



CHARTER TOWNSHIP OF NORTHVILLE

Subject: Ethics/Standards of Conduct	Policy: 5.1.002	Pages: 9
Standards: General Policy	Effective date: 10/31/2007	Revised date: 12/03/2020

I. **PURPOSE**

All employees and public officers must avoid conflicts between their private interests and those of the public whom they service. To enhance the faith of the people and the integrity and impartiality of all employees and public officers, it is necessary to provide practical guidelines for ethical decision-making and ethical behavior from employees and public officers responsible to the citizens of Northville Township. The decision and actions of all employees and public officers should be in the best interest of the Township and be free from the influence of outside or conflicting interests.

II. **POLICY STATEMENT**

Public office is a public trust. Any democracy requires public confidence in the integrity of the government. Persons in public service must recognize that a moral commitment to do the right thing is required. Characteristics of honesty, loyalty, fairness, promise keeping, accountability, respect for others, and integrity do not depend on one's situation. They are behaviors expected by/of the employees and public officers at all times.

Employees and public officers must avoid any action, whether or not specifically prohibited below, that might result in, or create the appearance of:

- a. Using public employment or office for private gain,
- b. Giving or accepting preferential treatment to or from any organization or person,
- c. Losing independence or impartiality of action,
- d. Making a Township decision, or giving the impression that a Township decision has been made, outside official channels,
- e. Affecting adversely the confidence of the public or integrity of the Township government, or
- f. Giving or accepting preferential treatment in the use of Township property.

These standards are intended to be primarily preventative, although violations may be sanctioned as set forth below and as permitted by law or otherwise. These standards shall not be construed to interfere with or abrogate in any way the provisions of any state or

federal statutes. These standards are not intended to prevent any employee or public officer from receiving compensation for work performed on his or her own time as a private citizen and not involving Township business. These standards are not intended to apply to contributions to political campaigns which are governed by state law.

III. **SCOPE**

All Township representatives – elected, appointed, or otherwise employed in any capacity with the Township in any positions that are established by the Township and that involves the exercise of public power, trust, or duty. This includes any official or employee of the township, whether or not they receive compensation, including contractors and persons who serve on advisory boards and commissions.

IV. **DEFINITIONS**

- a. Contractor – an individual or firm other than an employee who derives income from the Township by providing goods or services to the Township. Contractors shall mean professionals, consultants, and firms, including but not limited to the Township attorney, planning consultant, engineering consultant, or other individuals retained by the Township to provide services. Contractor also means those entities, companies or organizations which have contracts or agreements with the Township, directly or by way of the Northville Parks and Recreation Commission, to provide recreational services to Township citizens utilizing Township assets.
- b. Conflict of interest – a situation that occurs when one is in a position of moral obligation that is at variance with personal interest.
- c. Employee – all full and part-time persons, other than a contractor, who are compensated for their services by the Township.
- d. Customer – an individual, corporation, or other business entity, who has submitted an application, sought approval, requested permits, is subject to review by a Township Board or Commission, or otherwise seeks or requests services from the Township, including those typically provided by governmental entity or other services provided by the Township or its employees.
- e. Confidential information – information which has been obtained in the course of service with the Township or in fulfilling the duties of one's office with the Township. Such information being unknown or unavailable to members of the public and has been obtained on the basis of a promise of confidentiality which is required to be held confidential by law, or regulation, or which the employee or officer has been instructed is being held confidentially. It does not include information required to be disclosed by law.
- f. Financial interest – is defined as:
 - i. Any interest as a proprietor or partner in an organization that is not a corporation; or,

- ii. The ownership of or right to acquire stock or bonds in an amount in excess of 1% of the total stock or bonds of the same class of such organization that is a corporation (whether or not publicly owned); or,
 - iii. Any interest in the form of a loan, advance, or financial arrangement in an amount greater than 1% of the combined capital or debt of such organization that is a corporation (whether or not publicly owned); or,
 - iv. Any employment full or part-time.
- g. Governmental decision – a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, ordinance, or measure on which a vote by the members of a legislative or governing body of the Township is required and by which the Township formulates or effectuates public policy. A governmental decision shall also include actions, approvals, or decisions made by governmental employees in the ordinary course of Township business such as issuing permits, approvals, or providing other services ordinarily offered by the Township or other governmental entities.
 - h. Immediate family – a child, spouse, or an individual claimed by that individual or individual's spouse as a dependent under the internal revenue code, or the parents, parents-in-law, step-parents, step-children, siblings, step-siblings, or an individual or other persons in the same household.
 - i. Public Officer – an elected official of the Township or a person appointed to a Township board or commission.
 - j. Public Record – any information in the Township records that is legally determined to be public.
 - k. Township – The Charter Township of Northville, including its boards, commissions, departments, and divisions.
 - l. Unethical conduct – a violation of the standards set forth in the Code of Ethics Policy.

V. GENERAL STANDARDS

- a. Confidential Information. An employee, contractor, or public officer shall not divulge confidential information acquired in the course of employment to an unauthorized person prior to the time authorized for its release to the public.
- b. Representations. An employee, contractor, or public officer shall not represent his or her personal opinion as that of the Township.
- c. Township Resources. An employee, contractor, or public officer shall refrain from intentionally using their respective Township office or position for personal gain or

benefit. An employee, contractor, or public officer shall use Township resources, property, and funds under their official care and control in accordance with constitutional, statutory, and regulatory procedures and not for personal gain or benefit.

- d. Gratuities. An employee, contractor, or public officer shall not solicit a gift or loan of money, goods, services, or other thing of value from persons receiving benefits from the Township or performing services under contract to the Township or otherwise in a position to benefit from employee, contractor, or public officer action.

An employee, contractor, or public officer may accept gifts or favors from an organization that does or seeks to do business with the Township if the gift or favor falls into one of the three categories listed below. Gifts or favors listed may not be accepted either directly or indirectly for the benefit of an employee, contractor, public officer, or their relatives or friends.

- i. Gifts of nominal value and involving normal sales promotion, advertising, or publicity.
- ii. Appropriate social amenities, including but not limited to lunch, flowers, candy, fruit baskets, etc., provided there is no compromise of sound business principles in the relationship.
- iii. Freely offered gifts provided they do not exceed a value of \$50, and admission to events if more than \$50 to which they are invited in their official, representative capacity of the Township, provided this be made a matter of public record at a regular meeting of the Board of Trustees. The Township Manager will maintain a record of such disclosure.

No employee, contractor, public officer, or organized group of primarily Township employees shall solicit or accept any gift, favor, support, vote, or sponsorship from an organization that does business or seeks to do business, or seeks approval for permits, development, or other governmental services within the Township in connection with any activity.

- e. Profit from Position. An employee, contractor, or public officer shall not engage in a business transaction in which the employee, contractor, or public officer or their immediate family member profit from his or her official position or authority or benefit financially from confidential information which the employee, contractor, or public officer has obtained by reason of that position or authority.
 - i. A Contractor that is a nonprofit shall adhere to all Federal IRS rules related to 501c3s including the prohibition on political campaigns. Neither Contractor nor its Directors, Officials, Officers, or Coaches shall use recreational player or parental information for purposes of communicating by email, text, or mail any political information, campaign materials or other campaign information. Contractor shall advise Directors, Officials, Officers, and Coaches of these Code of Ethics prohibition annually.

VI. STANDARDS RELATED TO FINANCIAL INTEREST IN CONTRACT, PURCHASE, OR EMPLOYMENT

- a. An employee, contractor, or public officer shall not engage in or accept employment or render services for a private or public interest when that employment or service is incompatible or in conflict with the discharge of the employee's, contractor's, or public officer's official duties on behalf of the Township or when that employment may tend to impair his or her independence of judgment or action in the performance of official duties.
- b. An employee, contractor, or public officer shall not, with respect to transactions on behalf of the Township, participate in negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, approving of uses, or other regulations or supervision relating to a business entity in which the employee, contractor, or public officer or immediate family has any financial interest.
- c. An employee, contractor, or public officer shall not be a party, directly or indirectly, to any contract between himself/herself and the Township, except as provided by State law.
- d. An employee, contractor, or public officer shall not directly or indirectly solicit any contract between the township and:
 - i. Himself or herself; or,
 - ii. Any firm (meaning a co-partnership or other unincorporated association) of which he or she is a partner, member, or employee, or has a relationship to; or,
 - iii. Any private corporation in which he or she is a stockholder owning more than 1% of total outstanding stock of any class where such stock is listed on a stock exchange or stock with a present total market value in excess of \$25,000 where such stock is listed on a stock exchange or of which he or she is a director, officer, or employee; or,
 - iv. Any trust of which he or she is a beneficiary of trustee.

Nor shall he or she take part in the negotiations for such a contract or the renegotiations thereof or amendment thereto or in the approval thereof; nor shall he or she represent either party in the transactions, except as provided by State law.

VII. REQUIRED DISCLOSURES AND VOTING

- a. An employee, contractor, or public officer shall promptly disclose any contractual, financial, political support, business, or employment interest he/she or immediate family may have in the governmental decision and the disclosure will be made part of the public record of the official action of the governmental decision. A

public officer should disclose even the appearance of a conflict of interest that should remain.

- b. Whenever a consulting firm is employed, either directly or indirectly by the Township, the principals of that firm shall be required to disclose a financial interest of 1% or greater in another firm they know to be doing business with the Township. This shall be done by the signing of a disclosure form stating who has a financial interest. Any disclosures on this form are not intended to prohibit that firm from providing services. These disclosures are intended to make the Township aware of any potential conflicts of interest.
- c. If a conflict is disclosed, the public officer will remove himself/herself from the meeting room until the issue is resolved. This section shall not prevent a public officer from making or participating in making a governmental decision to the extent that the public officer's participation is required by law. Statements of disclosure or conflict shall not be used as a mechanism to prevent a governmental decision from being made.

VIII. ENFORCEMENT

- a. Enforcement of policies relating to Township employees:
 - i. Complaints regarding violations of the Code of Ethics Policy on the part of an employee shall be investigated by the Township Manager. The Township Manager shall have sole discretion to take appropriate action to enforce the Code of Ethics Policy including but not limited to reprimand, suspension, termination, or other discipline deemed appropriate under the circumstances.
- b. Board of Ethics:
 - i. The Township Board of Trustees shall appoint a Board of Ethics consisting of five members to serve as a body for the purpose of interpreting this Code of Ethics Policy and enforcement.
 - ii. The initial five members of the Board shall be appointed for one, two, and three year terms of office respectively beginning on July 1, 2007. The terms of office shall expire on June 30 of the respective years. Thereafter, all members shall be appointed to three-year terms, beginning July 1 so that no more than three members' terms expire in any one year. A member shall hold office until his or her successor is appointed. The Township Board of Trustees shall fill any vacancy by appointment for the unexpired term only.
 - iii. The Ethics Board shall be made up of residents of the Township who have legal, administrative, or other desirable qualifications.

1. Applicants for the Board of Ethics shall not be in default of any obligation to the Township and shall submit an application to the Township Clerk.
 2. Members of the Board of Ethics shall serve without compensation and shall not be elected officials, persons appointed to elective office, full-time appointed officials, or Township employees, nor shall they be currently serving on any other Township board or commission.
 3. The Board of Ethics shall elect its own presiding officer from among its members.
 4. The Board of Ethics shall establish such procedures as it deems necessary and appropriate to perform its functions as set forth in this article.
- iv. Functions of the Board of Ethics. When there is a question or complaint as to the applicability of any provision of this Policy to a particular situation, that question or complaint shall be directed to the Board of Ethics. It shall then be the function of the Board of Ethics to conduct hearings and/or issue an advisory opinion as applicable.
- v. Hearings. The Board of Ethics shall conform to the following hearing procedure:
1. The Board, within 7 days after any matter is brought to its attention, shall set a date certain for a hearing on the matter.
 2. The Board shall, at least 28 days before the hearing, send notice of such hearing accompanied by a concise statement of the alleged breach of this Code of Ethics Policy to any person requested to appear before them by certified mail, return receipt requested, to the addressee only.
 3. A person given notice to appear before a Board of Ethics may request an adjournment of a hearing for a period not to exceed 28 days. Subsequent extension may be granted at the discretion of the Board of Ethics upon a showing of exceptional circumstances.
 4. A person given notice to appear before the Board of Ethics may be represented by an attorney.
 5. Hearings before the Board of Ethics shall be subject to the Open Meetings Act, MCL 15.261 et seq.

6. Minutes of the proceedings of the Board of Ethics shall be maintained showing the date, time, place, members present, members absent, any decisions made at the meeting open to the public, and the purpose or purposes for which a closed meeting is held consistent with the requirements of the Open Meetings Act. Corrections to the minutes shall be made not later than the next meeting after the meeting to which the minutes refer. Corrected minutes shall be made available no later than the next subsequent meeting after the correction. The minutes or findings of the Board of Ethics shall be communicated to the Township Board of Trustees and the public, subject to the requirements of the Open Meetings Act.
- vi. Opinions of the Board of Ethics. The Board of Ethics shall formulate an opinion after a hearing has taken place and may make recommendations to the Township Board of Trustees regarding action to be taken regarding ethics violations by an employee, contractor, or public officer. Any such opinion shall be published in a permanent form and communicated to the Township Board of Trustees and the public, subject to the requirements of the Open Meetings Act. The Township Board of Trustees may also issue opinions regarding the interpretation of the Code of Ethics Policy.
1. Action regarding Board of Ethics Opinion. The Township Board of Trustees shall be responsible for imposing any sanction for a violation of the Code of Ethics Policy on one of its members or any person appointed by the Township Board of Trustees to any board or commission.
 2. If any disciplinary action is recommended by the Board of Ethics, including removal of a member of the Township Board of Trustees or commission, the Township shall follow the requirements for removal of public official established by the laws of the State of Michigan.
- vii. Distribution of Code of Ethics Policy. Upon being appointed, elected, employed, hired, or retained, each employee, contractor, or public officer shall be provided with a copy of this Code of Ethics Policy by the Township Clerk.
- viii. Disclosure Statements. The Township Clerk shall provide to each new employee, contractor, or public officer with an Affidavit and Disclosure Statement form. The employee, contractor, or public officer shall disclose any business, familial, personal, or other relationship, or circumstance, which may constitute a potential violation of this Code of Ethics Policy within 10 days of the date of any appointment, employment, retention, or swearing-in. Additionally, each individual covered by the Code of Ethics Policy shall revise a previously filed Affidavit and Disclosure Statement upon a change in circumstances. An Affidavit and Disclosure Statement shall

include at a minimum the following questions listed under (1) and (2) below.

- ix. The Township Board of Trustees or the Board of Ethics may require additional questions to be included on the Affidavit and Disclosure Statement. The following questions shall be responded to in detail:
 1. To the best of your knowledge, do you or any members of your immediate family have any direct, financial, or business relationships with any supplier, service provider, or contractor of the Township from which you or they derive direct compensation or financial benefit?
 2. To the best of your knowledge, have you or any members of your immediate family given or received any gifts, other than from immediate family members, the value of which exceeds \$50, within the last year, or since the effective date of this Code of Ethics Policy, whichever time period is shorter, to or from any person or business or other legal entity doing business with the Township, including legal campaign contributions? If so, list the name and address of each donor or donors of such gift and date upon which it was made and the nature of the gift.
- x. An affidavit in which the employee, contractor, or public officer states: "I have read and I understand the Code of Ethics Policy of the Township and, to the best of my knowledge, I am not in conflict with its provision."