



## EMPLOYEES' RETIREMENT SYSTEM POLICIES AND PROCEDURES

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| <b>TOPIC:</b> Code of Conduct, Gifts and Conflict of Interest Policy   | Effective Date: 7/16/14 |
| <b>PURPOSE:</b> To ensure that all action taken by the Board of Trustees are consistent with applicable law and the fiduciary duties of the board and staff. | Reviewed Date:          |
| <b>AUTHORITY:</b> PA 314 OF 1965, as amended   | Revised Date:           |

### Code of Conduct

1. Trustees shall:
  - a. Conduct himself/herself in a businesslike and professional manner, respecting the rights and opinions of other members and those of the public.
  - b. Act in the public interest for the common good of the citizens of the City of St. Joseph and not for any private or personal interest.
  - c. Not engage in criminal activities or other activities, including but not limited to situations representing a conflict of interest or accepting gifts that could potentially influence my vote.
  - d. Not use or attempt to use City personnel, resources, property, or funds for private gain.
  - e. Respect the confidentiality of information of this body; and shall neither disclose nor divulge to any unauthorized person confidential information acquired in the course of my duties without proper legal authorization, nor use such information to advance my personal, financial or other private interests.
  - f. Accept the responsibility to promote and support this body to develop and approve effective policy decisions in the mission of this body and in the best interest of the City of St. Joseph.
  - g. Abstain from and refuse to tolerate abusive, insulting, profane or excessively argumentative language or conduct, or any other physical or verbal abuse.
  - h. Limit the number of my absences to not more than two consecutive meetings and provide prior notice of all necessary absences.
  - i. Read city ordinances, rules and procedures, bylaws and other pertinent documents which pertain to the business of this body and continue to gain knowledge and understanding through self-study, inquiries and training.
  - j. Attend training programs in order to stay current on issues of concern for the community and this body.
  - k. Respect, adhere to, and help enforce the rules, policies and guidelines established by this body.
  - l. Read meeting packet materials ahead of time and otherwise prepare for the meetings.
  - m. Refrain from deciding agenda items before meeting discussion.



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- n. Participate in all discussions and deliberations of this body.
2. Trustees agree to abide by the laws pertaining to the pension system and the board, particularly the:
  - a. State of Michigan System governing legislation
  - b. State Open Meetings Act
  - c. The City of St. Joseph Pension Ordinance

### **Gifts**

3. The St. Joseph City Charter prohibits trustees from accepting any gift from any person, firm or corporation operating a public utility within the City; or from any person known to have or to be endeavoring to secure a contract with the City.
4. *Gifts are defined as "cash; any tangible item or service, regardless of value; and food valued over \$25 in any given year".*

### **Conflict of Interest**

5. A Trustee of the City of St. Joseph Employees' Retirement System Board shall not:
  - a. Accept or solicit any gift, favor or service that may reasonably tend to influence the trustee in the discharge of official duties or that the trustee knows, or should know, is being offered with the intent to influence his/her official conduct.
  - b. Accept other employment or engage in a business or professional activity that the trustee might reasonably expect would require or induce him/her to disclose confidential information acquired by reason of the official position
  - c. Accept other employment or compensation that could reasonably be expected to impair the trustee's independence of judgment in the performance of his/her official duties.
  - d. Make personal investments that could reasonably be expected to create a substantial conflict between the trustee's private interests and the interest of the plan participants and the beneficiaries of the Board of Trustees.
  - e. Intentionally or knowingly solicit, accept or agree to accept any benefit for having exercised the trustee's official powers or having performed his/her official duties in favor of another.
  - f. Transact business in the trustee's official capacity with any entity or person in which he/she has a significant economic interest.
  - g. Appear before the board of trustees while acting as an advocate for himself or any other person, group or entity.
  - h. Represent any business entity before the board of trustees, for pay.
  - i. Represent, directly or indirectly, any business entity in any action or proceeding against the interest of the board of trustees or in any litigation in which the Fund is a party.



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- j. Use the official position of Pension Board Member to secure a special privilege or exemption for himself/herself or others for purposes other than official business.
- k. Intentionally or knowingly disclose any confidential information gained by reason of the trustee's board position concerning the property, operations, policies or affairs of the board of trustees or use such confidential information for personal gain.

It is not the intention of this policy to prohibit trustees from personally using general investment knowledge that is acquired through participation in board discussions and attendance at conferences and seminars that board members are encouraged to attend.

### **Enforcement of Provisions**

- 6. The chairman, in presiding over meetings of the board, shall enforce and attempt to rectify any breaches of the Code of Conduct that may occur during meetings of the board. Similarly, committee chairman, including ad hoc committees, shall do the same during meetings of the committee.
- 7. A trustee who is aware of any possible breach of this policy shall promptly disclose the information regarding the breach to the chairman and vice chairman as soon as the breach is known. The chairman, in consultation with the City Attorney, shall consider the disclosure and take whatever action is deemed appropriate under the law and circumstances of the disclosure.
- 8. In the case of disclosure of any alleged breach of this policy involving the chairman, the report should be made to the vice-chairman and the Plan Administrator. In the case of disclosure of any breach of the policy involving the vice-chairman, the report should be made to the chairman and the Plan Administrator.