

1 **SEABROOK ECONOMIC DEVELOPMENT CORPORATION**
2 **RESOLUTION 2011-01 EDC**

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4 **RESOLUTION OF THE BOARD OF THE SEABROOK ECONOMIC**
5 **DEVELOPMENT CORPORATION ADOPTING AN ETHICS**
6 **POLICY GOVERNING CONFLICTS OF INTEREST AND RELATED**
7 **MATTERS FOR BOARD MEMBERS AND EMPLOYEES**

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12 **WHEREAS**, the Seabrook Economic Development Corporation is authorized
13 by its bylaws to adopt policies for its operations; and

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15 **WHEREAS**, Board of the Corporation has determined that an ethics policy
16 governing conflict of interest and related matters for its Board members and
17 employees, if any, is appropriate;

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19 **NOW THEREFORE, BE IT RESOLVED BY THE SEABROOK ECONOMIC**
20 **DEVELOPMENT CORPORATION BOARD OF DIRECTORS:**

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22 **SECTION 1.** In furtherance of its fiduciary obligations and in the interests of
23 accountability for its Board members and employees, and in accordance with the
24 adopted Bylaws of the Seabrook Economic Development Corporation, the Board has
25 considered and hereby adopts the ethics policy as stated herein.

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27 **SEABROOK ECONOMIC DEVELOPMENT CORPORATION**
28 **ETHICS POLICY**

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30 **Sec. 1. Purpose.**

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32 (a) It is hereby declared to be the policy of the Seabrook Economic Development
33 Corporation (EDC) that the proper operation of government requires that:

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35 (1) EDC board members and employees be independent, impartial, and
36 responsible to the taxpayers of the city;
37 (2) Economic development decisions and policy be made and
38 implemented using the proper procedures of state law;
39 (3) No EDC board member or employee have any financial interest, direct
40 or indirect, nor engage in any business, transaction, or professional
41 activity or incur any obligation of any nature that is in conflict with

- 42 the proper discharge of his or her duties in the public interest;
43 (4) Public office, as a board member or employee, shall not be used for
44 personal gain; and
45 (5) The EDC Board at all times be maintained as a nonpartisan body.
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47 (b) Each board member or employee shall:
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49 (1) Conduct themselves with integrity and in a manner that merits the
50 trust and support of the public;
51 (2) Uphold all applicable laws and regulations, going beyond the letter of
52 the law to protect and enhance the EDC's ability to accomplish its
53 goals;
54 (3) Treat others with respect;
55 (4) Be a responsible steward of the taxpayer resources;
56 (5) Take no actions that could benefit the official personally, avoiding
57 even the appearance of a conflict of interest, and exercising prudence
58 and good judgment at all times; and
59 (6) Consider the public perception of personal and professional actions
60 and the effect such actions could have, positively or negatively, on the
61 EDC's and the City of Seabrook's reputation.
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63 **Sec. 2. Definitions**

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65 The following words and definitions have the meanings ascribed to them in this
66 section, unless the context requires otherwise.
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68 *Board*—the board of directors of the EDC.
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70 *City*—the City of Seabrook.
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72 *EDC*—Seabrook Economic Development Corporation, a “4B” Corporation formed
73 under the Texas Development Corporation Act and the Texas Nonprofit Corporation
74 Act, by act of the voters of Seabrook in May 1992.
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76 *Employee*—means any person hired and employed by the EDC, includes employees
77 of the City of Seabrook who are performing duties for the EDC.
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79 *“Information that has not been made public,”* means any information to which
80 members of the public do not generally have access, has been discussed in executive
81 session as allowed under Chapter 551, Texas Government Code, or that is prohibited
82 from disclosure under Chapter 552, Texas Government Code.
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Sec. 3. Conflict of Interest.

(a) Board members and employees have an obligation to promote the best interests of the EDC. Board members and employees should always avoid any situation that might involve, create, or have the appearance of a conflict between their personal interests and those of the EDC.

(b) The use of EDC or City facilities or equipment for personal use or activity is forbidden; appointment to or use for another City board or purpose is not prohibited.

(c) EDC will not do business with any board member, an EDC employee, or their relatives, or with a company owned or partly owned by an EDC board member, an EDC employee, or their relatives.

(d) The Board will be the final judge of the existence of a conflict of interest or waiver thereof.

Sec. 4. Outside activities prohibited.

(a) An employee of the EDC immediately forfeits employment with the EDC if the employee:¹

- (1) becomes a candidate for nomination or election to a public office within a county in which the EDC is located;
- (2) becomes a candidate for nomination or election in a partisan election for public office within a county in which the EDC is located, or in a partisan election for a public office, the constituency of which includes all or part of a county in which the EDC is located;
- (3) becomes a candidate for nomination or election to an elective public office, or a position on a governmental board, committee or other organization where the holding of that position will conflict with the

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¹ Note that this section, as written, applies only to employees. If city employees are providing the necessary work for EDC, the Board has no independent right to terminate that employee's employment, but could request assignment of alternative staff, or terminate the administrative services agreement with the City and hire its own employees.

120 full and proper discharge of the employee's duties with the EDC or
121 city; or

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123 (4) is a managerial or supervisory EDC employee and becomes a
124 candidate for nomination or election to an elective public office of an
125 entity having direct or indirect contractual relations with the EDC or
126 City.

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128 (b) An EDC Board member or EDC employee shall immediately disclose to the
129 Board any activity that may implicate this Section.

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132 **Sec. 5. Prohibition on Disclosure of Confidential Information.**

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134 (a) EDC, the Board and employees shall conduct all business and operations in
135 accordance with the open government laws of the State of Texas. From time to time,
136 state law may permit closed sessions and protection of certain information and
137 documents.

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139 (b) Individual board members or employees are prohibited from disclosing
140 information that has not been made public by the Board. This includes any
141 information, whether verbal or in any written or electronic format, that has been
142 presented to the board meeting in executive session pursuant to Chapter 551, Texas
143 Local Government Code, or documents that the Board Attorney reasonably believes
144 comply with the exceptions of Chapter 552 Texas Local Government Code, subject to
145 review as provided therein.

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147 (c) Such actions may constitute a violation of the board member or employee's
148 fiduciary duty to the corporation, and will be investigated and prosecuted as the
149 Board determines to be appropriate and in conformance with state law. Complaints
150 regarding the disclosure of confidential information shall be lodged with the Board
151 President, or if the Board President is implicated, to the Board's Vice-President or
152 attorney.

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154 (1) A board member or employee shall not misuse information to which
155 they have access by virtue of his or her office or employment and that
156 has not been made public, and shall not:

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158 a. Disclose in any manner or by any means, confidential
159 information or documents received, discussed or made known
160 in any manner in a closed executive session held under any
161 applicable section of the Subchapter D, Chapter 551, Texas

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Government Code.

- b. Acquire, attempt to acquire, or aid another to acquire or attempt to acquire a pecuniary interest in any property, transaction, or enterprise that may be affected by the confidential information;
- c. Speculate or aid another to speculate on the basis of confidential information; or
- d. Coerce another into suppressing or failing to report information of such behavior to the Board or appropriate law enforcement agency.

- (2) A Board member or employee shall not, with intent to obtain a benefit for another, or with intent to harm or defraud another, disclose or use information that has not been made public that the Board member or employee has access to by means of his office or employment.

Sec. 6. Miscellaneous Provisions.

(a) From time to time, EDC may purchase tickets to events. Tickets will be offered first to EDC Board members and employees, then to City Council members and City employees performing work for EDC.

(b) EDC board members are provided official email addresses, and are encouraged to use these email addresses for official EDC business. The following guidelines apply:

- (1) Communications involving more than a quorum of EDC members should be avoided. "Reply all" emails discussing EDC business may become a violation of the Open Meetings Act.
- (2) Staff will generally be the initiator of emails, for administrative and agenda-setting purposes. Board members may communicate with staff, but should not initiate email discussions with other board members, to avoid any opportunity for deliberations or discussions outside a posted meeting, in accordance with the Texas Open Meetings Act. Staff will not forward emails seeking deliberation or opinions on matters likely to come before the Board.

204 (3) Staff will retain emails in accordance with the City of Seabrook's records
205 retention policy. If Board members receive email communications from
206 other individuals, they are requested to forward to the EDC Director or
207 appropriate staff for retention.
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209 (c) Board members may utilize their personal or work cell phones during open
210 meetings for purposes of communications with individuals outside of the meeting,
211 and dealing with topics only that are not EDC business or before the Board. Board
212 members should exercise discretion in limiting such communications so such do not
213 interfere with the Board member's duties. Cell phones may not be used in any
214 closed, executive session for any communication.
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217 **PASSED, APPROVED AND ADOPTED** by the Board of the Seabrook
218 Economic Development Corporation on September 8th, 2011.
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220 SEABROOK ECONOMIC DEVELOPMENT
221 CORPORATION
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224 _____
225 Ernie Davis, President
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228 ATTEST:

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232 Natalie Picha, Secretary
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