

ETHICS POLICY FOR PORT EMPLOYEES

EX-3 as of - 12/21/07

Original: 7/1/91; Revisions - 7/5/05; 2/1/99; 8/17/92; 1/13/06

I. STATEMENT OF THE POLICY:

The Port of Seattle is a special purpose entity serving and accountable to the residents of King County. This policy is created to guide Port employees in the course of their employment and to assist them in recognizing and avoiding conflicts between personal or professional interests and the interests of the Port. It is not to be interpreted as comprehensive in scope addressing every perceived conflict or issue; rather, it is intended to establish a framework and guidance for the analysis of ethical considerations.

Ultimately, however, no policy can adequately substitute for personal honesty, common sense and good judgment. At a minimum, Port employees are expected to apply these attributes to their daily job-related activities, to conserve and responsibly use the resources which the public has entrusted to the Port, to act in accordance with applicable laws, and to conduct all Port business in a manner which will reflect positively on the Port, its employees, and the community.

II. DETAILS:

Section 1. Definitions: Throughout this Policy, the following definitions shall apply.

A. Compensation. Anything of economic value, however designated, that is paid, loaned, granted, or transferred, or to be paid, loaned, granted, or transferred for, or in consideration of personal services to any person.

B. Confidential Information. Specific information, rather than generalized knowledge, that is not available to the general public on request or information made confidential by law.

C. Family: Spouse, parent, child, sibling, aunt, uncle, niece, nephew, cousin, grandchild, grandparent or any parent-in-law, son- or daughter-in-law, or brother- or sister-in-law.

D. Financial or Beneficial Interest:

1. A creditor, debtor or ownership interest (including without limitation, ownership evidenced by stock purchase) in an amount or value in excess of \$1500.00, or any

employee, consultant or partnership arrangement, except a remote interest; provided that an owner of an interest in a mutual or other pooled investment fund or in any employee or retirement benefit plan (including without limitation, pension plans, profit sharing plans and deferred compensation plans) shall not be deemed to have a Financial or Beneficial Interest in any component investment within the fund or plan where the owner of the interest: (1) has no right to control or influence the selection of component investments; and (2) has not influenced the selection of component investments; and (3) has not created or used the fund or plan to subvert the intent of this Code.

2. Any option to purchase real or personal property. For purposes of this Code, the any such option shall be attributed the market value of the property which is the subject of the option.

D. Gift. Anything of economic value for which no consideration is given. Items excluded from the definition of Gift are set forth in Section 6.C. Limitations on Gifts are set forth in Section 6.D.

E. Immediate Family. Spouse and dependent children.

F. Official Duty. Those duties of an employee as defined by the his/her job description.

G. Person. Any individual, partnership, association, cooperative, corporation or other business entity.

Section 2. Standard of Conduct.

A. An employee shall perform his/her official duties consistent with the highest standards of ethical conduct and in accordance with the Port of Seattle policies and procedures and this Code.

B. An employee shall not take final action on a matter that requires Port Commission approval pursuant to a public vote of the Port Commission, without first obtaining such approval.

1. Actions by an employee that are inconsistent with this Section 2.B. shall constitute a presumptive violation the Code and shall be referred by the Chief Executive Officer ("CEO") to the Board of Ethics ("Board") for further action consistent with the Code. The presumption of violation under this Section 2.B. is rebuttable and may be overcome during proceedings before the Board.

Section 3. Use of Position:

A. An employee shall not use his or her employment position to secure special privileges or exemptions for himself, herself, members of his/her Family or others.

B. An employee shall not knowingly use his or her office for personal or Family gain or profit, including, but not limited to, obtaining any information, item or service from Port customers, suppliers, contractors, consultants, or lessees (or potential customers, suppliers, contractors, consultants, or lessees) or other Port employees.

C. An employee shall not take or use Port-owned property and equipment, including, but not limited to, fleet vehicles, shop tools, FAX machines, copiers, postage, office supplies, cameras, cell phones and laptops, for personal or Family purposes, convenience or profit. Employee use of Port-owned property and equipment is restricted to uses for the employee's authorized conduct of official Port business and must be consistent with Port policies and procedures. In using Port-owned property or equipment in the official conduct of Port business, it is not a violation of this provision for a Port employee to: (i) engage in the incidental personal use of such property or equipment (such as sending/receiving personal e-mails while using a Port-owned laptop) or (ii) engage in other incidental uses of such property or equipment that may be specifically permitted by a CEO's adopted policy (such as an employee's use of a Port assigned cell phone to make a long distance call to a family member while traveling on Port business, in accordance with [Procedure AC-2](#)) or CEO written authorization.

D. An employee shall not disclose Confidential Information gained because of his/her employment position, nor may the employee otherwise use such information for personal or Family gain or benefit.

E. An employee shall not accept secondary employment or engage in business or professional activities that the employee might reasonably expect would require or induce him/her to disclose confidential information acquired because of the employee's position at the Port.

Section 4. Conflicts of Interest:

A. Special Consideration Prohibited. An employee shall avoid circumstances in which it appears, or to a reasonable person might appear, that the employee is requesting or otherwise seeking special consideration, treatment or advantage.

B. Appearance of Impropriety. An employee shall not request or otherwise seek special consideration, treatment or advantage from others, or knowingly engage in activities which are in conflict, or which have the potential to create a conflict, with the performance of official duties. Examples of conflicts, or potential conflicts, of interest include (but are not limited to) circumstances where the employee:

1. Influences the selection or non-selection of or the conduct of business between the Port and any entity when the employee or his/her Family has a Financial Interest in that entity or any of its competitors.

2. Solicits for himself/herself or for another, a Gift or any other thing of value from the Port or from any Person having dealings with the Port; provided that no conflict of

interest shall be deemed to exist with respect to solicitations for campaign contributions required to be reported under Chapter 42.17 RCW or for charitable contributions.

3. Accepts any retainer, Compensation, Gift or other thing of value which is contingent upon a specific action or non-action by the employee.

4. Accepts a Gift in any manner other than as provided in Section 6. below.

5. Intentionally uses or discloses information not available to the general public and acquired by reason of his/her official position, which financially benefits the employee, his/her Family, friends or others.

6. Accepts secondary employment with any entity in direct competition with the Port, having dealings with the Port or actively seeking to have dealings with the Port; *Provided*, that an employee may obtain a written waiver of this provision from his/her supervisor, with the concurrence of the appropriate Division Director and of the CEO, whenever the employee can demonstrate that because of the particular business relationship of the entity to the Port, or the particular position held by the employee, or other factors, no actual conflict exists.

C. Financial Interest Prohibited. No employee may have an interest, financial or otherwise, direct or indirect, or engage in a business or transaction or professional activity, or incur an obligation of any nature that is in conflict with the proper discharge of the employee's official duties.

D. Improper Compensation. No employee may, directly or indirectly, ask for or give or receive or agree to receive any Compensation, gift, reward, or gratuity from a source for performing or omitting or deferring the performance of any official duty, unless otherwise authorized by law.

Section 5. Financial or Beneficial Interest.

A. Contracts Prohibited. No employee or his/her Immediate Family shall (i) have a Financial or Beneficial Interest, direct or indirect, in any contract which may be made by, through or under the supervision of the employee, or which may be made for the benefit of the Port, or (ii) accept, directly or indirectly, any Compensation, gratuity or reward in connection with such contract from any other Person beneficially interested therein.

B. Limitation on Participation.

1. An employee shall disclose to his/her direct supervisor the existence of any Financial or Beneficial Interest known to him or her in any entity, which because of its existing or potential relationship to the Port and /or to the employee's department of employment could create a present or future conflict of interest for the employee. An employee shall be presumed to have knowledge of any Financial or Beneficial Interest held by his/her Immediate Family.

2. An employee shall not participate in any decision-making, review, approval, selection, authorization or supervisory activity concerning any contract or Port transaction in which he/she or his/her Immediate Family has a Financial or Beneficial Interest.

Section 6. Acceptance of Gifts.

A. Gifts Prohibited. An employee may not receive, accept, take, seek, or solicit, directly or indirectly, any Gift if it could be reasonably expected that the Gift would influence the action or judgment of the employee, or be considered as part of a reward for action or inaction.

B. Acceptance on Behalf of Port of Seattle. An Employee may accept a Gift of any value for and on behalf of the Port. Any Gift so accepted shall become the property of the Port and not of the Employee. An Employee shall report the acceptance of any Gift under this Section to the Port's General Counsel within thirty (30) days of receipt.

C. Limitation on Gifts. An Employee may not accept gifts, other than those specified in Section 6 E, with an aggregate value in excess of fifty dollars (\$50.00) from a single source in a calendar year or a single Gift from multiple sources with a value in excess of fifty dollars (\$50.00). For purposes of this section, "single source" means any person, whether acting directly or through any agent or other intermediary, and "single Gift" includes any event, item or group of items used in conjunction with each other or any trip including transportation, lodging, and attendant costs, not excluded from the definition of Gift in section 6 D, above. The value of Gifts given to an employee's family member or guest shall be attributed to the employee for the purpose of determining whether the limit has been exceeded, unless an independent business, family, or social relationship exists between the donor and the family member or guest.

D. Items Not Considered Gifts. The following items are excluded from the definition of Gift and may be accepted by an Employee or member of his/her Immediate Family without constituting a violation of the Code:

1. Items from family or friends where it is clear beyond a reasonable doubt that the item was not given as part of any design to gain or maintain influence in the Port;
2. Items related to the outside business of the Employee that are customary and not related to the employee's performance of his/her official duties;
3. Items exchanged among Employees or among Employees and Port Commissioners, or a social event hosted or sponsored by an Employee or Port Commissioner for co-workers;
4. Payments by a governmental or nongovernmental entity of reasonable expenses incurred in connection with a speech, presentation, appearance, or trade mission made in the Employee's official capacity. As used in this Section 6.D.4., "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event;

5. Items an Employee is authorized by law to accept, including, but not limited to, items accepted in accordance with RCW 53.36.120-150 (promotional hosting) and applicable Port policies/procedures;

6. Payment of enrollment and course fees and reasonable travel expenses attributable to attending seminars and educational programs sponsored by a bona fide governmental or nonprofit professional, educational, trade or charitable association or institution. As used in this Section 6.D.6, "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event;

7. Items returned by the Employee to the donor within thirty (30) days of receipt or donated to a charitable organization within thirty (30) days of receipt;

8. Campaign contributions reported under chapter 42.17 RCW;

9. Discounts available to an Employee as a member of an employee group, occupation, or similar broad-based group;

10. Awards, prizes, scholarships, or other items provided in recognition of academic or scientific achievement; and

11. Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento or similar item.

E. Exceptions. The following Gifts are presumed not to influence an employee's action or non-action on any matter and, subject to the provisions of Section 6. F., may be accepted without regard to the fifty dollar (\$50.00) limit established by Section 6. B above, without constituting a violation of the Code:

1. Unsolicited flowers, plants, and floral arrangements;

2. Unsolicited advertising or promotional items of nominal value, such as pens and note pads;

3. Unsolicited items received by an Employee for the purpose of evaluation or review, if the Employee has no Financial or Beneficial Interest in the eventual use or acquisition of the item by the Port;

4. Informational material, publications, or subscriptions related to the recipient's performance of official duties;

5. Food and beverages consumed at hosted receptions where attendance is related to the Employee's official duties, including admission to, and the costs of food and beverages consumed at, events sponsored by or in conjunction with a civic, charitable, governmental, or community organization. *Provided*, that where the Gift exceeds fifty dollars (\$50.00) on a single occasion, it shall be reported to the Port's General Counsel;

6. Unsolicited Gifts from dignitaries from another state or a foreign country and intended to be personal in nature.

F. Rebuttable Presumption. The presumption that acceptance of the Gifts listed in Section 6. E. above does not to influence an employee's action or non-action on any matter is rebuttable and may be overcome based on the circumstances surrounding the giving and acceptance of the Gift.

Section 7. Former Employees. Former Employees engaging in transactions with the Port shall do so with the standards of ethical conduct and in accordance with this Code.

A. Special Consideration Prohibited. A Former Employee shall not request or otherwise seek special consideration, treatment or advantage from other Port staff or Port Commissioners.

B. Appearance of Special Consideration. A Former Employee shall avoid circumstances in which, to a reasonable person might appear, that the Former Employee is requesting or otherwise seeking or receiving special consideration, treatment or advantage from other Port staff or Port Commissioners.

C. Appearances Before Commission. For one (1) year after termination of Port employment, a Former Employee may not appear before the Port Commission on behalf of another individual or entity, whether or not for Compensation of any kind, in relation to any case, proceeding, application or matter in which such Former Employee participated in a decision-making, negotiation, review, selection, supervisory or other significant activity during his/her period of Port employment: Provided, that if after public discussion and a finding by the Commission that the public or the Port's interests would be better served, the Commission may waive this provision if so requested by a Former Employee.

D. Participation in Contracts with Port of Seattle. For one (1) year after termination of Port employment, a Former Employee may not have a direct or indirect Financial or Beneficial Interest in any contract that was made by, authorized or funded by Port action in which the Former Employee participated in a decision-making, negotiation, review, selection, supervisory or other significant activity during his/her period of Port employment.

E. Participation in Competitive Selection Process. For one (1) year after termination of Port employment, a Former Employee may not participate as a competitor in any competitive selection process for a Port contract in which the Former Employee participated in a decision-making, negotiation, review, selection, supervisory or other significant activity in any way during his/her Port employment.

F. Disclosure Requirements. For one (1) year after termination of Port employment, a Former Employee must disclose his or her past Port employment before engaging or

participating in any Port business or activity. The disclosure shall be made in writing to the Port's General Counsel.

G. Use of Confidential Information. A Former Employee shall not disclose or use any confidential, privileged or proprietary information gained by reason of his/her Port employment unless the information is a matter of public knowledge or is available to the public on request.

H. Employment. No Former Employee may accept an offer of employment or receive Compensation from an employer if the Former Employee knows or has reason to believe that the offer of employment or Compensation was intended, in whole or in part, directly or indirectly, to influence the Former Employee or as Compensation or reward for the performance or nonperformance of a duty by the Former Employee during his/her Port employment.

I. Appearance of Impropriety in Employment. No Former Employee may accept an offer of employment or receive Compensation from an employer if the circumstances would lead a reasonable person to believe the offer has been made, or Compensation given, for the purpose of influencing the performance or nonperformance of duties by the Former Employee during his/her Port employment.

J. Employer Defined. As used in this Section 7, "employer" means any Person, partnership, association, corporation, firm, institution, or other entity, whether or not operated for profit, or any other entity or business that an individual owns or in which the individual has a controlling interest.

Section 8. Board of Ethics:

A. Powers. The Board of Ethics ("Board") shall have the power to: (i) interpret the provisions of this Code and other applicable state law; (ii) investigate and report to the Port Commission on any alleged violation(s) as provided below; (iii) summon witnesses and schedule hearings in connection with any matter under investigation or inquiry; (iv) impose sanctions, including reprimands and monetary penalties, and (v) recommend suspension or removal.

B. Composition, Terms, Vacancies. The Board shall be composed of five (5) members ("Board Members"). None of the Board Members shall be a Port Commissioner or employee. The term of office for each Board Member shall be three (3) years. Vacancies on the Board, whether occurring by death, resignation, removal or expiration of term, shall be filled by the Port Commission. The Board shall elect a chairperson annually. In filling any vacancy or making any appointment to the Board, the Port Commission shall strive to select members with diverse perspectives and areas of expertise appropriate to the review of ethical matters, and who are of good general reputation and character.

C. Quorum, Meetings, Procedures. A majority of the Board shall constitute a quorum. The Board shall meet as frequently as it deems necessary. The Board shall adopt

procedures consistent with the provisions of this Code governing the conduct of meetings, investigations, hearings and the issuance of opinions and sanctions.

D. Complaints. Any person, including Port Commissioners, Port employees and members of the public, may submit a written complaint to the Board specifying one or more violations of this Code. Every complaint must be signed by the person or persons submitting it, and must state the submitter's correct name, an address at which mail can be delivered to the submitter, and a daytime telephone number. Anyone submitting a complaint shall submit to an interview before the Board if the Board so requests, and shall cooperate with the Board in providing all information known to the submitter which forms the basis of the complaint. The filing of a complaint or complaints with the Board shall not subject a Port employee to any form of disciplinary action, termination of employment, or discrimination in any future employment with the Port.

1. The Board shall review all written complaints received from any source regarding alleged or suspected violations of this Code. The Board shall inform the Port Commission of the contents of any written complaint which in the opinion of a majority of the Board may have merit.

E. Investigations. Whenever requested by the Port Commission or the CEO, or whenever it deems it in the public interest, the Board shall investigate any suspected or alleged violation of the Code.

F. Opinions. The Board shall render a written opinion at the conclusion of an investigation; provided, however, no opinion may be issued unless the person or entity complained against has had an opportunity to present evidence on its behalf at a hearing before the Board. A copy of any written opinion shall be delivered to the Port Commission. A copy of any written opinion shall also be presented to any person or entity which was the subject of the investigation and, subject to Port Commission discretion exercised pursuant to Section 8. J. below, to the person requesting the investigation or submitting the complaint which led to the investigation.

G. Advisory Opinions. The Board may render written advisory opinions concerning questions of ethics, conflicts of interests, and the applicability of the Code to hypothetical circumstances or situations whenever it deems it in the public interest to do so or whenever requested to do so by a Port Commissioner or by the CEO.

H. Amendments. The Board may propose amendments to this Code to the Port Commission.

I. Disclosure. The Port Commission shall release any written opinion prepared by the Board to the public with any omissions the Port Commission, in its discretion, deems necessary to protect the privacy of Port officials and employees, consistent with Chapter 42.56 RCW and other public disclosure laws.

J. Removal of Board Member. A Board Member may be removed for just cause by a majority vote of the Port Commission, after written charges have been served on the Board Member and a hearing has been held by the Port Commission. A public hearing shall be held at the request of the Board Member.

K. Reimbursement. Board Members shall be reimbursed by the Port for reasonable expenses incurred in the exercise of official Board business. The Port shall provide sufficient investigative and administrative support to enable the Board to reasonably carry out its duties hereunder.