

CITY OF MINNEAPOLIS ETHICAL PRACTICES BOARD 2005 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 current chair of the EPB is Tom Schumacher, Esq. Mr. Schumacher is an original member of the EPB and was appointed in May of 2004. Mr. Schumacher is the Director of Institutional Compliance at the University of Minnesota. Mr. Schumacher’s current term expired on January 2, 2006. Pursuant to the Ethics Ordinance and the Minneapolis Open Appointments Ordinance, the city clerk’s office has posted this opening and applications are due in the Clerk’s Office by June 30, 2006. Mr. Schumacher has filed for re-appointment.

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’s current term expires on January 2, 2008.

Patricia Kovel- Jarboe was appointed to the Board in September 2005 to finish a term ending January 2, 2006. 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. Pursuant to the Ethics Ordinance and the Minneapolis Open Appointments Ordinance, the city clerk’s office has posted this opening and applications are due June 30, 2006. Ms. Kovel-Jarboe has applied for re-appointment.

2007 Budget Request

Communications **\$2,000.00**

Production and duplication of informational brochures and annual report; mailing expenses; letterhead stationery; miscellaneous.

Per ordinance, the City Clerk shall take reasonable steps to ensure wide dissemination and availability of the annual report and other ethics information reported by the board. The EPB anticipates that the Clerk's Office will fund the costs of distribution of the annual and other reports, though most dissemination may occur electronically.

Ethics Confidential Reporting Line **\$3,500.00**

Dedicated telephone line for anonymous reporting of fraud and ethics complaints.

COGEL Membership Expenses **\$450.00**

Full Membership for the City of Minneapolis in the Council of Governmental Ethics Law. Membership in COGEL provides access to a wealth of information from other commissions, agencies, boards and offices responsible for the administration and regulation of governmental ethics through on-line discussion groups offering member support on general or specific law subjects and access to a reference and inquiry service.

Conference Expenses **\$1,200.00**

Attendance at the COGEL 2006 conference in New Orleans, December 3-6, 2006.

Staff Support **\$72,366.00**

Per ordinance, the Ethics Officer is staff to the EPB. An assistant city attorney is designated as the Ethics Officer. The Ethics Officer currently spends approximately one-quarter of her time on Ethical Practices Board issues and Ethics Ordinance questions. The Ethics Officer's time is primarily spent responding to Ethics Ordinance inquiries. The Ethics Board work plan for 2007 would require one-half of the Ethics Officer's time to handle the proactive agenda items. In past years, no additional FTE was authorized for this assignment and the Ethics Officer expense was carried by the City Attorney's Office. The EPB utilized a graduate student intern for legal research on ethics inquiries, administrative assistance and assistance with communications projects: development of EPB website and informational brochures, assistance with preparation of annual report. This budget request was calculated based on 10 hours per week at Law Clerk pay schedule (\$20 per hour) and on 20 hours per week at Attorney II, step pay schedule (\$123,931.00 FTE per year).

Investigations **\$8,500.00**

If a complaint is filed alleging an Ordinance violation by a department head, an elected official, or a local official appointed to a City board or commission, the EPB will need resources to investigate the complaint. It is not possible to predict how many, if any, complaints requiring an investigation by the EPB will be filed in 2007. The costs of an investigation could vary dramatically based on the nature of the particular complaint. This budget request was calculated based on the standard rate for outside counsel (\$125 per hour) for 80 hours. Depending upon the nature of the complaint, hiring an outside attorney to investigate may not be necessary. On the other hand, investigation of a single complaint could consume significantly more than 80 hours of investigative time and the Board's budget would have to be supplemented by funds from another source. Investigations may also require court reporting or transcription services, which the Clerk's Office may be able to provide. If the funds allocated for investigation are not spent, the allocation could be carried over for 2008. The EPB believes that it is important, as a matter of policy, for the City to ensure a base level of funds for investigation of Ethics Code complaints.

Parking**\$300.00**

City policy allows for payment of parking expenses for members of City boards. Parking is provided in the Haaf ramp. The EPB has 12 regular meetings per year which are anticipated to generally last 2 hours.

Total 2007 Budget Request**\$88,316.00****2005 Ethical Practices Board Activities**

The primary activities and accomplishments achieved by the Ethical Practices Board in 2005 included:

- Completed the Ethical Practices Board website and current updates
- Received five formal complaints on City officials or employees
 - One dismissed as moot
 - Four complaints investigated and dismissed with written findings
- Conducted the first Ethical Practices Board hearing and issued findings and written opinion regarding future interpretation of the Ethics Code.
- Issued a formal advisory opinion regarding Mayor Rybak's newsletter.

The activities of the Ethics Officer included:

- Acted as staff liaison to the EPB, prepared agendas and meeting materials, prepared minutes
- Coordinated the appointment process for EPB members
- Drafted EPB's budget request and submitted it to Mayor
- Hired a law clerk for staff support
- Created an Ethics Code power point presentation for the training of all City employees and officials
- Assisted Human Resources in city-wide ethics training activities
- Conducted two Ethics Training programs at the request of the Heritage Preservation Commission
- Informally responded to approximately 340 ethics ordinance inquiries from City employees and officials.
- Advised supervisors and department heads regarding investigation procedure for complaints of Ethics Code violations

The activities of the Ethics Law Clerk included:

- Assisted with preparation of agendas and meeting materials, prepared minutes
- Assisted with the coordination of the appointment process for EPB members
- Researched legal issues related to ethics ordinance inquiries from City employees and officials.

Recommendations for Amendments to the Ethics in Government Ordinance

To maintain the most effective ordinance, the Ethical Practices Board and staff are in the process of reviewing the Ethics Ordinance and past inquiries regarding ordinance language as well as conducting a best practices language review of other governmental entities' ethics ordinances and ethics policies. The Ethical Practices Board will use the results of its review to propose changes to the Ethics in Government Ordinance. The Ethical Practices Board intends to bring proposed ethics ordinance amendments forward to the City Council in the Fall of 2006.

2006 Ethical Practices Board Work Plan

The 2006 work plan is predicated on the availability of city staff to complete the tasks requiring staff involvement. The proposed budget sought for 2007 would assist in successful completion of the tasks, albeit in 2007.

- Complete analysis of Ethics Ordinance language and propose amendments
- Collaborate with the City's Communication Department to create a question and answer brochure for commonly asked questions
- Recommend, to the City Council, the creation of a committee to research the best mechanism for confidential employee reporting of ethics and fraud issues with said committee reporting back to the Ethical Practices Board
- Evaluate the findings of the committee researching the best mechanism for confidential employee reporting of ethics and fraud issues and recommend to the City Council the establishment and implementation of a mechanism for confidential employee reporting
- In collaboration with the City's Communication and Human Resources Departments, evaluate current workforce culture regarding ethics and workforce knowledge of Ethics Ordinance through an employee survey
- 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
- Standardize reporting of Ethics Officer inquiries
- Standardize handling of Ethics Complaints