

HUMAN RESOURCES DEPARTMENT
INTERNAL MEMORANDUM

TOWN OF



Robert Smith - HR Director
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July 11, 2007

To: Fred Carpenter
Town Manager

From: Robert Smith *RS*
Human Resources

Attached are the comments I received from Town Staff regarding the proposed policy.

JUL 18 2007 *G.B.*

Employee Comments On The Proposed
Ethics Policy.

Comments from specific employees:

LaRon Garrett:

- Section 3, Unacceptable Conduct, #7 states “Use of Town resources not available to the public in general, such as Town staff time, supplies, or facilities, for private or personal gain; use of such resources for personal purposes shall not be permitted unless authorized in writing by a department or Town Manager... See Attachment A, Rule 6, Section 2, #13.”

Attachment A, Rule 6, Section 2, #13 states : “If the employee has been engaged in Outside business activities on Town time , or has used Town property for his/her personal use.”

I was assigned a Town vehicle when I came to work here as part of my employment. The Town Manager stated that I was to take the vehicle home with me so if I was called out after hours I could respond immediately. I have paid taxes on the use of the vehicle since beginning my employment.

Here is my question. If I bring a letter to drop in the mail box on my way to work in the Town vehicle is this a violation of the quoted ethics policy sections because I am using Town property that is not available to the general. Other scenarios that come to mind are stopping to pick up a gallon of milk or get my mail on the way home. If this a violation of the proposed policy can it be resolved by getting permission from the Town Manager that these and/or other similar issues are approved?

Jim Rasmussen:

- It seems that Permanent Boards that are made up of Citizens and advise the Council should also be covered by these same standards. I do not see any references to those persons.

Comments Received Anonymously:

- The ethics task force has violated the Open Meeting Law and this is unethical. They are not a Town-appointed committee, yet they presume to make recommendations to Council. And Council is actually considering those recommendations.

- In this recommended task force policy it talks about not using Town supplies, equipment, etc. for non-town activities. This and other task forces have used Town supplies and rooms. They have been exempt from paying for any copies made, unlike the rest of the public. They have directed employees to do things without going through the supervisor first. Council members to this also.
- The recommended ethics task force policy reads “Retaliation against any person who reports and/or participates in the investigation of a violation of these Ethical Standards is prohibited” Employees have seen the vindictiveness of some Council members. Certain Staff members have been censured, others demoted. Staff cannot openly question anything for fear of retaliation.
- How can you dictate what an employee does on his/her own time? Those at the low end of the pay scale must sometimes supplement their income by working other jobs in order to live here.
- Basically, the proposed task force ethics task force policy is redundant. Human Resources is quite capable of making sure employees get appropriate training, whether it be ethics, sexual harassment, email and computer usage, etc.
- Your definition of a “Town Employee” contradicts Town Policy and Procedure manual (section 3-3), therefore, your definition of Town employee should not be considered.
- Section 3, page 2, #3, the draft states all employees must put the Town an employer before and employee’s personal interests. Employees should never have to put their employer before their family; therefore, I feel this should not be considered.
- Section 3, page 2, #7, the draft states the Town has the right to dictate what an employee can do on his/her personal time in regards to outside employment. The Town does not have a right to tell the employees how they should or should not be spending their personal time. If the Town would give it’s employees raises and bring all positions up to current market and continue to pay it’s positions the current market pay, implement annual cost of living adjustments in conjunction with annual performance based raises, then maybe the employees could afford to support their families with one source of employment instead of having to seek outside employment to support their family’s needs.
- Section 3, page 4, #10, the draft states you may not employ vendors who are related to Town employees, again, the Town does not have the right to dictate who an employee chooses to hire to work for them on their own personal time. Payson is a small community and the likelihood of an individual you choose to work you being related to a Town employee is quite substantial.

- Section 3, page 5, #14, the Town does not have the right to tell employees who they can or cannot date.
- Page 10, Rule 19, Section 1, it is none of my supervisor's or department head's business what I do on my own personal time, therefore I should not have to discuss this issue with them.
- Page 11, Rule 19, Section 3, this statement contradicts section 3. page 2, #3. If the employee can't seek outside employment to pay their bills and support their families how can they be expected to meet his or her just obligations?
- Page 13, Employment of Relatives, should not pertain to the people who are employed through the Parks & Recreation in the capacity of a seasonal employee since per policy, they are not considered to fall under the definition of a Town employee.
- Section 3, page 4, #13, should include inappropriate eye contact of certain areas of an individuals body.

RESOLUTION NO. 2297

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADOPTING ETHICAL STANDARDS FOR TOWN EMPLOYEES AND TOWN OFFICIALS.

WHEREAS, the Town of Payson believes that the conduct of the public business in an ethical manner is a desirable purpose to achieve; and

WHEREAS, the Mayor and Common Council have considered a proposed ethics policy applying to Town officials and to Town employees; and

WHEREAS, various other cities and towns in the State of Arizona have also adopted ethics policies; and

WHEREAS, the Town of Payson believes that the adoption of an ethics policy will serve the public purpose in the Town of Payson,

NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Town of Payson Ethical Standards for Town Employees, attached hereto, marked Exhibit "A" and made a part hereof by this reference, be and is hereby approved and adopted as a standard of ethical behavior for Town employees.

Section 2. That the Town of Payson Code of Ethical Behavior for Town Officials, attached hereto, marked Exhibit "B" and made a part hereof by this reference, be and is hereby approved and adopted as a standard of ethical behavior for Town officials.

Section 3. That the Town of Payson be and is hereby authorized to take and perform such other and further actions as are necessary or appropriate to carrying out the purposes provided for in this Resolution Number 2297.

Section 4. All resolutions or parts of resolutions in conflict with this Resolution Number 2297 are hereby repealed to the extent of such conflict.

Section 5. If any section, subsection, sentence, clause, phrase or portion of this Resolution Number 2297 or of the Town of Payson Ethical Standards for Town Employees attached hereto and incorporated herein as Exhibit "A", or the Town of Payson Code of Ethical Behavior for Town Officials attached hereto and incorporated herein as Exhibit "B" are for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of either this Resolution or said Ethical Standards or Code of Ethical Behavior.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this ____ day of _____, 2007, by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

F. Robert Edwards, Mayor

ATTEST:

APPROVED AS TO FORM:

Silvia Smith, Town Clerk

Samuel I. Streichman, Town Attorney

EXHIBIT "A"

to Resolution No. 2297

ETHICAL STANDARDS
FOR TOWN EMPLOYEES



Town of Payson Ethical Standards for Town Employees

Section 1 Purpose

The expectation for all members of the Town's workforce is that they will promote the highest standards of honesty and integrity in Town government and ensure the quality of Town government through adherence to ethical principles. The purpose of these Ethical Standards is to identify the standards of professional, ethical, legal, and socially responsible behavior expected of Town employees and contract workers (see *Section 3, below*). All Town business should be conducted in a manner that is not only above reproach in fact, but also in appearance.

To identify ethics issues within a legal framework is only the beginning of the process that must be considered in municipal government work. Legal guidelines provide only the initial foundation for ethical issues. As stewards of the public trust, Town employees and contract workers are expected to uphold the highest standard of conduct at all times. An individual employee's actions will be viewed and regarded by the community, customers, and fellow staff persons, as a reflection of the Town of Payson and its values.

These Ethical Standards for Town Employees are in addition to any other applicable codes of conduct currently or hereafter in effect.

Section 2 Definitions/Glossary

Town employee: Any individual employed by the Town, including full-time, regular employees, part-time, regular employees; part-time, temporary employees; temporary employees; seasonal employees.

Town property: Any Town owned, leased, or controlled property, such as office buildings, parks, preserve areas, and other areas in which the employee may conduct work for the Town.

Town equipment: Any Town owned, leased, or controlled equipment such as vehicles, heavy equipment trucks, mechanical and power devices, hand tools, computers, electronic communication, business machines, etc.

Conflict of interest: A condition that exists when an employee or contract worker participates in or makes a decision that may affect the financial or property interests of the employee, or a close relative of the employee, or as otherwise provided by Arizona law.

Contract worker: An individual who is employed by an outside agency rather than the Town, or who provides services to the Town pursuant to a contract between the individual or agency and the Town for remuneration.

Section 3 Policy

Ethical Conduct--Expectations

All Town employees and contract workers must:

1. Uphold and comply with all state and federal laws, and Town ordinances, rules, and policies.
2. Maintain the highest standards of personal integrity, truthfulness, and fairness. See ***Attachment A***, Rule 6, Section 2, #10.
3. Place the interests of the Town, the community, and its citizens before personal or private interests in situations in which they may be in conflict, unless such personal or private interests are clearly more urgent at the time.
4. Promote impartiality, fairness, and equality under the law toward all with whom they may have contact.
5. Support and implement the policy decisions, directions, rules, and regulations established by Town Council and Town management.
6. Comply with the conflict of interest provisions of state law (Arizona Revised Statutes Sections 38-501 through 38-511) and federal law.
7. Comply with all Town Code provisions relating to outside employment, to political activity, and to gifts and gratuities; and these Ethical Standards.
8. Perform the duties and responsibilities of their position in such a manner as to avoid even the appearance of misconduct or impropriety. (For example, would you be proud of your actions if you read about them in the newspaper?)
9. Use Town funds, assets, property, and equipment solely for Town purposes, except for such limited personal uses as are expressly permitted, pursuant to the Town Code or these Ethical Standards.
10. Maintain the confidentiality of information acquired in the performance of governmental duties and not disclose it for any unauthorized purpose, including but not limited to personal, professional, or political benefit or gain. (For example: If you

have access to personal information about your coworkers in a Town database, that information should not be shared or otherwise used for unauthorized purposes.)

11. Promote and maintain a work environment free from favoritism or discrimination based on race, color, gender, national origin, religion, age, or physical or mental disability. See **Attachment A**, Rule 2, Section 2; Rule 6, Section 2, #13; Rule 6, Section 2, #14; Rule 29.
12. Promote and maintain a work environment free from sexual harassment or improper sexual conduct or communication (verbal or written). See **Attachment A**, Rule 29.
13. Promote and maintain a work environment free from foul or abusive language, and from slander and malicious gossip. See **Attachment A**, Rule 6, Section 2, #2; Rule 6, Section 2, #20.
14. Promote and maintain a work environment free from undue influence or pressure upon subordinates relating to issues outside the scope of their employment.

Unacceptable Conduct

No Town employee or contract worker shall:

1. Solicit gifts, gratuities, fees, services, discounts, purchases, entertainment, or other benefits or items of value for the performance of their Town duties, or otherwise for personal benefit. See **Attachment A**, Rule 6, Section 2, #6; Rule 19, Section 1, Item 1; Rule 19, Section 1, Item 2.
2. Accept monetary gratuities, tips, honoraria, or other payments for services rendered for performing Town employment or official Town duties, other than compensation from the Town or that which is otherwise provided for by law or Town policy. (For example: Financial awards from a professional organization for being a speaker are not acceptable.) See **Attachment A**, Rule 19, Section 1, Item 2.
3. Accept any gifts, gratuities, fees, services, discounts, purchases, entertainment, or other personal benefit or items of value (other than what could be made available through the Town's employee benefits programs), if the acceptance could reasonably be construed as an attempt to exert improper influence on any municipal decision or action, or as a reward for any official action, including those related to hiring, appointment, or promotion. See **Attachment A**, Rule 6, Section 2, #7; Rule 6, Section 2, #14; Rule 6, Section 2, #15; Rule 19, Section 1, Item 1.
4. Solicit Town employees for non-work related products and services on behalf of outside vendors during regular work hours. Solicitation for charitable, non-profit fund-raising events is permissible only with the prior approval by the department manager, or equivalent position, and shall not disrupt or negatively impact normal business activities. See **Attachment A**, Rule 19, Section 1, Item 1.

5. Engage in political activities during working hours, except that employees may exercise their rights as a citizen to vote and to express opinions as an individual citizen, but may not use their Town position for political purposes. (This rule does not apply to employees who are also elected officials.) See **Attachment A, Rule 2, Section 7; Rule 6, Section 2, #7; Rule 6, Section 2, #14; Rule 6, Section 2, #15.**
6. Engage in conduct, either during or outside of regular duty hours, which is in violation of the following: **Attachment A, Rule 19, Section 3; Rule 6, Section 2, #20; Rule 6, Section 2, #9; Rule 6, Section 2, #8; Rule 6, Section 2, #5.**
7. Use Town resources not available to the public in general, such as Town staff time, funds, equipment, supplies, or facilities, for private or personal gain; use of such resources for personal purposes shall not be permitted unless authorized in writing by a department head or the Town Manager. (For example: use of Town equipment, vehicles, materials, or time to start or operate your own business.) See **Attachment A, Rule 6, Section 2, #13.**
8. Participate in the consideration, award, or administration of any contract, or in a Town business decision, when to do so constitutes a conflict of interest. (For example: allowing personal relationships to influence Town business decisions or actions.)
9. Knowingly allow themselves, their uniforms, equipment, or other indicators of Town employment to be used to promote any commercial activity. This prohibition does not apply to the filming, photographing, or otherwise capturing the likeness of Town employees or contract workers, while engaged in their normal working activities by the news media, or during activities presented or sponsored by the Town that are open to the public. See **Attachment A, Rule 19, Section 1, Item 1.**
10. Engage in Town business-related issues that involve a member of the employee's or contract worker's family, or with which the Town employee or contract worker has a business or personal relationship, unless permitted by law or Town policy, even if the profit or gain is non-monetary in nature.
11. Engage in outside employment, including self-employment or family businesses when to do so conflicts with Town duties and/or responsibilities. See **Attachment A, Rule 19, Section 1.**
12. Engage in conduct that constitutes or contributes to favoritism or discrimination based on race, color, gender, national origin, religion, age, or physical or mental disability. (For example: serving on a selection panel and influencing disparate treatment of candidates; or favoring the hiring or promotion of persons based on their religion.) See **Attachment A, Rule 29; Rule 2, Section 2.**
13. Engage in conduct, while on duty, that constitutes or contributes to any form of sexual harassment or improper sexual conduct (verbal or written). (For example:

telling sexually oriented jokes; inappropriate touching; or making sexual advances.)
See **Attachment A, Rule 29.**

14. Engage in foul, abusive, or profane language, while on duty, that demeans, embarrasses, offends, or threatens others. (For example: directing profane remarks at someone; profaning religious beliefs.) See **Attachment A, Rule 6, Section 2, #2.**
15. Engage in slander or malicious gossip, while on duty, that demeans, embarrasses, offends, or threatens others. See **Attachment A, Rule 6, Section 2, #2.**
16. Engage in conduct, either while on duty or off-duty, that may put undue influence or pressure upon subordinates, either in relation to official duties or personal involvement. (For example: asking to spend time alone ["dating"]; sharing personal information of an intimate nature; seeking opportunities to make personal sales of any type.) See **Attachment A, Rule 29.**

Section 4 Responsibilities

All Town employees and contract workers are responsible for complying with these Ethical Standards. In addition, all employees and contract workers who have experienced, observed, or have knowledge of a violation of these Ethical Standards are encouraged to report the violation to the Human Resources Director, or the Town Manager. Complaints regarding any member of the Human Resources department will be filed with the Town Manager. Investigative reports for all complaints will be reviewed by both the Human Resources Director and the Town Manager.

Town of Payson department heads and supervisors are expected to exhibit behavior that upholds excellence in personal and professional conduct. Additionally, all department heads and supervisors, with the advice and assistance of the office of the Human Resources Director, are responsible for enforcing these Ethical Standards.

Staff members who believe they may have a conflict of interest in regard to a Town business matter, after review with the Town Manager, should consult with the Town Attorney's office, which will evaluate the facts and provide guidance on the issue.

Section 5 Education and Training

To provide consistent and up-to-date guidance for Town employees and to protect the public trust, the Town shall provide:

1. Public Service Ethics Training to all Town employees to be conducted no less than annually. New employee orientation shall include a review of the "Ethical Standards Policy". Training sessions will be comprehensive and meaningful, such that they will:
 - Explain the letter and spirit of public service ethics laws regulating service to the Town;

- Use case studies or examples illustrating the application of the public service ethics laws to general behavior and specific situations; and
- Examine and illustrate the approved process to follow should employees have questions or concerns regarding their activities or those of others in Town service.

Upon completion of each public service training program, attendees shall sign (1) a statement confirming they have completed the training and acknowledging they are aware of the public service ethics laws and will abide by them, and (2) the Personal Interest Disclosure Form for Employees (**Attachment C** hereto).

2. Educational materials are to be updated periodically to reflect any changes in applicable laws and to incorporate fresh illustrative examples. The Town Attorney shall update annually, or more frequently if necessary, both **Attachment B** (the annotated matrix of public service ethics laws) and **Attachment C** (Personal Interest Disclosure Form) to the Code of Ethical Behavior to ensure the documents present accurate information. The Town Manager shall ensure that each Town employee receives and agrees to follow the Town's Administrative Regulation on ethical standards at new employee orientations.

Section 6 Program/Process Controls

Employees in violation of these Ethical Standards will be subject to disciplinary action up to and including termination.

Section 7 Procedures

Disclosure Procedure

Any employee who is or may be called upon to participate in a decision-making process, in which the employee's participation would constitute a conflict of interest, or the appearance of a conflict of interest or impropriety, must immediately notify his or her supervisor. If a conflict of interest exists, the law requires that the affected employee remove himself or herself from the decision-making process and not participate in the decision, or attempt to influence it in any way. The Town Attorney's office should be called upon, as necessary, to assist in determining whether the specific facts constitute a conflict of interest.

Complaint Procedure

An employee or contract worker who has experienced, observed, or has knowledge of a violation of these Ethical Standards must report it to the Human Resources Director. If any violation is by the Human Resources Director it must be reported to the Town Manager. Information relating to the violation must be formally reported in writing on an Ethics Complaint Form that is available from the Human Resources department. Following an investigation, substantiated complaints will result in corrective action or discipline in accordance with Town Personnel Policies and Procedures. An employee receiving

discipline for a violation of these Ethical Standards will be afforded such rights of appeal as are provided by Town Code. Information acquired in the course of an ethics investigation will be accorded the highest degree of confidentiality permitted by the circumstances and by law, but may be subject to disclosure under the Public Records Act.

If the complaint is against the Town Manager or the Town Attorney, the complaint procedure shall follow the procedure set forth in Section 2 of the Town of Payson Code of Ethical Behavior for Town Officials.

Confidentiality of complaints and the disposition thereof is subject to adjudication by the Town.

Retaliation against any person who reports and/or participates in the investigation of a violation of these Ethical Standards is prohibited. Retaliation includes, but is not limited to, unlawful discrimination, refusing to recommend an employee for an opportunity for which he or she qualifies, spreading rumors about the employee, encouraging hostility from co-workers, any other negative, tangible employment action done intentionally, or any action done in the course of employment designed to or resulting in a detriment to the reporting or the participating party. An employee engaging in retaliation will be subject to disciplinary action, up to and including dismissal.

False or Misleading Complaints

If, after reviewing the ethics complaint and investigation, it is determined that the complaint has been filed in bad faith, or for the purpose of harassment, or that false or malicious information has intentionally been provided, the complaining party will be subject to disciplinary action.

ATTACHMENT A

TOWN OF PAYSON PERSONNEL RULES & PROCEDURES	
TOPIC	
Rule 2, Section 2 Fair Employment	<p>The Town of Payson is an equal employment opportunity employer and does not discriminate against applicants or employees who meet all qualifications and requirements of Town service on the basis of race, color, sex, national origin, age, or handicap. The Town is committed to its obligations under State and Federal laws against discrimination and will not tolerate retaliation against individuals who oppose unlawful discrimination or participate in investigations concerning claims of discrimination.</p> <p>The Town also prohibits and will not tolerate harassment of applicants or employees on the basis of race, color, religion, sex national origin, age, or handicap. Employees and other individuals may address concerns or complaints about alleged, perceived, or actual discrimination to the Town Manager without fear of retaliation. Complaints of unlawful discrimination shall be reported and administered in accordance with Rule 21 and all complaints of discrimination, including complaints of retaliation, will be thoroughly investigated. All employees must comply with the Town's fair employment policies, and any employee, including directors and supervisors, who violates the Town's policies or laws against discrimination shall be subject to discipline, up to and including discharge.</p>
Rule 2, Section 7 Improper Political Activity	<p>No person elected or employed by the Town shall orally, by letter, or otherwise assist in soliciting any assessment or subscription for any political party or political purpose whatsoever from any person holding any compensated appointed Town position. Any authorized solicitations shall not be conducted during normal working hours.</p> <p>No person who holds any compensated appointed position shall make, solicit, or receive any contribution to the campaign funds of any candidate for municipal office of the Town of Payson, or take any part in the management, affairs, or political campaign of any such candidate, but he may exercise any other rights of a qualified elector.</p> <p>No officer or official of the Town shall use any influence or pressure upon any employee to obtain any assessment or contribution of money or time, either direct or indirect, for any political campaign or personal gain. No officer or employee of the Town shall participate in or engage in activities connected with the campaign of any candidate for the Town Council, but this restriction does not apply to the right of such officer or employee to vote in municipal elections and to sign nomination papers of candidates for Town Council; however, employees shall not sign such petitions during normal working hours. No employee shall use, threaten to use or attempt to use political influence for himself or any other employee in securing employment benefit or advantage.</p>

ETHICAL STANDARDS
FOR TOWN EMPLOYEES

<p>Rule 6, Section 2 Reasons For Dismissal</p>	<p>#2 If the employee has been abusive in his/her attitude, his/her language or has been abusive in his/her conduct resulting in physical harm or injury to his/her fellow employees, wards of the Town or the public.</p> <p>#4 If the employee has violated any lawful or official regulation or order or failed to obey any lawful and reasonable direction given him/her by his/her superior or supervisor.</p> <p>#5 If the employee has been found under the influence of alcohol or non-prescription drugs while on duty.</p> <p>#6 If the employee has taken for personal use a fee, gift, or other valuable thing in the course of his/her work or in connection with it, when such fee, gift, or other valuable thing is given him/her by any person in the hope or expectation of receiving a favor or better treatment than accorded other persons.</p> <p>#7 If the employee has used, threatened to use, or attempted to use political influence for himself/herself or other employee in securing employment benefits or advantages.</p> <p>#8 If the employee has failed to pay or make reasonable provision for future payment of just debts when undue annoyance is caused to his/her supervisor or Town office personnel by collection methods or bad reputation has resulted because of failure to pay just debts.</p> <p>#9 If an employee has been convicted of a felony or a misdemeanor involving moral turpitude.</p> <p>#10 If the employee has made false statements, written or oral, attempting to conceal any past or present criminal activity.</p> <p>#13 If the employee has been engaged in outside business activities on Town time, or has used Town property for his/her personal use.</p> <p>#14 If the employee has directly or indirectly received or paid any assessment, subscription, or contribution for the purpose of electing any candidate to a Town of Payson municipal public office.</p> <p>#15 If the employee has engaged in improper political activities, as prohibited by Rule 2, Section 7 of these Personnel Rules and Regulations.</p> <p>#20 If the employee has been guilty of any action, on or off the job, which tends to bring discredit to the Town service.</p>
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**ETHICAL STANDARDS
FOR TOWN EMPLOYEES**

<p>Rule 19, Section 1 Outside Employment</p>	<p>A permanent full-time employee may engage in outside employment at the employee's discretion; however, the employee generally is not able to perform at his or her best level for the Town while working an outside job. Prior to accepting outside employment, the employee should first discuss the matter with his or her immediate Supervisor and Department Head. The Employee should also consider whether the nature of the work or the number of hours will adversely affect his or her work efficiency at the Town-related position. The employee should also be made aware that he or she may be asked to choose between his or her position with the Town of Payson and any outside employment if it is found that said employment interferes with the employee's duties with the Town.</p> <p>In making the determination, the appointing authority shall give consideration to employment, activity or enterprises which:</p> <ol style="list-style-type: none"> 1. Involves the use for private gain or advantage of Town time, facilities, equipment and/or supplies, or the badge, uniform, prestige and/or influence of one's office or employment. 2. Involves the soliciting or the acceptance by the employee of any money, gift, gratuity, or other consideration of anyone other than the Town for performance of an act which the employee, if not performing such an act, would be required or expected to render in the regular course of hours of his/her Town employment or as part of his/her duties as a Town officer or employee. 3. Involves the performance of an act other than in his/her capacity as a Town employee, which act may later be subject to direct or indirect control, inspection, review, audit, or enforcement by such employee or the agency by which he/she is employed. 4. Involves such time demands as would render performance of his/her duties as an officer or employee less efficient.
<p>Rule 19, Section 2 Gifts & Gratuities</p>	<p>No officer or employee of the Town shall solicit or accept, for himself/herself or his/her family, favors, benefits, gifts, or gratuities under circumstances which might be construed by reasonable persons as influencing the performance of his/her governmental duties.</p>

**ETHICAL STANDARDS
FOR TOWN EMPLOYEES**

<p>Rule 19, Section 3 Employees' Financial Affairs</p>	<p>Employees shall so arrange their personal affairs so as not to affect their employment or bring discredit upon the Town. Failure on the part of the employee to meet his or her just obligations shall be grounds for adequate and appropriate disciplinary action.</p>
<p>Rule 29, Section 1 Sexual Harassment Policy Statement</p>	<p>The Town of Payson wishes to provide its employees with an environment that encourages efficient, productive, and creative work, and which is free of discrimination, including all forms of harassment based upon race, color, religion, age, sex, national origin, or disability. The Town of Payson will not tolerate discrimination or verbal or physical conduct by any employee which harasses, disrupts, or interferes with another person's work performance or which creates an intimidating, offensive, or hostile environment. ... any employee who retaliates against someone for filing a complaint, or for assisting someone who has filed a complaint, alleging or reporting any instance of sexual harassment, will be subject to appropriate discipline in conformance with Rule 6 of the Town of Payson Personnel Rules and procedures Manual, including, in the instance of retaliation, written notice to be served on the employee not later than seven (7) calendar days after the incident of retaliation.</p>

**ETHICAL STANDARDS
FOR TOWN EMPLOYEES**

ATTACHMENT B

TOWN OF PAYSON - Sampling of Public Service Ethics Laws

CAUTION: These brief descriptions are provided for quick introductory purposes and cannot and do not present the full scope of these laws. *Violations of these laws may expose a Town official or employee to a variety of sanctions, including criminal penalties, personal financial liability (for damages and fines, as well as payment of costs and attorney's fees - both prosecution and defense), cancellation of contracts, and public embarrassment (for the official and her or his family and employer, and removal from office). For example, a Town official convicted of a felony may be fined up to \$150,000 for each violation and sent to prison for several years. A.R.S. § 13-801, -701. Conviction of a misdemeanor may result in a fine up to \$2,500 for each violation and jail sentence of up to six months. A.R.S. § 13-802, -707. This information is presented not to scare Town officials, but to help them by underscoring the seriousness of conducting the public's business properly.

TOPIC	ARIZONA LAW	GENERAL SUMMARY * (see above)	PENALTIES & SANCTIONS
Bribery	A.R.S. § 13-2602; 38-444	It is illegal for you to solicit, accept, or agree to accept any benefit upon an understanding that it may influence your official conduct, or to ask for or receive any gratuity or reward (or promise thereof) for your official act.	Felony
Conflicts of interest (general)	A.R.S. § 38-501 thru -511	If you or any relative could benefit from your taking official action, then you must (1) <i>disqualify</i> yourself by not participating "in any manner" - not voting, not discussing, not anything, and (2) <i>disclose</i> that personal interest.	Felony or misdemeanor; more
Contracting with the Town	A.R.S. §§ 38-503, 34-1406 thru -1477	If you or any relative has a substantial interest in "any contract, sale, purchase or service" to the Town, then you must disclose that interest and "refrain from voting upon or participating in any manner."	Felony or misdemeanor, cancel contract
Conduct after Leaving Town Position ("Anti-Revolving Door")	A.R.S. § 38-504(A)	For 12 months after your Town service, you cannot represent another person for compensation before the Town in connection with any matter in which you personally participated in a substantial and material way.	Felony or misdemeanor

ETHICAL STANDARDS
FOR TOWN EMPLOYEES

Confidential Information (Disclosure/Use of)	A.R.S. § 38-504(B)	During and for two years after your Town service, it is illegal for you to disclose or use for personal profit any confidential information you learned in the course of your duties.	Felony or misdemeanor; more
Discrimination and Favoritism	Constitutions, plus statutes; A.R.S. § 38-231(G)	It is illegal to discriminate based on race, color, gender, national origin, religion, age, or physical or mental disability; plus, in your Loyalty Oath you pledged to "faithfully and impartially discharge the duties of ... office."	Attorney's fees, damages, more
E-mail	A.R.S. § 39-12-1; 38-431 <i>et seq.</i>	Your e-mail communications are subject to the Public Records Law, and improper e-mail involving a quorum of the members of a public body may violate the Open Meeting Law.	Attorney's fees, costs, more
Employment of Relatives ("Nepotism")	A.R.S. § 38-481	You may not be involved in the appointment or hiring of a relative (which is defined broadly to include your parents, siblings, spouse, children, grandchildren, grandparents, and all in-laws).	Misdemeanor
Employment - Discussion of Future Employment	A.R.S. § 38-503, -504(C)	If you engage in certain discussions about future employment, then it might trigger bribery or conflict of interest laws.	Felony or misdemeanor
Employment - Incompatible	A.R.S. § 38-505	Certain outside employment could trigger conflict of interest laws.	Depends on the facts
Employment - Representing Others Before the Town	A.R.S. § 38-504	During your Town service, it is illegal for you to represent another person for compensation in connection with any matter in which you will personally participate in a substantial and material way as a Town official.	Felony or misdemeanor

ETHICAL STANDARDS
FOR TOWN EMPLOYEES

Entertainment (attending or participating in a cultural or sporting event)	A.R.S. § 41-1232.08(B) [only applies to Town Council]	It is illegal for the Mayor or a Council member to accept from a "compensate lobbyist" "an expenditure or single expenditure for <i>entertainment</i> " (defined broadly to mean not only <i>attending</i> any sporting or cultural event, but also <i>participating</i> in any cultural or sporting event, such as golf).	Misdemeanor
Extra compensation	A.R.S. § 38-505	It is illegal for any Town official to receive any money (except the salaries the Town pays the Mayor and Council members) or anything of value for any service rendered in connection with performing their official duties.	Felony or misdemeanor
Financial Disclosures (NOTE: Council only)	A.R.S. § 38-545 (which requires Town adopt same)	It is illegal for Council members to fail to file, or knowingly file an incomplete personal financial disclosure statement (which IS designed to help you identify and avoid potential conflicts of interest).	Misdemeanor
Gifts and Things of Value		Gifts worth more than \$25 must be reported to the Town Clerk.	Ethics Code investigation and public report
Misuse of Public Resources (see "Theft" below)	A.R.S. § 13-1802, -2310, -2316	Town officials may use Town resources only to the extent those resources are available to the public (e.g., if the public is charged \$2.00 per page for copying, then a Town official must pay the same). Otherwise, it is theft (see below).	Felony or misdemeanor
Open Meetings	A.R.S. § 38-431 thru -431.09	"It is the policy of this state that meetings of public bodies be conducted openly and interpretations of this [law] shall construe any provision in favor of open and public meetings."	Action null and void; attorney's fees; more
Political Activities	A.R.S. § 9-500.14	It is illegal to use Town personnel, resources to influence non-bond elections.	

**ETHICAL STANDARDS
FOR TOWN EMPLOYEES**

Public Monies	A.R.S. § 35-301	If you handle or spend public monies, then you need to be extra cautious and recognize that special rules and regulations apply, including the Town's procurement processes.	Felony
Public Records - Access to	A.R.S. § 39-121, et seq., plus more	Arizona law has a strong presumption that records shall be open to public inspection, but with hundreds of exemptions. You should seek immediate help from the Town Attorney if you get a public records request.	Range; attorney's fees and costs
Public Records - Tampering with	A.R.S. § 13-2407	It is illegal to "tamper with a public record" by making a false document purporting to be a public record, altering or making a false entry, destroying, removing, hiding, or otherwise impairing a public record.	Felony
Solicitation of Gifts and Things of Value	A.R.S. § 38-504(C)	It is illegal to use or attempt to use your official position to get any valuable thing or benefit that you would not ordinarily get. (See also "Bribery" and "Gifts" above.)	Felony or misdemeanor
Theft of Town Property, Resources, or Services	A.R.S. § 13-1802	Unauthorized (such as personal) use of Town resources (facilities, equipment, personnel, supplies) can be considered "theft," which is the taking or unauthorized use of another person's property (including the Town's).	Felony or misdemeanor
Travel	A.R.S. § 13-1803, -2407	Unauthorized use of a Town vehicle can constitute "unlawful use of means of transportation," and submitting a false travel or expense report is "tampering with a public record."	Felony

ATTACHMENT C

Town of Payson Personal Interest Disclosure Form for Employees

Pursuant to the Town of Payson Ethical Standards for Town Employees, all Town employees must complete and submit this Personal Interest Disclosure Form to the Human Resources department annually upon the occasion of their annual ethics training. The purpose of the form is to help Town employees by alerting and reminding them of their need to avoid participating in any manner on behalf of the Town of Payson when a conflict arises between their official Town duties and their personal interests.

Two definitions are very important because violating Arizona's conflicts of interest laws is a criminal offense and can lead to serious consequences.

1. Arizona law requires that if a Town employee or his or her relative has a substantial interest (as defined by state law) in an official decision, then that employee "shall make known that interest in the official records of the public agency and shall refrain from *participating in any manner* as an employee" regarding that matter. (A.R.S. § 38-503). By listing "otherwise participating in any manner", the Legislature has made clear that if you have a conflict, then you must immediately refrain from taking *any* action in your official position; you may not do anything - talk, discuss, write, wink, or nod - to try to influence the decision or any decision-makers.

2. The definition of "relative" includes your "spouse, child, child's child [grandchildren], parent, grandparents, brother or sister [and step-brother or step-sister], and their spouses and the parent, brother, sister or child of a spouse." A.R.S. § 38-502(9).

If, after you complete this form, another substantial interest surfaces that was not anticipated, then you are obligated to immediately refrain from participating in the decision-making process and, within three business days, update this form to disclose the interest in the Town Clerk's Office. If you have any questions, please contact the Town Attorney's Office with as much lead time as possible.

1. Identify the decision or other matter in which you or a relative may have a substantial interest. (Attach another page if more space is needed.)

2. Describe each substantial interest referred to above. (Attach another page if more space is needed.)

Statement of Disqualification

To avoid any possible conflict of interest, I will refrain from participating in any manner in the matter(s) identified above.

Name (please print)

Signature

Date

EXHIBIT "B"

to Resolution No. 2297

CODE OF ETHICAL BEHAVIOR
FOR TOWN OFFICIALS



Town of Payson Code of Ethical Behavior for Town Officials

Section 1: Town of Payson Ethics Policy

It is the policy of the Town of Payson to uphold, promote, and demand the highest standards of ethical behavior from its Town officials, including the Mayor, all other members of the Town Council, and individuals officially appointed to serve on the Town's boards, commissions, committees, and task forces. Honesty, integrity, fairness, and transparency of action are the hallmarks of public service in Payson. Use of one's position or office for personal gain or inappropriate influence will not be tolerated.

All Town officials shall obey and observe the letter and spirit of the Constitution and laws of the United States of America, the Constitution and laws of the State of Arizona, and the Code of Ordinances, laws, and policies of the Town of Payson applicable to Town officials, including this Code of Ethical Behavior ("Code"). An annotated matrix of public service ethics laws is presented in "Attachment A" to this Code, which is fully incorporated in this Code by reference.

As a prerequisite for exercising any power of office, each Town official is required to read and agree in writing to comply with the provisions of these laws, regulations, policies, and this Code, as well as to participate annually in continuing education workshops regarding public service ethics.

Federal, state, and Town laws provide the legal framework governing public service ethics. Within these laws the Town has identified the following specific areas where clarification and emphasis of the intent and spirit of ethical standards are most warranted.

Conflicts of Interest

Arizona law prevents local governments from imposing different conflicts of interest laws than state law. To provide guidance to Town officials, Payson interprets Arizona's conflicts of interest laws as follows:

A conflict of interest arises when a Town official, a relative of that official, or an entity in which a Town official has a substantial interest is actively engaged in an activity that involves the Town's decision-making processes. "Decision-making processes" is

**CODE OF ETHICAL BEHAVIOR
FOR TOWN OFFICIALS**

broader than just voting and includes being involved with discussions or any other aspects of any decisions the Town makes, such as contracting, sales, purchases, permitting, and zoning.

When a conflict of interest arises, the Town official involved must immediately refrain from participating in any manner in the Town's decision-making processes on the matter as a Town official, including voting on the matter or attending meetings with, having written or verbal communications with, or offering advice to, any Town official, Town employee, contractor, agent, or officially appointed member of a Town board, commission, committee, task force, or agency (other than the Town Attorney when the Town official is seeking legal advice regarding a possible conflict). In addition, within three business days of the conflict arising, the Town official must declare the specific nature of the interest on the public record by updating his or her Personal Interest Disclosure Form in the Town Clerk's office.

During a public meeting when an agenda item in which a Town official has a conflict of interest comes up for consideration, the Town official shall state publicly that he or she has a conflict, state the nature of the conflict, recuse himself or herself, and leave the room while the matter is being discussed and acted upon by others on the public body.

In situations where a Town official has a question about the applicability of this Code or the provisions of Arizona's conflicts of interest laws or any Town ordinance, a ruling may be sought from the Town Attorney on whether an actual conflict of interest exists. Town officials are strongly encouraged to avoid involvement in situations where a ruling declares no technical conflict of interest, but where active participation might raise the perception of undue influence or impropriety.

As a prerequisite for exercising any power of office, a Town official is required to read, complete, and submit to the Town Clerk the Personal Interest Disclosure Form (a copy of which appears as "Attachment B") before participating in that person's first meeting and before January 31 of every year of continued service to the Town.

Gifts

Town officials are prohibited from soliciting, receiving, or accepting gifts of any kind from anyone who is engaged in a specific situation that involves the Town's decision-making or permitting processes, except as exempted below. The term "gifts of any kind" includes money, services, loans, travel, entertainment, hospitality (including meals), promises of any future gifts, or anything of value that might be construed as an attempt to create a more favorable relationship than that enjoyed by any other citizen, including: (a) the purchase, sale, or lease of any real or personal property by the Town official, that official's relative, or an entity in which that official has a financial interest at a value below or above that available to the general public, and (b) employment and/or services, contracts, direct or indirect, by a Town official, that official's relative, or an entity in which that official or relative has a financial interest.

Exemptions include entertainment, hospitality (including meals), transportation, and token mementos directly associated with events that an official is attending as a representative of the Town. If any gift or personal benefit is permissible and exceeds \$25 in value, then the Town official must declare it to the Town Clerk.

Open Government

The citizens of Payson expect and deserve open government. Arizona has an official public policy "that meetings of public bodies be conducted openly" and that any doubt should always be resolved "in favor of open and public meetings" (A.R.S. § 38-431.09).

Therefore, Town officials shall conduct themselves in a manner that fully adheres to and preferably exceeds state laws concerning open meetings and transparency of actions. Indeed, Town officials are encouraged to employ a "mindset of openness" in conducting the affairs of the Town and should be cautious before voting to hold a portion of a meeting in executive session. Moreover, Town officials are reminded that any attempt to circumvent the Open Meeting Law - such as by using technology, a "hub-and-spoke" scheme, or any other technique involving less than a quorum yet designed to communicate with a quorum of the public body - can violate the Open Meeting Law. Town officials also shall show no favoritism on who has access to or receives relevant information on matters under consideration or of general public interest.

The Town Attorney is encouraged to vigorously promote state laws regulating open meetings, and be proactive and assertive in ensuring strict adherence to those laws reflecting the Town's "mindset of openness."

Executive Sessions

Arizona law recognizes that there are very narrowly limited occasions when the public's interests are best protected by the public body meeting in closed executive session. To honor the mindset of openness, Town officials should consider that, although state law allows discussion of certain limited matters in executive session, closed meetings should be utilized as infrequently as possible and only in clearly compelling circumstances.

In addition to complying with the Open Meeting Law requirement that a simple majority of the public body vote in favor of meeting in closed executive session, Payson public bodies will first introduce the item on the agenda, hear the need to go into executive session explained, receive the assent of the Town Attorney (or designee) that the matter would be an appropriate use of the executive session exception, and then vote to see if a majority of the public body agrees there is a legitimate need to go into executive session.

To ensure strict compliance with state law, the Town Attorney (or designee) shall be present at and actively protect the letter and spirit of the Open Meeting Law in all Council meetings, all Council executive sessions, and all executive sessions to be held by any other Town board, commission, committee, or officially appointed task force or advisory group. While in executive session, the Town Attorney (or designee) shall seek to

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FOR TOWN OFFICIALS**

ensure that all discussions and consultations that take place fit within the bounds of what is allowed and appropriate under a strict and tight interpretation of Arizona's Open Meeting Law. All other questions and discussions related to that same issue shall be posed and addressed only in a public forum either prior to or following the executive session.

The Town Attorney (or designee) will not attend those portions of executive sessions involving personnel matters, pursuant to A.R.S. § 38-431.03(A)(I), relating to the Town Chief Financial Officer, Town Clerk, or Town Manager, but may attend if requested to do so by the Town Council.

Before leaving the executive session, the Town Attorney (or designee) shall remind those present in the closed executive session that Arizona law (a) mandates that all discussions within and minutes of executive sessions are strictly confidential for all time, and (b) prohibits attendees from revealing to anyone, including family members, any part of any discussion that took place in executive session.

Preservation and Availability of Public Documents

Consistent with Arizona's Public Records Laws, written communications between public officials and between public officials and private citizens on matters explicitly involving the affairs of the Town are considered public documents. Such written communications shall be preserved in compliance with the Town's document retention policy and, unless confidential, made available for review upon request.

"Written communications" includes Town-related e-mail messages and attachments originating from or received by elected or appointed officials on any publicly or privately owned equipment at Town Hall, the Town official's place of employment, private residence, or remote locations. Destruction of such communications prior to the expiration of the time period specified in the Town's document retention policy is prohibited and subject to penalty under appropriate state law.

The Town's electronic messaging systems and electronic communications systems (including telephones) are to be used for official Town business only, except for limited personal uses (e.g., asking a person to lunch or a social event, checking on the welfare of family members, scheduling or canceling a doctor's appointment). Town officials are prohibited from using the Town's official e-mail service for commercial purposes or other inappropriate uses.

Undue Influence on Subordinates

Under the Town's Code of Ordinances, administrative authority is vested in the Town Manager. Members of the Town Council are cautioned not to interfere with that authority by giving orders or explicit directions or requests, publicly or privately, regarding Town matters to any subordinates of the Town Manager.

All Town officials shall respect the orderly lines of authority within Town government. This is not intended to mean, however, that Town Officials cannot converse with the Town Manager or other employees, express opinions, or make recommendations.

Section 2: Enforcement of the Town of Payson Ethics Policy

To enforce the Code of Ethical Behavior, the Town shall use the following processes:

A. Filing Complaints.

1. Contents. Any person who believes a Town official in an official capacity violated a mandatory requirement or prohibition in the Payson Code of Ethical Behavior ("Code") or violated any state or Town law may file a sworn complaint with the Town Attorney identifying:

- (a) The complainant's name, address, and telephone number;
- (b) The name and position of the Town official who is the subject of the complaint;
- (c) The nature of the alleged violation, including the specific provision of the Code or law allegedly violated;
- (d) A statement of facts constituting the alleged violation and the dates on which or period of time in which the alleged violation occurred;
- (e) All documents or other material in the complainant's possession, or that are known to the complainant, that are relevant to the allegation.

The complaint shall include an affidavit stating that the information contained in the complaint is true and correct, or that the complainant has good reason to believe that the facts alleged constitute a violation of the Code.

2. Time for Filing. A complaint must be filed within ninety days after the date the violation was discovered.

3. False or Frivolous Complaints. A person who knowingly makes a false, misleading, or unsubstantiated statement in a complaint is subject to potential civil liability for, among other possible causes of action, defamation. If, after reviewing an ethics complaint, it is determined that a sworn complaint is groundless and appears to have been filed in bad faith or for the purpose of harassment, or that intentionally false or malicious information has been provided, then the Town Attorney may refer the matter to the appropriate law enforcement or civil authority for appropriate action. A Town official who seeks to take civil action regarding any such complaint, shall do so at his or her personal expense.

4. Elections Complaints. Any complaints relating to Town elections shall be filed with or referred to the Town Clerk for review and disposition as provided by law.

B. Resolving Complaints.

1. Initial Screening of Complaints. The Town Attorney shall review each complaint filed alleging a violation by an officially appointed member of a Town board, commission, committee, and/or task force, and within fifteen days either:

- (a) Return it for being incomplete; or
- (b) Dismiss it for being untimely; or
- (c) Dismiss it if the complaint on its face fails to state allegations that, if true, would violate a mandatory requirement or prohibition - as opposed to an aspirational or administrative provision - of the Code or any laws; or
- (d) Dismiss it as being without merit and refer it to the appropriate authorities for action against the complainant if the Town Attorney determines the complaint was false, misleading, frivolous, or intentionally malicious; or
- (e) Refer alleged violations of Arizona or federal laws to an appropriate law enforcement agency if the complaint states on its face allegations that, if true, would constitute a violation of Arizona or federal law; or
- (f) If the complaint states on its face allegations that, if true, would constitute a violation of a mandatory requirement or prohibition (as opposed to aspirational or administrative provisions) of the Town's Code of Ethical Behavior or a Town law, take action as set forth below.

In all circumstances, the Town Attorney shall simultaneously notify in writing the complainant, the Town official subject to the complaint, and the Town Clerk regarding the action taken.

2. Review and Findings. For ethics complaints alleging violations of the Town's Code of Ethical Behavior or a Town law that should proceed for additional review, the Ethics Panel shall investigate the allegations and, within thirty days (unless the Ethics Panel requests a fifteen-day extension that is granted in writing by the Mayor or Vice Mayor), submit to the Town Council, the complainant, the official who is the subject of the complaint, and the Town Clerk a report with findings of fact, conclusions of law, and a recommendation. The Town Council shall consider the Ethics Panel's report at a public meeting. If the Town Council finds an ethical violation, then it may remove the member from the Town board, commission, committee, or task force. In resolving a complaint, the totality of the circumstances shall be taken into consideration, including the intent of the person accused of wrongdoing.

C. Resolving Complaints Against the Mayor and/or Other Members of the Town Council.

1. Independent Ethics Reviewers. The Town shall use independent personnel to handle ethics complaints lodged against the Mayor and/or other members of the Town Council. The Town Attorney shall select a pool of three to five individuals who could serve as the Town's independent ethics reviewers to handle ethics complaints lodged against the Mayor and/or other members of the Town Council. To be eligible for selection, individuals must be independent attorneys or retired federal, state, or county judges who do not live in Payson and do not work for employers that regularly have business in Payson or represent clients in Payson. Individuals who serve as the Town's independent ethics reviewers shall do so as the Town's agents and enjoy the Town's full liability protection and immunity as allowed by law. Each year the Town Attorney shall nominate one person from the independent ethics reviewers to serve as the Town's "independent ethics officer." The independent ethics officer shall not serve in that role for more than one year.

2. Initial Screening of Complaints. The Town Attorney shall have authority to decide either to (a) act directly on any complaint filed against the Mayor and/or other members of the Town Council, or (b) refer a complaint to an independent ethics officer selected by the Town Attorney, who will conduct the initial screening of the complaint and within fifteen days issue a report of findings and conclusions and recommend that the Town Attorney handle the complaint as follows:

- (a) Return it for being incomplete; or
- (b) Dismiss it for being untimely; or
- (c) Dismiss it if the complaint on its face fails to state allegations that, if true, would violate a mandatory requirement or prohibition - as opposed to an aspirational or administrative provision - of the Code or any laws; or
- (d) Dismiss it as being without merit and refer it to the appropriate authorities for action against the complainant if the independent ethics officer determines the complaint was false, misleading, frivolous, or intentionally malicious; or
- (e) Refer alleged violations of Arizona or federal laws to an appropriate law enforcement agency if the complaint states on its face allegations that, if true, would constitute a violation of Arizona or federal law; or
- (f) If the complaint states on its face allegations that, if true, would constitute a violation of a mandatory requirement or prohibition (as opposed to aspirational or administrative provisions) of the Town's Code of Ethical Behavior or a Town law, refer the matter to an independent ethics panel for further action as set forth in subsection (3) below.

**CODE OF ETHICAL BEHAVIOR
FOR TOWN OFFICIALS**

In all circumstances, the Town Attorney shall notify in writing the complainant, the Town official subject to the complaint, and the Town Clerk regarding the action taken.

3. Review and Findings. For ethics complaints alleging violations of the Town's Code of Ethical Behavior or a Town law that should proceed for additional review, the Ethics Panel shall investigate the allegations and, within thirty days (unless the Ethics Panel requests a fifteen-day extension that is granted in writing by the Mayor or Vice Mayor), submit to the Town Council, the complainant, the official who is the subject of the complaint, and the Town Clerk a report with findings of fact, conclusions of law, and a recommendation. The Town Council shall consider the Ethics Panel's report at a public meeting. If the Town Council finds an ethical violation, then it may remove the member from the Town board, commission, committee, or task force. In resolving a complaint, the totality of the circumstances shall be taken into consideration, including the intent of the person accused of wrongdoing.

D. Review of Complaints.

1. Presumptions. The Town Attorney's recommendation to refer a complaint for further review does not mean that any of the complaint's allegations are true or that any Town official has violated this Code or any law.

2. Procedures. The Town Attorney will adopt written rules of procedure to govern the review process, including the right of a Town official against whom the complaint has been lodged to respond to the complaint, attend any hearing, and present witnesses and other evidence on his or her own behalf.

3. Expedite. The timelines for handling complaints set forth above set the outer limits. Reviewers and decision-makers are strongly encouraged to make known their findings, recommendations and decisions as expeditiously as possible for the sake of the public and the Town officials against whom complaints have been filed.

4. Public Information Regarding Action Taken and Reports Issued. On the same day the Ethics Panel notifies a complainant of the action taken on a complaint as set forth in subsections B(1) and C(2), and on the same day the Ethics Panel issues a report to the Town Council regarding complaints against officially appointed members of Town boards, commissions, committees, task forces, or advisory groups as set forth in subsection B(2) or an Ethics Panel issues a report to the Town Council regarding complaints against the Mayor and/or any other member of the Town Council as set forth in subsection C(3), copies of those notices and reports shall be filed with the Town Clerk and made available to the public as public records.

**CODE OF ETHICAL BEHAVIOR
FOR TOWN OFFICIALS**

ATTACHMENT A

TOWN OF PAYSON - Sampling of Public Service Ethics Laws

CAUTION: These brief descriptions are provided for quick introductory purposes and cannot and do not present the full scope of these laws.

*Violations of these laws may expose a Town official or employee to a variety of sanctions, including criminal penalties, personal financial liability (for damages and fines, as well as payment of costs and attorney's fees - both prosecution and defense), cancellation of contracts, and public embarrassment (for the official and her or his family and employer, and removal from office). For example, a Town official convicted of a felony may be fined up to \$150,000 for each violation and sent to prison for several years. A.R.S. § 13-801, -701. Conviction of a misdemeanor may result in a fine up to \$2,500 for each violation and jail sentence of up to six months. A.R.S. § 13-802, -707. This information is presented not to scare Town officials, but to help them by underscoring the seriousness of conducting the public's business properly.

TOPIC	ARIZONA LAW	GENERAL SUMMARY * (see above)	PENALTIES & SANCTIONS
Bribery	A.R.S. § 13-2602; 38-444	It is illegal for you to solicit, accept, or agree to accept any benefit upon an understanding that it may influence your official conduct, or to ask for or receive any gratuity or reward (or promise thereof) for your official act.	Felony
Conflicts of interest (general)	A.R.S. § 38-501 thru -511	If you or any relative could benefit from your taking official action, then you must (1) <i>disqualify</i> yourself by not participating "in any manner" - not voting, not discussing, not anything, and (2) <i>disclose</i> that personal interest.	Felony or misdemeanor; more
Contracting with the Town	A.R.S. §§ 38-503, 34-1406 thru -1477	If you or any relative has a substantial interest in "any contract, sale, purchase or service" to the Town, then you must disclose that interest and "refrain from voting upon or participating in any manner."	Felony or misdemeanor, cancel contract
Conduct after Leaving Town Position ("Anti-Revolving Door")	A.R.S. § 38-504(A)	For 12 months after your Town service, you cannot represent another person for compensation before the Town in connection with any matter in which you personally participated in a substantial and material way.	Felony or misdemeanor

**CODE OF ETHICAL BEHAVIOR
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Confidential Information (Disclosure/Use of)	A.R.S. § 38-504(B)	During and for two years after your Town service, it is illegal for you to disclose or use for personal profit any confidential information you learned in the course of your duties.	Felony or misdemeanor; more
Discrimination and Favoritism	Constitutions, plus statutes; A.R.S. § 38-231(G)	It is illegal to discriminate based on race, color, gender, national origin, religion, age, or physical or mental disability; plus, in your Loyalty Oath you pledged to "faithfully and <i>impartially</i> discharge the duties of ... office."	Attorney's fees, damages, more
E-mail	A.R.S. § 39-12-1; 38-431 <i>et seq.</i>	Your e-mail communications are subject to the Public Records Law, and improper e-mail involving a quorum of the members of a public body may violate the Open Meeting Law.	Attorney's fees, costs, more
Employment of Relatives ("Nepotism")	A.R.S. § 38-481	You may not be involved in the appointment or hiring of a relative (which is defined broadly to include your parents, siblings, spouse, children, grandchildren, grandparents, and all in-laws).	Misdemeanor
Employment - Discussion of Future Employment	A.R.S. § 38-503, -504(C)	If you engage in certain discussions about future employment, then it might trigger bribery or conflict of interest laws.	Felony or misdemeanor
Employment - Incompatible	A.R.S. § 38-505	Certain outside employment could trigger conflict of interest laws.	Depends on the facts
Employment - Representing Others Before the Town	A.R.S. § 38-504	During your Town service, it is illegal for you to represent another person for compensation in connection with any matter in which you will personally participate in a substantial and material way as a Town official.	Felony or misdemeanor

**CODE OF ETHICAL BEHAVIOR
FOR TOWN OFFICIALS**

Entertainment (attending or participating in a cultural or sporting event)	A.R.S. § 41-1232.08(B) [only applies to Town Council]	It is illegal for the Mayor or a Council member to accept from a "compensate lobbyist" "an expenditure or single expenditure for <i>entertainment</i> " (defined broadly to mean not only <i>attending</i> any sporting or cultural event, but also <i>participating</i> in any cultural or sporting event, such as golf).	Misdemeanor
Extra compensation	A.R.S. § 38-505	It is illegal for any Town official to receive any money (except the salaries the Town pays the Mayor and Council members) or anything of value for any service rendered in connection with performing their official duties.	Felony or misdemeanor
Financial Disclosures (NOTE: Council only)	A.R.S. § 38-545 (which requires Town adopt same)	It is illegal for Council members to fail to file, or knowingly file an incomplete personal financial disclosure statement (which IS designed to help you identify and avoid potential conflicts of interest).	Misdemeanor
Gifts and Things of Value		Gifts worth more than \$25 must be reported to the Town Clerk.	Ethics Code investigation and public report
Misuse of Public Resources (see "Theft" below)	A.R.S. § 13-1802, -2310, -2316	Town officials may use Town resources only to the extent those resources are available to the public (e.g., if the public is charged \$2.00 per page for copying, then a Town official must pay the same). Otherwise, it is theft (see below).	Felony or misdemeanor
Open Meetings	A.R.S. § 38-431 thru -431.09	"It is the policy of this state that meetings of public bodies be conducted openly and interpretations of this [law] shall construe any provision in favor of open and public meetings."	Action null and void; attorney's fees; more
Political Activities	A.R.S. § 9-500.14	It is illegal to use Town personnel, resources to influence non-bond elections.	

**CODE OF ETHICAL BEHAVIOR
FOR TOWN OFFICIALS**

Public Monies	A.R.S. § 35-301	If you handle or spend public monies, then you need to be extra cautious and recognize that special rules and regulations apply, including the Town's procurement processes.	Felony
Public Records - Access to	A.R.S. § 39-121, <i>et seq.</i> , plus more	Arizona law has a strong presumption that records shall be open to public inspection, but with hundreds of exemptions. You should seek immediate help from the Town Attorney if you get a public records request.	Range; attorney's fees and costs
Public Records - Tampering with	A.R.S. § 13-2407	It is illegal to "tamper with a public record" by making a false document purporting to be a public record, altering or making a false entry, destroying, removing, hiding, or otherwise impairing a public record.	Felony
Solicitation of Gifts and Things of Value	A.R.S. § 38-504(C)	It is illegal to use or attempt to use your official position to get any valuable thing or benefit that you would not ordinarily get. (See also "Bribery" and "Gifts" above.)	Felony or misdemeanor
Theft of Town Property, Resources, or Services	A.R.S. § 13-1802	Unauthorized (such as personal) use of Town resources (facilities, equipment, personnel, supplies) can be considered "theft," which is the taking or unauthorized use of another person's property (including the Town's).	Felony or misdemeanor
Travel	A.R.S. § 13-1803, -2407	Unauthorized use of a Town vehicle can constitute "unlawful use of means of transportation," and submitting a false travel or expense report is "tampering with a public record."	Felony

ATTACHMENT B

Town of Payson
Personal Interest Disclosure Form
For Town Officials

Pursuant to the Town of Payson Code of Ethical Behavior, all Town employees, as defined therein, officials (the Mayor, other members of the Town Council, and members of all Town boards, commissions, committees, and other appointed advisory groups), before participating in their first meeting and before January 31 every year thereafter that they serve the Town, must complete and submit a Personal Interest Disclosure Form to the Human Resources department. The purpose of the form is to help Town officials by alerting and reminding them of their need to avoid participating in any manner on behalf of the Town of Payson when a conflict arises between their official Town duties and their personal interests.

Two definitions are very important because violating Arizona's conflicts of interest laws is a criminal offense and can lead to serious consequences.

1. Arizona law requires that if a public officer or his or her relative has a substantial interest (as defined by state law) in an official decision, then that officer "shall make known that interest in the official records of the public agency and shall refrain from voting upon or *otherwise participating in any manner* as an officer or employee" regarding that matter. (A.R.S. § 38-503). By listing "voting" and "otherwise participating in any manner" separately, the Legislature has made clear that if you have a conflict, then you must immediately refrain from taking *any* action in your official position; you may not do anything - vote, talk, discuss, write, wink, or nod - to try to influence the decision or any decision-makers.

2. The definition of "relative" includes your "spouse, child, child's child [grandchildren], parent, grandparents, brother or sister [and step-brother or step-sister], and their spouses and the parent, brother, sister or child of a spouse." A.R.S. § 38-502(9).

If, after you complete this form, another substantial interest surfaces that was not anticipated, then you are obligated to immediately refrain from participating in the decision-making process and, within three business days, update this form to disclose the interest in the Town Clerk's Office. If you have any questions, please contact the Town Attorney's Office with as much lead time as possible.

1. Identify the decision or other matter in which you or a relative may have a substantial interest. (Attach another page if more space is needed.)

2. Describe each substantial interest referred to above. (Attach another page if more space is needed.)

Statement of Disqualification

To avoid any possible conflict of interest, I will refrain from participating in any manner in the matter(s) identified above.

Name (please print)

Signature

Date