, the statute prohibiting gifts by lobbyists and principals, M.S. §10A.071, and the statute prohibiting gifts by interested persons, M.S. §471.895, were amended to change the exceptions relating to trinkets or mementos. For the first time, the value of the trinket or memento became a factor in determining whether the exceptions would apply. The current statutes require a trinket or memento cost less than \$5.00 in order to qualify for the exception.

During the 2008 legislative session, M.S. §10A.071 was again amended, this time to change the exception relating to plaques or similar mementos recognizing individual services. Again, the value of the plaque or similar memento became an issue in determining whether the exception would apply. The current exception requires that a plaque or similar memento have a resale value of less than \$5.00 to qualify as an exception to the lobbyist/principal gift ban. A similar exception in the statute prohibiting gifts from interested persons, M.S. §471.895, has not yet been amended to conform to the plaque/similar memento exception language of 10A.071, Subd. 3(a)(4).

Minnesota Statute, §10A.071, applies to a “local official of a metropolitan governmental unit”. Minneapolis is included in the definition of metropolitan governmental unit. Minnesota Statute, §471.895, applies to an “elected or appointed official of a county or city or of an agency, authority, or instrumentality of a county or city.” For our elected officials and the employees considered local officials, the stricter provisions of the state statutes control over the provisions of the Ethics Code. This difference results in unnecessary complexity, especially for training. The Board recommends that the City amend the Ethics Code gift ban provision to conform with M. S. §10A.071.

A potential amendment to conform to state law is:

15.50. Soliciting or accepting gifts.

* * *

(b) *Exceptions.* The prohibitions in this section do not apply if the gift is:

* * *

(4) A plaque or similar memento ~~recognizing individual services in a field of specialty or to a charitable cause~~ with a resale value of \$5 or less;

(5) A trinket or memento ~~of insignificant value~~ costing \$5 or less;

3. Modifications to the Appointment Process and Budget Process

Ethics Code §15.210 sets forth the process for appointing members to the Board. Since the original Board was appointed in May of 2004, the appointment process has been used no less than four times due to conclusion of terms and resignations. For City staff involved, the appointment process has proven to be unwieldy.

The current ordinance requires the City Clerk to notify the non-partisan and community groups, colleges and universities of any opening. In actual practice, the Ethics Officer maintains the mailing list and it is more efficient for the Ethics Officer to send out the notifications.

The other cumbersome aspect of the appointment process is the requirement that a public hearing be set within five days of the City Council’s notification of finalists for the Board’s appointments. The five day requirement means that delays in notification have occurred because the scheduled City Council meeting is more than five days away or the City Council has an off week. The Board believes the five day time requirement is not necessary and that merely requiring the setting of a public hearing is sufficient.

Ethics Code §15.210 also requires the Board to submit a budget request to the Mayor’s budget process each year. The Board has never been given its own budget through the City’s budget process. The Board’s expenses have been absorbed by the Office of the City Attorney. Since the Board does not have a budget, the Board

believes the ordinance provision requiring submission of a budget request to the Mayor's budget process should be deleted.

A potential amendment is:

15.210. Ethical practices board. (a) The ethical practices board will be composed of three (3) members appointed by an appointing committee. The members of the appointing committee shall be the Chief Judge of Hennepin County District Court, the Dean of the University of Minnesota Law School, and the Dean of the University of St. Thomas School of Law. In making the appointments, the committee shall follow the city's open appointments process, supplemented by the following:

- (1) The ~~city clerk~~ ethics officer shall notify non-partisan civic and community groups, colleges and universities of any openings on the board.
- (2) At least thirty (30) days prior to making an appointment, the committee shall submit the names of the finalists for the position to the mayor and the city council for comment.
- (3) ~~Within five (5) days of~~ Upon receiving the names, the city council shall schedule a public hearing to solicit public input on the finalists.

* * *

~~(g) — The ethical practices board shall submit a budget request to the mayor's budget process after they organize and each year thereafter.~~

4. Ethics Education on the Same Schedule as Respect in the Workplace

For the reasons discussed in the Ethics Education section of this Annual Report, the Board proposes the following potential amendment:

15.260. Ethics education. Each local official or employee shall attend an ethics education seminar within twelve (12) months of the effective date of this ordinance, ~~and once every four (4) years thereafter.~~ New employees and local officials shall attend an ethics education seminar within six (6) months of becoming a local official or employee ~~and every four (4) thereafter.~~ Employees shall attend ethics education seminars every three (3) years thereafter. Non-employee local officials and elected local officials shall attend an ethics education seminar every (4) years thereafter. The seminar shall educate persons as to their duties and responsibilities under this Code. The human resources department shall design and implement the ethics education seminars. Department heads are responsible for ensuring that all of their employees attend this training.

2008 Expenses

| | |
|--|--------------------|
| COGEL membership | \$445.00 |
| SCCE Membership and Training | \$350.00 |
| Ethics Report Line | \$4,250.00 |
| Ethics Report Line brochure & letter ⁸ | \$360.93 |
| Postage for Ethics Report Line mailing* ⁹ | \$9,445.77 |
| Attorney III at 48% time (\$133,390.00 FTE per year) | <u>\$64,027.20</u> |
| | \$78,878.90 |

The reported 2008 expenses do not take into account the incidental expenses such as an office, computer, telephone, office supplies, copying, postage, parking, mileage for training and other expenses covered by the Office of the Minneapolis City Attorney.

2008 Revenue

During 2008 the Ethical Practices Board did not receive any income from grants, awards or donations.

2008 Volunteer Hours

The three members of the Board collectively spent approximately 55.36 hours on work related to the Board during the 2008 calendar year. Although this number is down from the 81.25 hours reported for 2007, the Board was not at full strength for nearly one half of 2008. On average, each member spent two plus hours per month on Board related activities.

2009 Ethical Practices Board Work Plan

The 2009 work plan is predicated on the availability of city staff to complete the tasks requiring staff involvement.

Ethics Education

- Conduct ethics education refresher seminars for city employees.
- Collaborate with the City's Human Resources Training and Development Division to create computerized or on-line ethics education material for temporary, intermittent, part-time and seasonal employees.
- Work with Departments to determine ethic education needs of contract employees.
- Conduct ethics education as a part of the City's "Principles of Effective Supervision" seminars.
- Conduct ethics education seminars for other departments as requested.
- Develop computerized ethics education materials for use by the City's local officials serving on the City's boards.

⁸ This expense was covered the Human Resources Department

⁹ This expense was covered by the Human Resources Department.

- Collaborate with the Office of the City Coordinator to include ethics training as a component of department head performance reviews.

Code Interpretation Through Policy Recommendations

- Collaborate with the Policy Review Group to present the proposed Solicitation Policy for City Council consideration.
- Collaborate with the Policy Review Group to present the proposed Gifts Between Employees policy for City Council consideration.

Ethics Inquiries

- Collaborate with the City's Communication Department to create a question and answer brochure for frequently asked questions.

Ethics Complaints and the Ethics Report Line

- Collaborate with the City's Communication Department to create a communication strategy to promote awareness of the Ethics Report Line.
- Provide semi-annual report to Ways & Means/Budget Committee in July.

Promote an Ethical Culture in the City of Minneapolis

- 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.
- Promote the inclusion of ethics questions for the 2009 Employee Survey.

2009 Budget Request

The Ethical Practices Board, if necessary, 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.

