

## **Community Planning Committee (C.P.C.) - Village Of Arden**

### **Minutes of Special Meeting Held On Wednesday July 16, 2014**

Present: Ray Seigfried, Cynthia Dewick, Ron Meick and Dan McNeil

Absent: Larry Strange and Sally Sharp

Guest Appearance: Bill Theis and Steve Threefoot

Meeting called to order by Ray Seigfried as Committee Chairman at 7:37 PM

This is a special meeting open to the public for analysis and debate on the Conflict of Interest Policy currently being prepared by the C.P.C. for introduction and authorization at the next Village Assembly in September 2014. This represents one of two meetings open to the public and prior to the Village Assembly. The next open meeting will be on September 17, 2014

#### **Conflict of Interest Policy**

Ray Seigfried opened the special meeting by stating that under Delaware State Law all municipalities must have a Conflict of Interest Policy. The Village of Arden does not currently have a Conflict of Interest Policy, thus it is in non-compliance with State Law. It is important for the Village to be in compliance due to the potential for future litigation and the prospects for extensive financial penalties over and above our existing insurance coverage. Further, Ray cited several examples in the normal course of our volunteer governance in which a conflict of interest could possibly be surmised.

Steve Threefoot as the former Chairman of the Village Assembly provided additional background information on conflict issues occurring within other jurisdictions, thus giving the impetus to enact a state law.

The draft Conflict of Interest Policy prepared by Ray Seigfried currently contains 13 sentences within the following (3) sections: Purpose & Scope; Definition; and Process for Adjudicating Conflicts of Interest. It is noted that the policy as presented has been submitted to the Village's Attorney for comment, however, no response has yet been received.

Ray began reading the individual sentences within each section, then asking for comment. Discussion on word selection ensued with ideas presented to sharpen the presentation. It was the general consensus that the words "appearance of" was powerful in the context of "favoritism, cronyism, nepotism and personal gain within a Conflict Of Interest Policy. It was also felt that the policy should include both employees and any contracted services.

Extensive discussion ensued on the treatment of an individual deemed to be in violation of the Conflict Of Interest Policy. The draft policy as written indicates the individual will be removed from the committee in question and will be suspended for five years from serving on any committee within village government.

It is Steve's opinion that this action is severe. Ray indicated that some penalty is necessary for policy violations, but agreed to revisit and rethink a more reasonable penalty. It was also presented that perhaps the Advisory Committee could be used in determining if a conflict of interest is perceived to have occurred with a recommendation on a course of action to the Village Assembly.

Both Steve and Bill feel that while a policy is required for compliance with state law, the policy should be somewhat "loosely" defined due to the Village's atypical operation through volunteer governance by its citizens. Further, the systems are already considered to be in-place to scrutinize all governmental activities, i.e. multiple signatures are required on all checks and competitive bidding when necessary. Both Steve and Bill touched on the impracticality of competitive bidding for say, plumbing services when a pipe has ruptured on a holiday weekend or late at night.

It was also Steve's experience that individuals participating in village government and operating under an appearance of conflict of interest were typically not re-elected to that committee. Lastly, it is Steve's opinion that a narrowly written policy will encourage people to frivolously claim conflict, thereby triggering unnecessary administrative action. The unintended consequence will be to further discourage Arden residents from participating in village government.

**C.P.C Minutes – July 2014 Meeting**

**Page 2**

The meeting was adjourned by Ray Seigfried as Committee Chairman at 8:49 PM

Meeting minutes compiled and prepared by Dan McNeil.