

REGION FIVE DEVELOPMENT COMMISSION CODE OF CONDUCT AND ETHICS POLICY

PREFACE

The Region Five Development Commission (R5DC) has established standards of conduct for its employees and members of its full Commission. These standards are designed to assure the utmost in public trust and confidence in the policies and practices of the R5DC. Because of its status as a local unit of government established in MN State Statute, the Commission recognizes its responsibility to conduct all business in a manner above reproach or censure. This Code of Conduct and Ethics Policy will describe in detail the standards by which members of the Commission and staff are to be held accountable.

This code recognizes and incorporates those sections of federal, state, and local law which govern the conduct of public employees, and in no way supplants those provisions of law. In cases where no statutory precedent exists, the policy of the Region Five Development Commission shall be applied, except that this policy shall in no way be taken to supersede the provisions of any contracts, labor agreements, or other external agreements affecting the rights and privileges of employees.

The Code of Conduct contained within the Code of Conduct and Ethics Policy shall be generally applied so as to avoid the appearance, or actual occurrence of, any favoritism or special treatment towards any loan applicants, community members, vendor, or agent having business, or dealings of any kind, with R5DC. No Commissioner or employee shall use or cause or allow to be used his or her position to secure any personal privileges for himself, herself, or others, or to influence the activities, actions, or proceeds of R5DC.

The Region Five Development Commission, in establishing standards of conduct for its employees and commissioners, recognizes the importance of establishing standards of conduct for external vendors and suppliers of products and/or services to the R5DC. While the R5DC cannot mandate the internal conduct or policies of vendors, it nevertheless requires that vendors and suppliers adhere to certain basic principles in conducting business with R5DC. Specifically, these principles include:

- A. No direct or indirect personal inducement of R5DC employees. This includes the giving of gifts, money, tickets or any item or service having value.
- B. No direct or indirect inducement of members of the Board of Commissioners. This shall include the same provisions covering employees, except that it is recognized that in the course of business dealings, there may be times when meals and/or visits may be arranged. In such cases, such events should be reported to the Chairman of the Board, with the nature of the visit explained.

It is expected that vendors or suppliers of professional services to the R5DC will be governed by the Code of Conduct and Ethics Policy to which their particular profession prescribes.

Any vendor or supplier found in violation of R5DC policy shall be barred from future business dealings with the Commission. The R5DC reserves the right to have vendors and suppliers sign a statement of compliance with the standards of conduct of the Commission.

1.0 TITLE

This shall be called the "Region Five Development Commission Code of Conduct and Ethics Policy."

2.0 APPLICABILITY

The provisions contained herein shall apply to all employees and the full Commission of the Region Five Development Commission. With respect to contracted professional services of the R5DC (legal, accounting, or otherwise), it is assumed that these professionals will abide by the professional ethics of their particular profession.

3.0 PURPOSE

This Code of Conduct and Ethics Policy establishes standards for employee and Commissioner Conduct that will assure the highest level of public service. Recognizing that compliance with any ethical standards rests primarily on personal integrity, and also recognizing in general the integrity of Commission and employees, it nevertheless sets forth those acts or omissions of acts that could be deemed injurious to the general mission of the R5DC.

This Code of Conduct and Ethics Policy is not intended, nor should it be construed as, an attempt to unreasonably intrude upon the individual employee's or Commissioner's right to privacy and the right to participate freely in a democratic society and economy.

4.0 DEFINITIONS

"Agent" shall mean any employee of the R5DC (whether full or part time) acting in his or her official capacity is an agent of the R5DC.

"Claim" shall mean any demand, written or oral, made upon the R5DC to fulfill an obligation arising from law or equity.

"Commissioner" shall mean one of the persons serving on the Region Five Development Commission.

"Contract" shall mean any obligation to do something arising from an exchange of promises or consideration between persons, regardless of the particular form in which it is stated.

"Conventional" shall mean those programs operated by the R5DC, which are broadly considered part of the "conventional public housing program." This shall include but not be limited to, such programs as public housing, the Capital Fund, HOPE VI, and the Public Housing Drug Elimination Program (PHDEP).

"Employee" shall mean any person appointed or hired, whether full or part time, seasonal, temporary, paid or unpaid, on a fixed or unfixed term, provisional or permanent.

"Enrollee" shall broadly mean any program participant in any program operated by the R5DC. Specifically, an "enrollee" shall be a person who expects to receive, or is receiving, some form of assistance from the R5DC.

"Family" shall mean the spouse, father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister, or a person living in a stable family relationship.

"Interest" shall mean a benefit or advantage of an economic or tangible nature that a person or a member of his or her family would gain or lose as a result of any decision, or action or omission to decide or act, on the part of the R5DC, its Commission, or employees.

"Person" shall mean any individual, corporation, partnership, business entity, association, organization, and may include an R5DC employee.

"Public Information" shall mean information obtainable pursuant to the Freedom of Information Act and R5DC guidelines adopted pursuant thereto.

5.0 ETHICAL STANDARDS FOR EMPLOYEES

No employee of the Region Five Development Commission shall have any employment, or engage in any business or commercial transaction, or engage in any professional activity, or incur any obligation in which directly or indirectly he or she would have an interest that would impair his or her independence of judgment or action in the performance of his or her official duties or that would be in conflict with the performance of his or her official duties.

No employee shall have or enter into any contract with any person who has or enters into a contract with the R5DC unless:

- A. The contract between the person and the R5DC is one in which the R5DC employee has no interest, has no duties or responsibilities.
- B. If the contract with the person is one which the R5DC employee entered into prior to becoming an employee.

There shall be no preferential treatment given by an employee of the R5DC acting in performance of his or her official duties to any person, agency or organization.

No R5DC employee shall use or permit the use of R5DC-owned vehicles, equipment, materials or property for the convenience or profit of himself, herself, or any other person. However this provision shall not apply in the case of usage for "diminutive" purposes, i.e., purposes which in and of themselves should not be construed as abuse of R5DC property.

No R5DC employee shall solicit any gift or consideration of any kind, nor shall any R5DC employee accept or receive a gift having value in excess of \$25.00 regardless of the form of the gift, from any person who has an interest in any matter proposed or pending before the R5DC.

No R5DC employee acting individually can bind the R5DC by any action or verbal representation.

No R5DC employee shall disclose without proper authorization non-public information or records concerning any aspects of the operation of the R5DC, nor shall he or she use such information to the advantage or benefit of himself, herself, or any other person. This shall include records maintained on borrowers of the R5DC, for whom a properly executed release of information form shall be obtained and kept in the client file. The release of any information relative to borrowers of the R5DC shall be done pursuant to government regulations allowing the release of information among government agencies or agencies receiving government subsidy, shall be done following prescribed methods of requesting and transmitting such information, and shall be done with full knowledge of the enrollee except in those cases where through action of law the enrollee's knowledge is not required.

No R5DC employee currently employed shall represent any person, other than himself, in business negotiations, judicial or administrative actions or procedures, to which the R5DC may be a party.

No former employee of the R5DC shall personally represent any person in a matter in which the former employee personally participated while employed by the R5DC for one year, if such representation would be adverse to the interests of the R5DC. This provision shall not, however, bar the timely filing by a current or former employee, of any claim,

account, demand, or suit arising out of personal injury, property damage, or any benefit authorized or permitted by law.

No R5DC employee shall have an interest in a contract between any person and the R5DC, except that this provision shall not apply if the contract was entered into prior to the employee's hire by the R5DC; the employee discloses his or her interest in the contract prior to employment; and after employment, the employee has no power to authorize or approve payment under the contract, monitor performance or compliance under the contract, or audit bills or claims under the contract and the compensation of the employee will not be affected by the contract.

No R5DC employee shall have any employment, engage in any business or commercial transaction, or engage in any professional activity in which, directly or indirectly, he or she would have an interest that would impair his or her independence of judgment or action in the performance of his or her duties with the R5DC or that would be in conflict with his or her duties at the R5DC.

No employee of the R5DC shall discuss, vote upon, decide or take part in (formally or informally) any matter before the R5DC in which he or she has an interest. Exception shall be made in the case of an employee whose interest in the matter is minimal (e.g. an employee helping decide on a new telephone system owns 100 shares of AT&T stock), provided the employee shall fully and specifically describe his or her interest, in writing, and the underlying basis of it, whether it be ownership, investment, contract, claim, employment or family relationship, to his or her immediate supervisor prior to the employee's participation. If, in the opinion of the supervisor, there is any question as to whether the interest is minimal, the matter shall be referred to the Ethics Review Committee for a binding decision on the question.

Any matter decided on, contracted, adjudicated, or in any way acted upon by an employee who does not disclose a personal interest either in the matter, or in any person or organization having an interest in the matter, may be considered null and void by the R5DC. Such a matter may be referred to the Ethics Review Committee to render judgment and assess any penalties if necessary.

If the Ethics Review Committee renders judgment that a matter was performed; a contract entered into; or any matter was conducted, decided or acted upon in a manner prohibited by the Code of Conduct and Ethics Policy; it may then propose, among other things, that the Commission seek an injunction against the proscribed action.

6.0 ETHICAL STANDARDS FOR COMMISSIONERS

The Board of Commissioners of the Region Five Development Commission is the architect of policy governing the operations of the R5DC and retains legal and fiscal responsibility for the R5DC. Recognizing that the commissioners are chosen from a broad range of fields and professions and community interests renders difficult the

circumscription of external interests and activities of the Commissioners. It is the intent that, insofar as is possible, the members of the Commission are generally enjoined to follow the standards of conduct which are outlined in the Code of Conduct and Ethics Policy for employees. Further, it is expected that a Commissioner will voluntarily and fully outline his or her personal interests and potential conflicts of interest prior to assuming their seat on the board. Such a statement should be submitted to the Board Chairman within ninety (90) days of the Commissioner's appointment. For Commissioners currently serving, such an updated statement shall be developed within ninety (90) days of their re-appointment for a new term. Such a statement shall disclose the following:

- A. The names of any business, organizational, or professional involvements that might reasonably be inferred as having business with the R5DC and for which at some point a Commissioner might be expected to vote, legislate, or rule on a matter involving said party.
- B. Any current or past contact in, or interest in, activities or programs of the R5DC, including, but not limited to, any contracts previously bid and let, familial relationships with any staff or other board members, or any consultative or professional contracts.
 - 1. No Commissioner shall vote, decide on, or discuss any matter before the Commission who has an interest in the matter, except that:
 - a. A Commissioner having interest through a voluntary association with the person or organization may be allowed to discuss the matter.
 - b. If the matter concerns a person or organization with which the Commissioner had former contact, and that former contact existed either prior to his or her selection, or occurred at least two years prior to the current discussion of the matter, the Commissioner may freely act.
 - 2. No Commissioner may use his or her position on the Commission to intimidate, coerce, persuade or otherwise influence any of the activities or employees of the R5DC.

7.0 ETHICS REVIEW COMMITTEE

There shall be established an Ethics Review Committee of the Region Five Development Commission.

The purpose of the Committee shall be to review and render decisions on any matters involving ethical conduct, or breach of ethical conduct, by employees, vendors, or commissioners.

The Committee is empowered by the Commission to:

- A. Call witnesses and receive depositions in the performance of its duties.
- B. Call for provision of appropriate records, files or tapes relative to the performance of its duties.
- C. Review any records maintained by the R5DC, except those records that are considered confidential or personal. However, confidential records may be examined upon execution of a proper release by the subject person.

In performing its duties, the Committee may:

- A. Issue rules and regulations consistent with and to clarify the Code of Ethics.
- B. Review any questions concerning alleged or suspected infractions of the Code of Conduct and Ethics Policy and make recommendations to the Commission or Executive Director for further or final actions.
- C. Require financial disclosure or disclosure of any other pertinent information by employees, vendors, or commissioners.
- D. Oversee compliance by the R5DC with the Code of Conduct and Ethics Policy and any other applicable regulations involving ethics.

The Committee shall be composed of three (3) members and one (1) alternate: Board of Commissioners (1), employees (1), and a neutral third party (1). The alternate member of the panel shall be a party versed in legal/ethical issues, e.g., an attorney not currently serving as counsel to the R5DC or an academic R5DC on ethical issues.

The members of the Committee shall be appointed in the following manner:

- A. The representative of the Commission and the neutral third party shall be selected by vote of the Commission.
- B. The employee representative and alternate shall be selected by the Executive Director.

Each member of the Committee will serve a three (3) year term. The terms may be renewed once. In no case will a person serve more than two (2) consecutive three (3) year terms.

There shall be a chair of the Committee, elected by the members of the Committee. The chair shall serve for one (1) year and may not serve more than two (2) consecutive terms.

The Executive Director of the R5DC shall serve as a non-voting Secretary of the Committee.

Voting by the Committee shall be by simple majority, with the Chair voting as any other member.

The alternate member of the Committee may attend all meetings of the Committee. In case of a conflict of interest by a committee member, the alternate member will assume the role as a voting member of the Committee. The alternate may at any and all time's voice opinions regarding the deliberations of the Committee.

The Committee shall, upon receiving a written request from either the Commissioners or any individual associated with the R5DC, respond in writing within sixty (60) days after receipt of the request, unless the Committee determines that additional time is required. If additional time is required, it shall inform the requestor of the approximate time it will be able to render a response.

The Committee shall make reports and recommendations for action to the Board of Commissioners. If the Board finds a recommended action is properly within the purview of the Executive Director or his or her designee, it shall delegate the matter without further Board action.

The legal counsel of the R5DC may be involved in the deliberations of the Committee, but he/she has no vote and cannot serve as the alternate committee member.

8.0 STARTUP PROCEDURES

Within ninety (90) days of the adoption of this policy, the members of the Ethics Review Committee shall be appointed.

The Commission representative and the alternate shall initially serve three (3) year terms. The employee representative shall initially serve a two (2) year term. The neutral third party shall initially serve a one (1) year term. This way at least one appointment will expire each year and yet continuity can be maintained.

Within ninety (90) days of the adoption of this policy, the current Commissioners and all employees shall file the required acceptance of Code of Conduct and Ethics Policy with the Executive Director.

New Commissioners and employees shall file required acceptance of Code of conduct and Ethics Policy with Executive Director prior to start date.



Signature of Executive Director

July 14, 2010

Date