



ETHICAL PRACTICES BOARD

2023

Annual Report



Jacob Frey, Mayor ~ Andrea Jenkins, City Council President
Walter G. Bauch, Chair ~ Susan L. Trammell, Ethics Officer

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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 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 2023 members of the EPB were Walter Bauch, Michael Friedman, and Anthony Thompson. Walter Bauch was the EPB’s 2023 chair.

Walter Bauch was originally appointed to the EPB in August 2010 and is currently serving a term to expire January 2, 2024. Mr. Bauch is a partner with the law firm of Collins, Buckley, Sauntry & Haugh, PLLP, in St. Paul. He practices in the areas of family law, insurance defense and personal injury, business and business litigation, and appellate practice. He is a family law mediator and has served as a Hennepin County Conciliation Court Referee since 1994.

Michael Friedman was appointed to the EPB in March of 2022 to serve a term expiring January 2, 2024. Mr. Friedman is the former executive director of the Legal Rights Center (LRC). His work with LRC has spanned the adversarial, restorative, and collaborative processes of the legal system. He also serves as a public member of the Lawyers Professional Responsibility Board and previously served as a member of the Fourth Judicial District Ethics Committee and the Minneapolis Civilian Police Review Authority.

Mr. Anthony Thompson was appointed to the EPB in January of 2023 to serve a term expiring January 2, 2026. Mr. Thompson is an enforcement supervisor with the Minnesota Department of Labor, Construction Codes and Licensing Division. He also serves as a Hennepin County Conciliation Court Referee and previously served as a volunteer investigator for the Fourth Judicial District Ethics Committee.

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 2006 and continues to serve in that role.

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.

2023 Accomplishments

I. Ethics Education

Requirements of the Ethics Code

The Ethics Code requires new local official and employees to attend an ethics education seminar within six months of beginning their term or employment, respectively. A local official must attend the seminar every four years thereafter while employees must attend every three years. The Ethics Code states that the education seminars are to be designed and implemented by the Human Resources Department to educate local officials and employees about their ethical duties and responsibilities. Department heads are responsible for ensuring that all of their employees attend the required ethics education seminars.

Board and Commission Ethics Code Education

The City currently has 54 active boards, commissions and advisory committees (collectively "boards") to which residents are appointed. The Ethics Code requires the resident volunteers serving on these boards to attend ethics education upon beginning their service and every four years thereafter. A 2009 gift of web-based computerized training permits the board members to participate in the training at their own convenience. The City Clerk's office is automatically notified of the board member's completion of the training when the member reaches the end of the training materials and supplies the member's name and board membership.

The City Clerk's office communicates the ethics education requirement to newly appointed members. The City Clerk's office also regularly communicates with board liaisons to remind the appointed members when their refresher training is due. At the time this report was created, only 460 of the 607 appointments were filled. Of the filled memberships, ethics education compliance is at 71% which the same completion rate as in 2022. The compliance rate since 2020 has been significantly higher than prior years. The gains made in board member ethics education compliance is entirely due to the City Clerk's continuous compliance requirement communications with board members and board liaisons. Additional efforts will need to be taken to improve the rate of board member compliance.

Employee Ethics Code Education: 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, elected officials and 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. In October 2006, Ethics Officer

Susan Trammell began conducting in-person ethics education seminars for city employees, elected officials, and members of the City's boards and commissions. In collaboration with the Human Resources Department Training and Development division ("Training and Development"), a city-wide employee Ethics Code refresher class was offered twice each month through 2012 in conjunction with required Respect in the Workplace education.

Since 2010, the Board's work plan has included an objective to implement electronic ethics education training for City employees. In 2012, the City Council appropriated \$40,000 of 2011 rollover funds for development of electronic-based ethics education refresher training for all city personnel. The Ethics Officer collaborated Communications and Information Technology staffs to create a new electronic ethics refresher training program which was rolled out to employees in 2013. The thirty-minute electronic training module discusses conflicts of interest, issues related to outside employment, gifts and use of City property. Staff from several departments volunteered to act in the video segments to illustrate ethical issues that employees could face as they perform their duties. The training received a 2014 honorable mention in the National Association of Telecommunications Officers and Advisers government programming awards.

With the rollout of the electronic training module, employees are no longer required to travel to a classroom location and take the refresher training during pre-set times. The electronic training module was added to COMET's Learning and Development portal in Fall of 2015 for automatic reporting upon electronic training completion. In 2018, in collaboration with the Human Resources Training and Development team, a second-generation electronic training module was developed and rolled out for the next three-year refresher training cycle. This 2018 eLearning module received a 2019 Brandon Hall Group Excellence Award in the category of Best Advance in Custom Content.

A new generation of refresher training is created for each three-year education cycle to provide fresh materials each time an employee is required to take the refresher training. The Ethics Code, § 15.260, makes the Human Resources Department responsible for the design and implementation of the ethics education training. The third generation of electronic refresher training was due January 1, 2022, but as the date of this report, this training is not yet ready for implementation. It is expected that this training will be completed in quarter two of 2023.

A ten-minute political activity electronic training module outlining the do's and don'ts employees must follow during election season was completed in summer of 2016. Despite challenges due to COMET technologies, nearly 100% of employees and all elected officials completed this training in 2016. The training module remains active in COMET and employees who want to engage in political activity are encouraged to watch the video. COMET records indicate that the political activity video was accessed 125 times in 2022, a significant increase over the 85 times in 2021.

Between 2006 and May of 2020, the Ethics Officer, or a designee, has presented ethics education at all new employee orientations. The Human Resources Department discontinued the new employee in-person and remote ethics education in May 2020. The only in-person ethics education still conducted is the new employee training specifically requested by the Minneapolis Police Department and the Minneapolis Fire Department. In 2023, the Ethics Officer, or a designee, conducted 4 in-person trainings for the Minneapolis Police Department and 2 trainings for Minneapolis Fire Department. The Ethical Practices Board strongly believes it is important for those new to the City or assuming new responsibilities to have more intensive training as well as an opportunity to discuss ethics questions. As such the Board disagreed with discontinuation of in-person ethics education. The Ethics Officer is continuing discussions with the Human Resources Department to reverse the department's decision and to ensure in-person education remains a City priority.

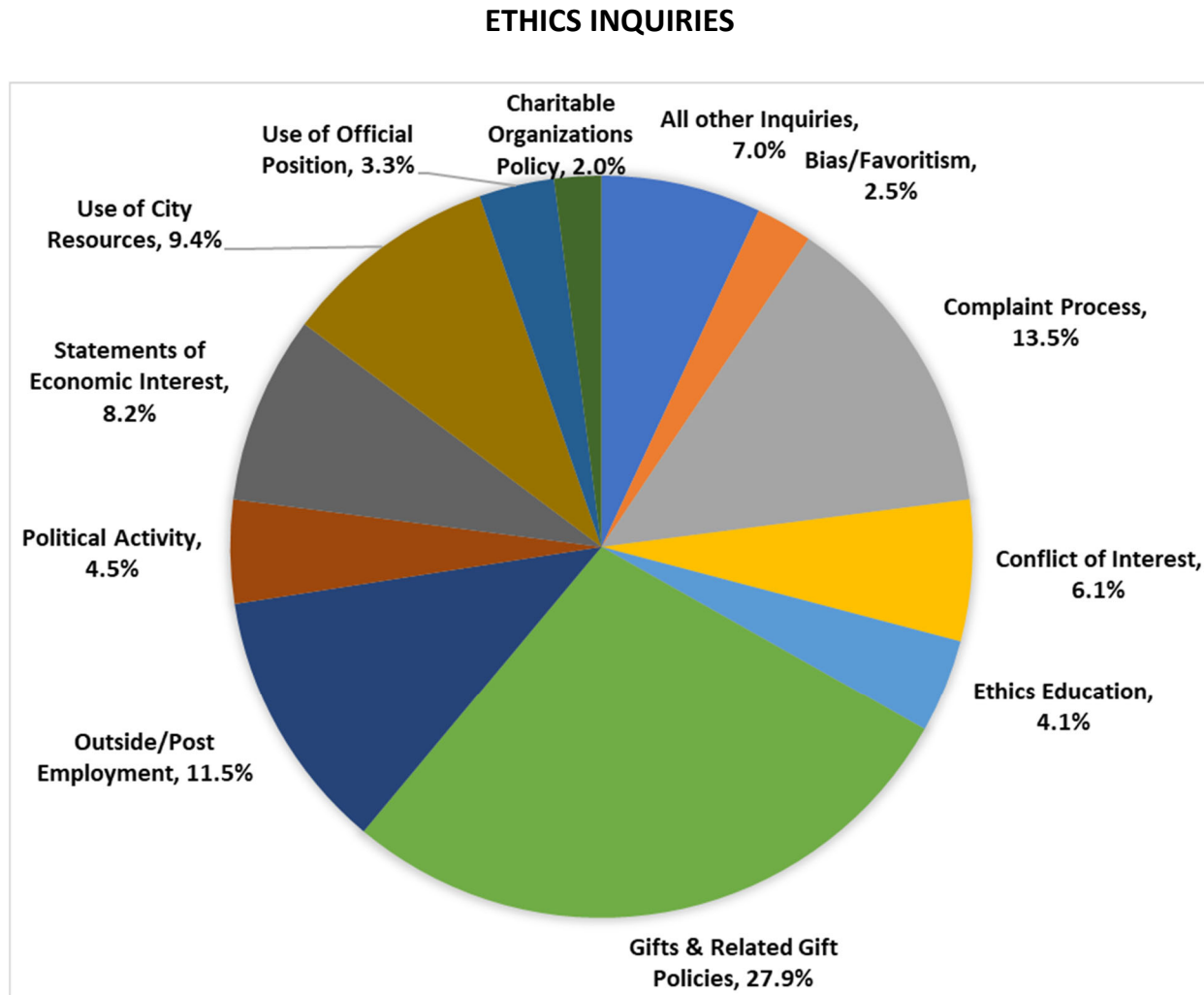
As of December 31, 2023, COMET records show 92.6% of employees, regular and seasonal, are compliant with the required Ethics Code education. The percent compliant significantly improved over the 81.7% and the 77.0% compliant for the previous two calendar years. In 2023, the Ethics Officer worked with the IT Department and Human Resources, Training and Development Division to automate reminders to employees when they need to take refresher education. This automatic notification system began April 1, 2023, and appears to have assisted in improving the compliance percentages. The following chart depicts the Ethics Code education status of the employees of each department according to COMET records:

**Employee Ethics Education Status by Department
As of December 30, 2023**

Department	COMET Number of Employees	Employees in compliance	Employees out of Compliance	Training Due in 2024
Mayor	16	16	0	3
Office of the city attorney	119	116	3	14
Office of the city clerk	132	132	0	11
Office of community safety	7	7	0	1
Office of public service	9	8	1	3
311	44	43	1	8
911	72	69	3	0
Arts & cultural affairs	6	6	0	
City assessor	39	37	2	8
City auditor	11	11	0	5
Civil rights	44	41	32	15
Communications	13	8	5	1
Community planning & economic development	222	222	0	51
Convention center	151	130	21	32
Emergency management	10	10	0	2
Finance and property services	291	269	22	54
Fire department	458	381	77	34
Human resources	61	55	6	9
Information technology	89	83	6	25
Intergovernmental relations	5	3	2	1
Minneapolis health department	156	151	5	33
Neighborhood community relations	20	19	1	3
Neighborhood safety	13	10	3	2
Performance management & innovation	3	3	0	2
Police department	755	718	37	14
Public works	1143	1039	104	176
Racial equity inclusion & belonging	8	8	0	0
Regulatory services	179	177	2	35
Totals	4059	3758	301	519

II. Ethics Inquiries

From January 1, 2023, through December 31, 2023, the Ethics Officer answered 244 telephone and email inquiries regarding ethics. The number of inquiries down slightly from the 310 inquiries in 2021 and the 277 inquiries in 2022. The Board finds it encouraging that so many employees are mindful of the ethical issues and seek guidance when these issues arise in the workplace. The substantive topics of 2023 inquiries were as follows:



As in 2022, Gifts was the leading inquiry category of the year, followed by complaint process, and outside/post employment in second and third. Prior to 2021, gift inquiries ranked in the top three most asked categories for over a decade. In 2021, it dropped to fourth.

This is the third year that complaint process inquiries have been in the top three most asked category. These inquiries range from questions regarding "how to file" to what proof is required for a particular Code violation to the necessary requirements for an appropriately filed complaint. While complaint process inquiries are occasionally presented by employees, more often they come from non-employees. Historically, conflict of interest and outside employment inquiries have consistently comprised a substantial volume of the inquiries and usually ranked in the top three inquiry categories. conflict of interest inquiries dropped to fourth this year.

In the above Ethics Inquiries Chart, the inquiry category “All Other Inquiries” contains all categories of inquiries constituting less than 1.0% of total inquiries. The composition of the “All Other Inquiries” category is included in the following chart which depicts the changes over the years in inquiries:

ETHICS INQUIRIES – HISTORICAL

Category, Ethics Code Section	Percentage Inquiries 2020	Percentage Inquiries 2021	Percentage Inquiries 2022	Percentage Inquiries 2023
Aspirations, 15.10,15.20,15.130 & 15.180	0.3%	0.6%	0.0%	
Fiduciary Duty, 15.30	1.0%	0.3%	1.1%	0.0%
Conflict of Interest, 15.40	8.1%	12.0%	11.6%	6.2%
Lobbyists, 15.40(b)(4)	1.6%	0.3%	0.0%	0.4%
Gifts, 15.50	9.8%	10.2%	13.7%	19.4%
Outside Employment, 15.60	9.1%	10.8%	11.2%	10.7%
Post-employment, 15.90	9.1%	2.7%	2.5%	0.8%
Use of Official Position, 15.70	3.9%	1.5%	4.0%	3.3%
Statements of Economic Interest, 15.80	4.6%	5.7%	11.2%	8.3%
Use of City Resources, 15.100	5.2%	3.9%	10.1%	9.5%
Political Activity, 15.110	7.5%	8.1%	4.3%	4.6%
Loans, 15.120	0.0%	0.0%	0.0%	0.0%
Required Reporting, 15.140	0.0%	0.0%	0.4%	0.4%
Discrimination / Harassment, 15.150	0.0%	0.0%	0.0%	0.0%
Nepotism, 15.160	1.3%	0.9%	0.7%	0.4%
Use/disclosure of Information, 15.170	0.3%	0.6%	0.7%	0.4%
Bias/Favoritism, 15.190	1.3%	0.9%	0.4%	2.5%
Inappropriate Influence, 15.200	0.0%	0.3%	0.0%	0.8%
Ethical Practices Board, 15.210	2.9%	1.2%	1.1%	1.7%
Complaint Process, 15.230	15.0%	23.1%	13.7%	12.8%
Contracts, 15.250	1.0%	0.3%	0.4%	0.0%
Ethics Education, 15.260	4.2%	5.7%	6.1%	4.1%
Related Policies - Solicitation of Gifts to the City, Gifts between Employees & Charitable Organizations	12.1%	6.0%	4.3%	10.8%
Miscellaneous	1.6%	5.1%	2.5%	2.9%

III. Ethics Report Line and Ethics Complaints

Employee Report Line

Maintaining a confidential reporting line for employees to make anonymous reports of their concerns is a well-established best practice. The City’s confidential reporting line, the Employee Report Line, has been operational since June 1, 2008. In mid-2021, as a result of a procurement required Request for Proposals, the City switched to a new confidential employee reporting line vendor, Ethico. The switch was seamless for employees using the Employee Report Line, as the telephone number for making reports did not change and all links to the internet option were updated on CityTalk.

Currently, all reports made through the Employee Report Line are forwarded to the City’s Ethics Officer, the City’s Human Resources Investigative Unit (HRIU). When reports contain allegations of fraud or misuse of City property, funds or resources, the reports are also forwarded to the City Auditor. This process is to ensure no complaint is overlooked. Once received, the reports are triaged by and assigned for handling. For matters involving an ADHR allegation or requiring an investigation, the HRIU will handle the investigation. For other concerns, the Human Resources Business Partner (HRBP) for the applicable department is usually assigned. These complaints are handled in the same manner as all other employee discipline matters.

Ethics Complaints

In June of 2023, the enterprise began using Ethicos to track all complaints, including those received directly by the Ethics Officer. Because of the switch in complaint handling, the large percentage of complaints received by the Ethics Officer that did not actually involve the ethics Code, and the time required to follow up on all the complaints, the Board voted to only track the complaints actually requiring the attention of the Board. The Board handles complaints involving department heads, elected officials and members of the City’s appointed boards and commissions.

The Board reviewed 10 ethics complaints in 2023. None of the complaints resulted in the issuance of a recommendation for sanctions.

IV. Proposed Ordinance Amendments

The Board is not proposing any amendments to the Ethics Code at the time of this report. The current Ethics Code has been in effect for 20 years. The Board believes changes to both the Ethics Code and the Board structure are necessary. The Board has directed staff to pursue further research and propose necessary amendments. The Board anticipates staff will bring forward proposed ordinance changes in 2025 or 2026 when the review, analysis and drafting is completed.

2023 Volunteer Hours

The three members of the Board collectively spent approximately 80 hours on work related to the Board during the 2023 calendar year. On average, each member spent approximately 4-5 hours per meeting on Board related activities.

2024 Work Plan

The 2024 work plan is predicated on the availability of City staff to complete the tasks requiring staff involvement.

Ethics Education

- Consult with departments to determine the ethics education needs of employees and contractors, conducting ethics education seminars for departments as requested.
- Create and implement a communication strategy to promote awareness of both ethics and the Ethics Report Line.
- Review all content for electronic ethics education course.
- Seek reinstatement of in person ethics education for new employees.

Ethics Code Review & Revision

- Draft proposed potential amendments to improve effectiveness of the Code and the Ethical Practices Board.

Code Interpretation through Policy Recommendations

- Assist departments with policy drafting upon request.

Ethics Inquiries

- Answer Ethics Code inquiries from employees, local officials and the public.

Ethics Complaints and the Employee Report Line

- Participate in the Human Resources triage team to review and assign complaints received alleging employee misconduct.
- Appropriately address complaints regarding elected officials and department heads:
 - Present case analysis and recommendations to the Board.
 - Arrange for and manage investigations when necessary.
 - Prosecute contested cases before the Board.

Promote an Ethical Culture in the City of Minneapolis

- Reach out to elected officials and department management to engage them in discussions about ethical cultures and ways to improve the City's culture.