



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2016-12

APPROVING THE COMMISSION'S AMENDED ETHICS POLICY

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 5(12) of the Act provides that "[t]he commission shall adopt an ethics policy governing the conduct of commission members and officers and employees of the commission"; and

WHEREAS, the members of the Commission wish to amend the Detroit Financial Review Commission Ethics Policy to reflect enacted amendments to the Act, including the Commission's new oversight responsibilities for Detroit's school district.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Commission's amended ethics policy, attached as **Exhibit A** to this Resolution, is hereby approved and adopted.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Commission, or their designees, have signed and adopted this Resolution.

DETROIT FINANCIAL REVIEW COMMISSION

By Darrell Burks
Darrell Burks, Detroit Financial Review Commission
Member

By _____
Michael Duggan, Detroit Financial Review
Commission Member

By Stacy Fox
Stacy Fox, Detroit Financial Review Commission
Member

By _____
Lorron James, Detroit Financial Review Commission
Member

By _____
Brenda Jones, Detroit Financial Review Commission
Member

By Nick A. Khouri
Nick A. Khouri, State Treasurer and Detroit Financial
Review Commission Member

By _____
William Martin, Detroit Financial Review
Commission Member

By John S. Roberts
John S. Roberts, Detroit Financial Review
Commission Member

By Tony Saunders
Tony Saunders, Detroit Financial Review Commission
Member

Date: 6/24/2016
Detroit, Michigan

DETROIT FINANCIAL REVIEW COMMISSION

Standards of Conduct, Conflicts of Interest, and Ethics Policy

This Standards of Conduct, Conflicts of Interest, and Ethics Policy (this “Code”) for the members of the Financial Review Commission (the “Commission”) for the qualified city (the “City”) and the qualified school district (the “School District”), as defined by section 3 of 2014 PA 181, MCL 141.1633, is designed to maintain the standards of conduct of the Commission, and to assure compliance with all applicable laws including, but not limited to, (i) 1968 PA 317, MCL 15.321 to 15.330, (ii) 1968 PA 318, MCL 15.301 to 15.310, and (iii) 1973 PA 196, MCL 15.341 to 15.348. To the extent there is conflict between this policy and applicable law, the applicable law shall govern.

The Commission is committed to conducting its business in accordance with the highest ethical standards. It is the policy of the Commission to conduct its business fairly, ethically, and in compliance with applicable law.

This Code requires not only the avoidance of misconduct, but also the avoidance of acts or omissions by a Commission member that give the appearance of misconduct or impropriety, as well as the obligation to report misconduct. Commission members shall not enter into any activity or incur any expense or liability which would compromise the Commission’s commitment to these high standards.

I. Definitions.

- A. “Affiliate” means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person.
- B. “Immediate family member” means a person’s spouse, child, sibling, or parent (including stepchildren, stepsiblings, stepparents, and adoptive relationships) or a relative of any degree residing in the same household as that person.
- C. “State Board of Ethics” means the board created by MCL 15.343.

II. Disclosure of Financial Interests. All Commission members must disclose any financial interests held that could create the appearance of impropriety. This must be done at any point during a Commission member’s term, at the next scheduled meeting of the Commission, after an apparent conflict related to any matter before the Commission arises and before the Commission takes any action with respect to such matter.

III. Conflicts of Interest. A Commission member’s duty to the Commission demands avoiding and disclosing actual, potential, and apparent conflicts of interest, including strict adherence to MCL 15.342, MCL 15.342a, and any other applicable law. A conflict of interest exists where the interests or benefits of a Commission member, or any of their affiliates or immediate family members conflicts with the interests or benefits of the Commission, the City, or the School District. A Commission member also has a conflict of interest if, in the course of performing his or her duties for the Commission, such Commission member’s judgment and discretion is or may be influenced by considerations of personal gain or benefit, or gain or benefit to a third party other than the Commission, the City, or the School District. Notwithstanding anything in this policy to the contrary, nothing herein shall be deemed to preclude the City’s Mayor, City Council President, School District’s Board Chairperson, School District’s Superintendent, State Treasurer and State Budget Director from fulfilling the duties of their respective offices.

- A. Commission members shall not engage in any conduct that constitutes a conflict of interest and shall immediately advise the Commission in writing of any incident or circumstance that may present the existence of an actual, potential or apparent conflict of interest. The Commission shall immediately notify in writing the State Board of Ethics of any actual, potential or apparent conflicts of interest.
- B. A Commission member with a conflict of interest related to any matter before the Commission shall disclose the conflict of interest before the Commission takes any action with respect to such matter, which disclosure shall become a part of the record of the Commission's official proceedings.
- C. The Commission member shall refrain from doing **all** of the following with respect to the matter that is the basis of the conflict of interest:
 - 1. voting in the Commission's proceedings related to the matter;
 - 2. participating in the Commission's discussion of and deliberation on the matter; and
 - 3. discussing the matter with any other Commission member.
- D. Commission members shall disclose and recuse themselves from voting on any matters involving immediate family members who are officers or employees of the City or School District or who directly or indirectly through an affiliate (i) do business with the City or School District, (ii) have any contracts with the City or School District, (iii) respond to any request for proposals of the City or School District, or (iv) seek any no-bid contracts (pending or future) of the City or School District.

IV. Confidential Information. During and after their service with the Commission, Commission members shall not knowingly disclose to third parties, or appropriate for their own use or the use of others, any Confidential Information obtained during his or her service with the Commission. "Confidential Information" means any information concerning the Commission's, the City's, or the School District's assets, employees, property, affairs, customers, service providers, processes, technology, data, financial information and any other information or data concerning the operation of the Commission, the City, or the School District that is not public information.

V. Fair Dealing. The Commission is committed to conducting its business fairly and in accordance with the highest ethical standards. No Commission member shall:

- A. use unfair techniques, such as misrepresentation of material facts or improper concealment of information, to gain an advantage;
- B. offer or accept a bribe, kickback or improper favor in order to secure a business advantage;
- C. knowingly use his or her official position, in violation of applicable law, to improperly influence a decision of the Commission, the City's Mayor, the City Council, the School District's Board, the School District's Superintendent, or any other employees of the City or School District; or
- D. attempt to influence any decision to fill a City or School District employment position with an immediate family member.

VI. Reporting of Illegal or Unethical Behavior and Violations of this Code. A Commission member shall report promptly any actual, attempted, potential, or apparent violation of this Code. If a

violation is observed or reported, or is indicated by records or other information of which a Commission member becomes aware, then the matter shall be immediately reported to the State Board of Ethics. In no event shall the Commission take or threaten any action against a Commission member for making a complaint or disclosing information in good faith concerning an actual, attempted, potential, or apparent violation of this Code.

As modified June __, 2016