

CONFLICT OF INTEREST POLICY
NORTHEAST KINGDOM COMMUNITY BROADBAND COMMUNICATIONS UNION
DISTRICT

Article 1. Authority. Under the authority granted in 24 V.S.A. § 2291(20) and 30 VSA 3054(a)(19), the Governing Board of the Northeast Kingdom Community Broadband (the “District”) hereby adopts the following policy concerning conflicts of interest.

Article 2. Purpose. The purpose of this policy is to ensure that the business of the District will be conducted in such a way that no public official, agent or employee of the District will gain a personal or financial advantage from his or her work for the District and so that the public trust in District officials will be preserved. It is also the intent of this policy to insure that all decisions made by District officials are based on the best interest of the District and its members.

Article 3. Definitions. For the purposes of this policy, the following definitions shall apply:

A. **Conflict of interest** means any of the following:

1. A direct or indirect personal interest of an elected or appointed District official, his or her spouse, household member, child, stepchild, parent, grandparent, grandchild, sibling, aunt or uncle, brother or sister in law, business associate, employer or employee, in the outcome of a cause, proceeding, application or any other matter pending before the District official or before the Governing Board or any committee established by the Governing Board;
2. A direct or indirect financial interest of a District official, his or her spouse, household member, child, stepchild, parent, grandparent, grandchild, sibling, aunt or uncle, brother or sister in law, business associate, employer or employee, in the outcome of a cause, proceeding, application or any other matter pending before the District official or before the Governing Board or any committee established by the Governing Board;
3. A situation in which a District official has publicly displayed a prejudgment of the merits of a particular quasi-judicial proceeding. This shall not apply to a District official’s particular political views or general opinion on a given issue; and
4. A situation in which a District official has not disclosed ex parte communications with a party in a quasi-judicial proceeding.

B. **Emergency** means an imminent threat or peril to the public health, safety or welfare.

C. **Official** means any elected or appointed officer, employee or agent of the District.

D. **Official act or action** means any legislative, administrative or judicial act performed by any elected or appointed District official while acting on behalf of the District

E. **Governing Board** includes the Governing Board of the District and any board, council, commission or committee established by the Governing Board.

F. **Public interest** means an interest of the community as a whole, conferred generally upon all residents and members of the District

G. **Quasi-judicial proceeding** means a case in which the legal rights of one or more persons who are granted party status are adjudicated, which is conducted in such a way that all parties have opportunities to present evidence and to cross-examine witnesses presented by other parties, which results in a written decision, the result of which is appealable by a party to a higher authority.

Article 4. Disqualification.

- A. Except as provided in Article 5 below, a District official shall not participate in any official action if he or she has a conflict of interest in the matter under consideration.
- B. A District official shall not personally, or through any member of his or her household, business associate, employer or employee, represent, appear for, or negotiate in a private capacity on behalf of any person or organization in a cause, proceeding, application or other matter pending before the Governing Board or any committee thereof.
- C. In the case of a District official who is an appointee, the Governing Board shall have the authority to order that official to recuse him or herself from the matter.
- D. District officials shall not accept gifts or other offerings for personal gain by virtue of their office that are not available to the public in general.
- E. District officials shall not use resources not available to the general public, including but not limited to staff time, equipment, supplies, or facilities for private gain or personal purposes.
- F. A conflict of interest shall not exist solely by virtue of a person described in Article 3(A)(1) possessing an ownership or beneficial interest in a security or obligation issued by any entity whose liabilities have been assumed by the District.
- G. A conflict of interest shall not exist solely by virtue of a person described in Article 3(A)(1) having or not having District service or representing a town that has or does not have District service in whole or in part.

Article 5. Disclosure. A District official who has reason to believe that he or she has or may have a conflict of interest but believes that he or she is able to act fairly, objectively and in the public interest in spite of an actual, perceived or potential conflict of interest shall, prior to participating in any official action on the matter under consideration, disclose in open session to the Governing Board or committee the nature of the potential conflict of interest and why he or she believes that he or she is able to act in the matter fairly, objectively and in the public interest. The District official's participation in considering and acting upon the matter before the Governing Board or a committee thereof may be approved upon a Governing Board finding in the record that the District official's continued participation is fair to the District and its members, and will not result in an improper or undue benefit accruing to the District official.

Article 6. Recusal.

- A. Except as provided in Article 5 above, a District official shall recuse him or herself from any matter in which he or she has a conflict of interest, pursuant to the following:
 - 1. Any person may request that a District official recuse him or herself due to a conflict of interest. Such request shall not constitute a requirement that the District official recuse him or herself, but shall be referred to the Governing Board for adjudication and resolution as set out in Article 5.

2. A District official who has recused him or herself from a proceeding shall not sit with the Governing Board or committee thereof, deliberate with the Governing Board or committee thereof, or participate in that proceeding as a Governing Board or committee member in any capacity;
3. If a previously unknown and or previously unaddressed conflict is discovered, the Governing Board may take evidence pertaining to the conflict and, if appropriate, adjourn to a short deliberative session to address the conflict; and
4. The Governing Board may adjourn the proceedings to a time certain if, after a recusal, it may not be possible to take action through the concurrence of a majority of the Governing Board. The Governing Board may then resume the proceeding with sufficient members present.

In the case of a District official who is an appointee, the Governing Board shall have the authority to order the District official to recuse him or herself from the matter.

Article 7. Enforcement; Progressive Consequences for Failure to Follow the Conflict of Interest Procedures. In cases where the conflict of interest procedures in Articles 5 and 6 have not been followed, the Governing Board may take progressive action to discipline an offending District official. In the discipline of a District official, the Governing Board shall follow these steps in order:

- A. The Chair shall meet informally, in private, with the District official to discuss possible conflict of interest violation.
- B. The Governing Board may meet to discuss the conduct of the District official. Executive session may be used for such discussion, in accordance with 1 V.S.A. § 313(a)(4). The District official may request that this meeting occur in public. If appropriate, the Governing Board may admonish the offending District official in private.
- C. If the Governing Board decides that further action is warranted, the Governing Board may admonish the offending District official at an open meeting and reflect this action in the minutes of the meeting. The District official shall be given the opportunity to respond to the admonishment.
- D. Upon majority vote, the Governing Board may request that the offending District official resign from the Governing Board, or that his appointment to the Governing Board be revoked by the legislative body of his or her appointing authority.

Article 8. Exception. The recusal provisions of Article 6 shall not apply if the Governing Board of the District determines that an emergency exists and that actions of the Governing Board otherwise could not take place. In such cases, a District official who has reason to believe he or she has a conflict of interest shall disclose such conflict as provided in Article 5.

Article 9. Whistleblowing. Governing Board members and District officials must observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and demonstrate honesty and integrity in fulfilling responsibilities and compliance with all applicable laws, regulations, and policies. The Executive and Governing Boards encourage complaints or reports about illegal and/or unethical practices or serious violations of the District's policies and procedures, including illegal, unethical, or improper conduct by a District officer or the Executive and Governing Boards themselves, by its leadership, or by others on its behalf.

Article 10. Protection from Retaliation. The Conflict of Interest Policy prohibits retaliation by or on behalf of the Executive and Governing Boards, or District management, against Board Members or District officials for making good faith complaints or reports under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Executive and Governing Boards reserve the right to discipline persons who make bad faith, or knowingly false complaints, reports or inquiries, or who otherwise abuse this policy.

Article 11. Effective Date. This policy shall become effective immediately upon its adoption by the Governing Board of the Northeast Kingdom Community Broadband.

Approved and adopted at a regular meeting of the Governing Board of Northeast Kingdom Community Broadband held on the 30th day of April, 2020.

ATTEST:


Annie McLean

Clerk, Northeast Kingdom Community Broadband

April 30, 2020
Date