

Robert Fiume Executive Director 800 North South Road Scranton, PA 18504 (570) 346-2061 Fax: (570) 207-5050 www.coltsbus.com

STATEMENT OF VALUES & CODE OF CONDUCT

I. PURPOSE

County of Lackawanna Transit System (hereinafter referred to as the "Authority") is a body corporate politic incorporated by the Board of Commissioners of Lackawanna County, Pennsylvania and existing under and governed by the provisions of the Municipality Authorities Act. 53 Pa. C.S.A. §5601 et seq. which codifies and amends the Municipality Authorities Act of 1945, as amended and supplemented. Hereinafter Board Members of the Board of Directors and employees of the Authority shall be collectively referred to herein as "Associates". The purpose of this document is to present a Statement of Values and Code of Conduct ("Code") to which Associates are required to adhere to in order to promote proper legal, and ethical conduct by Associates concerning his or her involvement with the Authority.

The Authority shall not tolerate any illegal, unethical and fraudulent acts or omissions committed by any of the Authority's employees or by members of the Board of Directors. The following Code of Conduct is intended to prohibit improper, illegal, unethical, or fraudulent acts, omissions, or practices by any Associate relating to the Authority.

II. RELATIONSHIP WITH THE PENNSYLVANIA ETHICS ACT AND FTA MASTER AGREEMENT

The provisions of this Code are in addition to the requirements of the Public Official and Employee Ethics Act, as amended, 65 Pa. C. S. A, Chapter 11 ("Ethics Act"). Further, the Authority is a signatory to United States of America, Department of Transportation, Federal Transit Administration Master Agreement and in accordance therewith the Ethics Act establishes and maintains these written standards.

Associates subject to the Ethics Act are required to acquaint themselves with the Ethics Act's provisions. In the event of any conflict with the Authority's Code of Conduct and the Ethics Act, the Ethics Act shall prevail.

III. STATEMENT OF VALUES

Associates agree to adhere to the following principles and strive to demonstrate them in all of their dealings relating to the Authority:

Honesty and truthfulness

• Impartiality and fairness

• Equal opportunity and diversity

- Maintaining confidential information, except when the law requires disclosure
- · Reward systems which are based on effort, skill, ability and merit

• Constant striving for improvement

- Adherence to all governing laws, regulations and policies
- Respect for the duly established structure of organizational authority

• Excellent service to the public

• Freedom from selfish or ulterior motives

• Respect and consideration for others and their viewpoints even in the face of disagreement

 Act in good faith, responsibly and with due care, competence and diligence without misrepresenting material facts or allowing one's independent judgment to be subordinated

Act with loyalty to the Authority when making decisions on its behalf.

IV. CODE OF ETHICS

A. General Requirements

- 1. Preventing Conflicts of Interest
 - a. Associates must make decisions which result in what is best for the Authority and the public, so they strictly avoid anything that conflicts with this.
 - b. Associates shall not use their positions or information which they acquire because of their positions to secure financial gain (other than authorized compensation) for themselves or family members.
 - c. Associates shall not seek or accept from others any favor or thing of value as a condition for an official action or judgement of theirs. To the extent possible, even the appearance of such shall be avoided. Acceptance of items of nominal value, as defined by the Ethics Act, which are customarily given for goodwill or general promotional purposes are not expressly prohibited, however caution must still be exercised.
 - d. Associates shall not enter into or remain in a relationship with any individual or organization so as to create a financial or judgmental conflict with respect to their role with the Authority.
 - e. Associates shall not have an interest in any contract with the Authority unless it poses no conflict and unless the interest has been fully disclosed in an appropriate manner or as otherwise required by the Ethics Act or other applicable law.
 - f. Associates must understand that even affiliation with non-profit boards may create a conflict even if a monetary gain is not at stake in some situations.
 - g. Associates must be mindful of their family's employment or non-profit affiliation which could create a conflict of interest under Pennsylvania Law.
 - h. As provided in the Common Grant Rules and the Federal Transit Administration (FTA) Master Agreement, no employee, officer, agent, or board member, or his or her immediate family member, partner, or

organization that employs or is about to employ any of the foregoing may participate in the selection, aware, or administration of a contract supported with FTA assistance if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those previously listed has a financial or other interest in the firm selected for award.

(i) Associates shall exercise judgment in the best interest of the Authority.

2. Confidentiality, Integrity of Information, Reports and Financial Records

- a. Associates shall not knowingly sign or permit the issuance of any statement or report which contains false or misleading information or which makes a material omission.
- b. Associates shall be truthful in giving out information to the public. Where possible and appropriate, official or other public statements shall be issued only by individuals authorized to do so by the Board or Executive Director.
- c. Associates shall not use their positions to secure personal or confidential information about other parties unless it is required by a legitimate business purpose of the Authority. Except as required by law, such personal or confidential information shall not be communicated beyond the extent necessary to accomplish the legitimate business purpose.
- d. Associates shall manifest honesty in all financial transactions and submit only completely accurate reports in conformance with applicable accounting rules.
- e. Associates shall use and retain only information necessary to conduct the Authority's business. Such information shall be retained only for official purposes and only for as long as the law requires.
- f. Collect, use and retain only the personal information necessary for COLTS' business. Whenever possible, obtain any relevant information directly from the person concerned and others informed. Use only reputable and reliable sources to supplement this information.
- g. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
- h. Limit internal access to personal information to those with a legitimate business reason for seeking that information. Before disclosing any personal information, the consent of the person whose information may be disclosed should be obtained before disclosing any personal information to any previously unauthorized viewed, unless legal process or contractual obligation provide otherwise.

3. Purchasing

a. Associates are prohibited from making purchases on the Authority's account for personal use.

- b. Purchases shall not be made contingent upon any kind of rebate, discount, or other favorable treatment on personal purchases by Associates, or family members of Associates.
- c. Purchasing must be made in accordance with the procurement policy of the Authority.
- d. Associates should avoid investing in or acquiring a financial interest for their own accounts in any business organization that has a contractual relationship with COLTS or that provides goods or services or both to COLTS, if such investment or interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of COLTS. Board members who are employed by organizations that have contractual relationships with COLTS, or provide goods and/or services to COLTS, must remove themselves from any contractual or procurement deliberations related to their employers.

4. Use of Authority Property, Facilities, Assets or Services

- a. Except as specifically authorized by Authority policy, Associates are not permitted to use Authority property, facilities, equipment, assets, or services for personal purposes.
- b. Associates must not accept entertainment, gifts or personal favors that could, in any way, influence or appear to influence business decisions in favor of any person or organization with whom or with which the Authority has or is likely to have business dealings. Similarly, Associates must not accept any other preferential treatment under these circumstances because their position within the Authority might be inclined to or be perceived to place them under obligation. This section shall not apply to any *de minimis* situation that does not compromise the objectivity of any Associate
- c. The recipients of FTA funding including its officers, employees, and agents may neither solicit not accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements. The recipient may set minimum rules when the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.
- d. Kickbacks and Secret Commissions. Regarding COLTS' business activities, Associates may not receive payment or compensation of any kind. In particular, COLTS strictly prohibits the acceptance of kickbacks and secret commissions from suppliers or others. Any breach of this rule shall result in disciplinary action, up to and including immediate termination with prosecution to the fullest extent of the law.
- e. COLTS funds and Other Assets. Associates who have access to COLTS funds in any form must follow the prescribed procedures for recording, handling and protecting money. COLTS imposes strict standards to prevent fraud and dishonesty. If Associate become aware of any evidence of fraud and dishonesty, they should immediately advise their manager, the executive director, or the chairperson of the Board, so a prompt investigation can

commence. When an employee's position requires spending COLTS funds or incurring any reimbursable personal expenses, that individual must use good judgment on COLTS' behalf to ensure that good value is received for every expenditure. COLTS funds and all other assets are for COLTS purposes only and not for personal benefit. This includes the personal use of COLTS assets, such as vehicles, computers, software or email.

- f. COLTS Records and Communications. Accurate and reliable records of many kinds are necessary to meet COLTS' legal and financial obligations and to manage the affairs of COLTS. COLTS' books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and recordkeeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements. Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:
 - False expense, attendance, ridership, financial or similar reports and statements;
 - False advertising, deceptive marketing practices or other misleading representation.
- g. Fraudulent and Unethical Act Reporting Process and Protections. All Associates are responsible for creating a supportive atmosphere for all board members, employees, free of discrimination and fear which encourages ethical behavior. Further, employees are responsible for respecting the rights of their coworkers and for conducting themselves in an honest manner. Any Associate who believes they have knowledge of or a concern about an activity or act that they consider to be illegal, dishonest, fraudulent or in violation of this, or other, policies should immediately inform their manager, the Executive Director, or the Board Chairman.

Sound judgment must be exercised to avoid baseless allegations. An Associate who intentionally files a false report of wrongdoing could be subject to discipline.

The confidentiality of anyone reporting an activity believed to be illegal or dishonest will, insofar as possible, be However, their identity may have to be maintained. disclosed in order to conduct a thorough investigation, to comply with the law or to provide accused individuals their legal rights. COLTS will not retaliate against the person reporting the activity. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, poor work assignments or threats of physical harm. Anyone who believe they are being retaliated against must contact their manager, the executive director or the The right of anyone board chairperson immediately. reporting an activity for protection against retaliation does not include immunity from any personal wrongdoing that is alleged and investigated.

B. Board Level Matters and Board Members

- 1. Board members are responsible to become familiar with their responsibilities under: the Municipality Authorities Act, the Ethics Act, Sunshine Act and other applicable laws, the authorized purpose(s) for which the Authority was formed, and the Authority's By-Laws and policies.
- 2. Board members work through authorized channels when dealing with the Authority's staff and respect the Authority's chain of command for employees as set forth in the Authority's organization chart.
- 3. Members of the Board shall work within the authorized scope of their authority for his/her board position.
- C. The matters contained in this policy shall be further supplemented by the Code of Ethics Statement signed by each Board member and the Executive Director

V. CONDUCT GUIDELINES

A. Board Member's Conduct with Each Other in Public Meetings

Appointed members of the Board are individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to promote and advance the Authority's mission and purpose. In all cases, this common goal should be acknowledged even though individuals may not agree on every issue.

- 1. Honor the role of the Board chair in maintaining order. It is the responsibility of the chair to keep the comments of members on track during public meetings.
- 2. Practice civility and decorum in discussions and debate. Free debate does not justify public officials making belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments in public.
- 3. Avoid personal comments that could offend other members of the Board, the Authority's employees or members of the public.
- 4. Demonstrate effective problem-solving approaches.
- B. Associate's Conduct with the Public in Public Meetings.

The public shall feel welcome at the Authority's public meetings. No signs of partiality, prejudice or disrespect should be evident on the part of individual members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public comments.

1. Be welcoming to speakers and treat them with dignity. While questions of clarification may be asked, the official's primary role during public comment is to listen.

- 2. Be fair and equitable in allocating public hearing time to individual speakers and adhere to the Board's public comment policies and procedures.
- 3. Practice active listening. It is disconcerting to speakers to have members not look at them when they are speaking.

C. Members of the Board of Directors' communications with Authority Staff

- 1. Governance of the Authority relies on the cooperative efforts of the Board who set policy and the Authority's staff who implement and administer the Board's policies.
- 2. Members of the Authority Board of Directors should strive to recognize the experience and dignity of each Authority employee. Directors should treat all employees of the Authority with dignity and respect.
- 3. Directors should avoid unduly disrupting Authority staff from performing their iobs.
- 4. Directors should not countermand the chain of command at the Authority or provide guidance or direction separate and apart from that given by Authority supervisors and/or the Executive Director.
- 5. Never publicly criticize an individual employee.
- 6. Do not get involved in administrative functions at the Authority.
- 7. Directors shall not solicit political support from the staff of the Authority.

VI. OFF-SITE CODE OF CONDUCT

A. Attendance at Seminars and Conferences

- 1. When multiple attendees (not a spouse/guest) share a room only one may claim the reimbursement.
- 2. When multiple attendees carpool (not a spouse/guest) only one may claim for mileage.
- 3. Use of the standard federal mileage rate or actual expenses may be used but not both.
- 4. Recreation and entertainment, in addition to the cost of the conference or seminar, should be paid by the attendee unless authorized by the Board.
- 5. Accompanying spouse and guest attendance and expenses shall not be paid with Authority funds.
- 6. Associates are expected to abide by this Code when attending functions on the Authority's behalf or relating to the Authority
- B. Dealing With Outside People/ and Organizations. Associates, Employees and Board Members must take care to separate their personal roles from their COLTS positions when communicating on matters not involving COTS business. Employees and board members must not use COLTS identification, stationery, supplies or equipment for personal or political matters.

When communicating publicly on matters that involve COLTS business, employees and board members must not presume to speak for COLTS on any topic, unless they are certain that the views they express are those of COLTS and it is COLTS' desire that such views be

publicly disseminated. Further, the Executive Director, has been designated the Public Relations person by the Board of Directors. All responses by public or private inquiry shall be addressed by him unless he or the Board of Directors states otherwise.

When dealing with anyone outside COLTS, including public officials, employees and board members must take care not to compromise the integrity of COLTS or damage the reputation of COLTS.

C. *Prompt Communications*. In all matters relevant to customers, suppliers, government authorities, the public and other organizations, all employees and board members must make every effort to achieve complete, accurate and timely communications -- responding promptly and courteously to all proper requests for information and to all complaints.

VII. ADMINISTRATION OF THE CODE

- A. It shall be the duty of the Chairman of the Board to see that Board members and any Administrative Personnel (Executive Director) that report directly to the Board of Directors abide by the Code on matters of which he/she has information, notice, or knowledge.
- B. It shall be the duty of the Administrative Personnel to see that subordinate employees abide by the Code on matters of which he/she has information, notice, or knowledge.
- C. Questions by employees as to the applicability of the Code shall be referred to the Administrative Personnel. Questions by the Administrative Personnel or Board members shall be referred to the Chairman and/or the Solicitor.
- D. Any Associates who know or suspect violations of this Code are required to report them using the same procedure as outlined in Paragraph C above.
- E. Violations of this Code may have severe results up to and including dismissal as an employee or the request for removal as a Board member. Violations of the Ethics Act, or other appropriate laws, may lead to prosecution under those laws.
- F. Associates themselves have the primary responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government.
- G. Associates who intentionally and repeatedly do not follow proper conduct may be reprimanded or formally censured by the Board, lose seniority or committee assignments.
- H. Serious infractions of the Code of Ethics or Code of Conduct could lead to other sanctions as deemed appropriate by the Board. Associates should point out to the offending Associate any infractions of the Code of Ethics and Conduct. If the offenses continue, then the matter should be referred to the Chairman of the Board in private. If

the Chairman is the individual whose actions are implicated, then the matter should be referred to the Vice Chairman of the Board. It is the responsibility of the Chairman (or Vice Chairman if the accused is the Chairman) to initiate action if an Associate's behavior warrants discipline or sanction. If no action is taken by the Chairman (or Vice Chairman if applicable), the issues may be considered by the full Board.

- I. Counseling, verbal reprimands and written warnings may be administered by the Chairman (Vice-Chairman, if warranted) to fellow Board Members or the Executive Director for failing to comply with Authority's policy; the Executive Director shall administer the same when necessary to the Authority's Employees. These lower levels of sanctions shall be kept private to the degree allowed by law
- J. When deemed warranted, the Chairman or majority of the Board of Directors may call for an investigation of an Associate's conduct. Also, should the solicitor believe an investigation is warranted, they shall confer with the Chairman and the Board and report findings if an investigation occurs.
- K. These sanctions are cumulative to any other remedy that might otherwise be available to remedy conduct that violates this code or state or federal law.

VIII. IMPLEMENTATION

As an expression of the standards of conduct for members expected by the Authority, the Authority's Code of Ethics and Conduct is intended to be primarily self-enforcing. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions. For this reason, this document shall be included in the regular orientations for Associates. Members entering the Board of Directors/Executive Director shall sign a statement affirming they have read and understand this Code of Ethics and Conduct.

IX. COMPLAINTS

Any Associate who believes that the provisions of this Code have been violated and presents a material breach of the Pennsylvania Ethics Act or FTA Master Agreement shall report such violations to the Board Chair or Executive Director. The Authority shall commence an investigation into such complaints by coordinating with the Solicitors. No employee shall be retaliated against for raising any concern or complaint under this Policy.

X. DISCIPLINE

Any Associate who violates any restriction of this policy shall be subject to appropriate discipline and as permitted by law, up to and including termination or removal from the Board of Directors. Associates are expected to exemplify the highest standard of ethics and shall not engage in behavior which diminish the public image, funding eligibility, perception and respect of the Authority.

To the extent permitted by State, Federal or Local Law and/or regulations, such standards of conduct will provide for admonitions, penalties, sanctions, or other disciplinary action for

violation of such standards by the recipient's officers, employees, agents, board members, or by contractors and subrecipients or their agents.

Concerns or Questions. If any employee has any questions regarding any aspect of this policy, the employee should not hesitate to contact their direct supervisor or the Executive Director as soon as possible.

This policy replaces the Authority's Code of Conduct Policy dated March 25, 2010.

Date: 9-21-21	Board Chairman
Date: 9-21-21	Board Member
Date: 9-21-21	Matthan rugler Board Member
Date: 9-21-21	Board Member
Date: 9-21-21	Executive Director
Date: 9-21-21	Board Vice Chairman