

**KENNEDALE CITY COUNCIL
AGENDA
GOVERNANCE WORKSHOP
January 31, 2013
CITY HALL JURY ROOM, 405 MUNICIPAL DRIVE

WORK SESSION - 5:30 PM**

I. CALL TO ORDER

II. ROLL CALL

III. WORK SESSION

A. Governance workshop with the City Manager.

IV. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact Amethyst Cirno, City Secretary, at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the January 31, 2013, agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.



Amethyst G. Cirno, City Secretary

Date: January 31, 2013

Agenda Item No: WORK SESSION - A.

I. Subject:

Governance workshop with the City Manager.

II. Originated by:

Bob Hart, City Manager

III. Summary:

At this time the Council will hold a governance workshop with the City Manager.

Please see the attached materials.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

1.	Sample Policies	Template of PG Policies Council Manager.pdf
2.	Template handed out at last meeting	reinventing your board 11292012 (2).pdf

GOVERNANCE POLICIES

TABLE OF CONTENTS

<u>Policy Type</u>	<u>Policy Title</u>
Executive Limitations	EL #1 Global Executive Constraint EL #2a Treatment of Consumers EL #2b Treatment of Staff EL #2c Compensation and Benefits EL #2d Financial Condition and Activities EL #2e Financial Planning and Budgeting EL #2f Asset Protection EL #2g Communication and Support to the Council EL #2h Emergency CM Succession
Governance Process	GP #1 Global Governance Process Policy GP #2a Governing Style GP #2b Council Job Description GP #2c Code of Conduct GP #2d Council Mayor Role GP #2e Council Secretary Role GP #2f Council Committee Principles GP #2g Committee Structure GP #2h Annual Planning GP #2i Governance Investment
Council-Management Delegation	BMD #1 Global Council-Management Delegation BMD #2a Unity of Control BMD #2b Accountability of the CM BMD #2c Delegation to the CM BMD #2d Monitoring CM Performance
Ends	Ends #1

POLICY TITLE: GLOBAL EXECUTIVE CONSTRAINT

Date Approved by Council:

The City Manager (CM) shall not cause or allow any organizational practice, activity, decision or circumstance, which is either:

- Unlawful,
- Imprudent, or
- In violation of commonly accepted business and professional ethics.

POLICY TITLE: TREATMENT OF CONSUMERS

Date Adopted by Council:

With respect to interactions with consumers or those applying to be consumers, the CM shall not cause or allow conditions, procedures, or decisions which are unsafe, untimely, undignified, unnecessarily intrusive.

The CM will not:

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access to the material.
3. Operate facilities without appropriate accessibility and privacy.
4. Operate without establishing with consumers a clear understanding of what may be expected and what may not be expected from the service offered.
5. Operate without informing consumers of this policy or providing a way to be heard for persons who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

POLICY TITLE: TREATMENT OF STAFF

Date Adopted by Council:

With respect to treatment of paid and volunteer staff, the CM shall not cause or allow conditions, which are unfair, undignified, disorganized or unclear.

The CM will not:

1. Operate without written personnel procedures that:
 - (a) Clarify rules for staff,
 - (b) Provide for effective handling of grievances, and
 - (c) Protect against wrongful conditions.
2. Retaliate against any staff member for non-disruptive expression of dissent.
3. Allow staff to be unaware of the CM's interpretations of their protections under this policy.
4. Allow staff to be unprepared to deal with emergency situations.

POLICY TITLE: COMPENSATION AND BENEFITS

Date Adopted by Council:

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the CM may not cause or allow jeopardy to fiscal integrity or public image.

The CM will not:

1. Change the CM's own compensation and benefits, except as those benefits are consistent with a package for all other employees.
2. Promise or imply guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Create obligations over a longer term than revenue can be safely projected.
5. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
 - a) Incur unfunded liabilities,
 - b) Provides less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited,
 - c) Allow any employee to lose benefits already accrued from any foregoing plan, and
 - d) Treat the CM differently from other key employees.

POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2d

POLICY TITLE: FINANCIAL CONDITION & ACTIVITIES

Date Adopted by Council:

With respect to the actual, ongoing financial condition and activities, the CM may not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Council priorities established in Ends policies.

The CM will not:

1. Expend more funds than have been received in the fiscal year to date unless the Council's debt guideline (point #2 below) is met.
2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues within 60 days.
3. Use any long-term reserves.
4. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances within 30 days.
5. Allow payables or receivables not to be settled within a reasonable time frame.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. Make a single purchase or commitment of greater than \$_____. Splitting orders to avoid this limit is not acceptable.
8. Acquire, encumber or dispose of real estate.

9. Issue expense checks to himself or herself without the signature of a Council-approved signatory who has been provided with appropriate documentation and receipts.

POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2e

POLICY TITLE: FINANCIAL PLANNING AND BUDGETING

Date Adopted by Council:

The CM shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year that

- Deviates materially from Council Ends priorities,
- Risks financial jeopardy, or
- Is not derived from a multi-year plan.

The CM will not allow budgeting which:

1. Risks incurring those situations or conditions described as unacceptable in the Executive Limitations policy entitled “Financial Condition & Activities”.
2. Omits:
 - a. Credible projection of revenues and expenses,
 - b. Separation of capital and operational items,
 - c. Cash flow analysis, and
 - d. Disclosure of planning assumptions.
3. Provides less than the amount determined annually by the Council for the Council's direct use during the year.

POLICY TITLE: ASSET PROTECTION

Date Adopted by Council:

The CM may not allow the city's assets to be unprotected, inadequately maintained or unnecessarily risked.

The CM may not:

1. Insure the organization's assets for less than eighty percent of replacement value against theft, fire and casualty losses or insure against liability losses to Council members, staff, volunteers and the organization itself for less than the average for comparable organizations.
2. Allow personnel access to material amounts of funds.
3. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its Council, or staff to claims of liability.
5. Receive, process or disburse funds under controls that are insufficient to meet the Council-appointed auditor's standards.
6. Make any purchase:
 - a. Wherein normally prudent protection has not been given against conflict of interest;
 - b. Of more than \$_____ without having obtained comparative prices and quality; and

- c. Of over \$_____ without a stringent method of assuring the balance of long-term quality and cost. Orders shall not be split to avoid these criteria.
- 7. Allow property, information and files to be unprotected from loss or significant damage.
- 8. Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than an acceptable rating, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.
- 9. Endanger the city's public image, credibility, or its ability to accomplish Ends.

POLICY TITLE: COMMUNICATION AND SUPPORT TO THE COUNCIL

Date Adopted by Council:

The CM may not permit the Council to be uninformed or unsupported in its work.

The CM will not:

1. Neglect to submit monitoring data required by the Council according to its policy "Monitoring CM Performance" in a timely, accurate and understandable fashion, directly addressing provisions of the Council policies being monitored, and including the CM's interpretations consistent with the "Delegation to the CM" policy, as well as relevant data.
2. Let the Council be unaware of any significant incidental information it requires including anticipated adverse media coverage, threatened or pending lawsuits and material external and internal changes.
3. Allow the Council to be unaware that, in the CM's opinion, the Council is not in compliance with its own policies on Governance Process and Council-Management Delegation, particularly in the case of Council behavior which is detrimental to the work relationship between the Council and CM.
4. Allow the Council to be without decision information required periodically by the Council or let the Council be unaware of relevant trends.
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
6. Allow the Council to be without a workable mechanism for official Council, officer or committee communications.

7. Deal with the Council in a way that favors or privileges certain Council members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Council.
8. Allow the Council to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Council regardless of the Council's monitoring schedule.

POLICY TITLE: EMERGENCY EXECUTIVE SUCCESSION

Date Adopted by Council:

In order to protect the Council from the sudden loss of CM Services, the CM shall not permit there to be less than one other person familiar enough with Council and CM issues and procedures to be able to maintain organization services.

POLICY TITLE: GLOBAL GOVERNANCE PROCESS

Date Adopted by Council:

The purpose of the Council, on behalf of [identify ownership here], is to see that the [name of organization here]:

- A. Achieves appropriate results for the appropriate persons at an appropriate cost (as specified in the Ends policies), and
- B. Avoids unacceptable actions and situations (as specified in the Executive Limitations policies).

POLICY TITLE: GOVERNING STYLE

Date Adopted by Council:

The Council will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on:

- Outward vision rather than an internal preoccupation;
 - Encouragement of diversity in viewpoints;
 - Strategic leadership more than administrative detail;
 - Clear distinction of Council and city manager roles;
 - Collective rather than individual decisions;
 - Future rather than past or present; and
 - Pro-activity rather than reactivity.
1. The Council will cultivate a sense of group responsibility. The Council, not the staff, will be responsible for excellence in governing. The Council will normally be the initiator of policy, rather than reacting to staff's proposals. The Council will not use the expertise of individual members to substitute for the judgment of the Council although the expertise of individual members may be used to enhance the understanding of the Council as a body.
 2. The Council will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Council's values and perspectives. The Council's major policy focus will be on the intended long-term external impacts of the organization.
 3. The Council will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring continuance of governance capability. Although

the Council can change its governance process policies at any time, it will scrupulously observe those currently in force.

4. Continual Council development will include orientation of new members in the Council's governance process and periodic Council discussion of process improvement.
5. The Council will monitor and discuss the Council's process and performance at each meeting. Self-monitoring will include comparison of Council activity and discipline to policies in the Governance Process and Council-Management Delegation categories.
6. The Council will allow no officer, individual or committee of the Council to hinder or be an excuse for not fulfilling group obligations.

POLICY TITLE: COUNCIL JOB DESCRIPTION

Date Adopted by Council:

Specific job outputs of the Council, as an informed agent of the ownership, are those that ensure appropriate organizational performance.

Accordingly, the Council will provide:

1. The linkage between the ownership and the operational organization.
2. Written governing policies that realistically address the broadest level of all organizational decisions and situations.
 - a. Ends: Organizational impacts, products, effects, benefits, outcomes, recipients, beneficiaries, impacted groups, and their relative worth in cost or priority.
 - b. Executive Limitations: Constraints on executive authority which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - c. Governance Process: Specification of how the Council conceives, carries out and monitors its own task.
 - d. Council-Management Delegation: How power is delegated and its proper use monitored; the CM role, authority and accountability.
3. Assurance of successful organizational performance on Ends and Executive Limitations.

POLICY TITLE: COUNCIL MEMBERS' CODE OF CONDUCT

Date Adopted by Council:

The Council commits itself and its members to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as Council members.

1. Members must have loyalty to the ownership, un-conflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - a. There must be no self-dealing or business by a member with the organization. Members will annually disclose their involvements with other organizations, with vendors, or any associations that might be or might reasonably be seen as being a conflict.
 - b. When the Council is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall withdraw without comment not only from the vote, but also from the deliberation.
 - c. Council members will not use their positions to obtain employment in the organization for themselves, family members or close associates. A Council member who applies for employment must first resign from the Council.
3. Council members may not attempt to exercise individual authority over the organization.
 - a. Members' interaction with the CM or with staff must recognize the lack of authority vested in individuals except when explicitly Council-authorized.

- b. Members' interaction with public, press or other entities must recognize the same limitation and the inability of any Council member to speak for the Council except explicitly stated Council decisions.
 - c. Except for participation in Council deliberation about whether the CM has achieved any reasonable interpretation of Council policy, members will not express individual judgments of performance of employees or the CM.
- 4. Members will respect the confidentiality appropriate to issues of a sensitive nature.
- 5. Members will be properly prepared for Council deliberation.
- 6. Members will support the legitimacy and authority of the final determination of the Council on any matter, irrespective of the members' personal position on the issue.

POLICY TITLE: COUNCIL MAYOR ROLE

Date Adopted by Council:

The Mayor, a specially empowered member of the Council, assures the integrity of the Council's process and, secondarily, represents the Council to outside parties.

1. The assigned result of the Mayor's job is that the Council behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - a. Meeting discussion content will ordinarily only be those issues, which, according to Council policy, clearly belong to the Council to decide or to monitor.
 - b. Deliberation will be fair, open, and thorough, but also timely, orderly and kept to the point.
 - c. Information that is for neither monitoring performance nor Council decisions will be avoided or minimized and always noted as such.
2. The authority of the Mayor consists in making decisions that fall within the topics covered by Council policies on Governance Process and Council-Management Delegation, with the exception of (a) employment or termination of the CM (b) where the Council specifically delegates portions of this authority to others. The COUNCIL MAYOR is authorized to use any reasonable interpretation of the provisions in these policies.
 - a. The Mayor is empowered to chair Council meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).

3. The Mayor has no authority to make decisions about policies created by the Council within Ends and Executive Limitations policy areas. Therefore, the Mayor has no authority to supervise or unilaterally direct the CM.
 - a. The Mayor may represent the Council to outside parties in announcing Council-stated positions and in stating Mayoral decisions and interpretations within the areas delegated to him or her.
 - b. The Mayor may delegate this authority, but will remain accountable for its use.

POLICY TITLE: COUNCIL SECRETARY'S ROLE

Date Adopted by Council:

Bob, most cities delete this section or substitute the City Secretary's role.

The Council secretary is an officer of the Council whose purpose is to ensure the integrity of the Council's documents.

1. The assigned result of the secretary's job is to see that all Council documents and filings are accurate and timely.
 - A. Policies contained in this document will be current in their reflection of Council decisions.
 - B. Bylaws elements necessary for legal compliance and for consistency with the principles of Policy Governance will be known to the Council.
 - C. All Council-approved minutes of Council meetings shall be signed and kept by the President and Secretary. The Council's requirements for its own minutes (format, brevity and accuracy) will be made known to the CM.

POLICY TITLE: COUNCIL COMMITTEE PRINCIPLES

Date Adopted by Council:

Council committees, when used, will be assigned to help the Council do its job, to reinforce the wholeness of the Council's job and so as never to interfere with delegation from Council to CM.

1. Council committees are to help the Council do its job, not to help or advise the staff. Committees ordinarily will assist the Council by preparing policy alternatives and implications for Council deliberation. In keeping with the Council's broader focus, Council committees will normally not have direct dealings with current staff operations.
2. Council committees may not speak or act for the Council except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CM.
3. Council committees cannot exercise authority over staff. The CM works for the full Council, and will therefore not be required to obtain approval of a Council committee before an executive action.
4. Committees will be used sparingly and ordinarily in an ad hoc capacity.
5. This policy applies to any group that is formed by Council action whether or not it is called a committee and regardless of whether the group includes Council members. It does not apply to committees formed under the authority of the CM.

POLICY TITLE: COUNCIL COMMITTEE STRUCTURE

Date Adopted by Council:

A committee is a Council committee only if its existence and charge come from the Council, regardless whether Council members sit on the committee. The only Council committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. Timely reporting to the Council shall be by submission of a written report, following each meeting, with appropriate verbal comment by the Committee Mayor.

1. Audit Committee:

A. Products:

- i. Specification of scope of audit prior to outside audit, by no later than [month] of each year
- ii. That a fully qualified external auditor conducts a competent audit annually, covering all normal audit topics and all Executive Limitations policies determined by the Council to be monitored by external means, with audit results communicated to the Council no later than [date] each year.

B. Authority: To incur costs of no more than \$XX direct charges and no more than X hours of staff time.

C. Composition: Membership shall be.....

POLICY TITLE: ANNUAL PLANNING

Date Adopted by Council:

To accomplish its job with a governance style consistent with Council policies, the Council will follow an annual agenda that:

- a) Completes a re-exploration of Ends policies annually; and
 - b) Continually improves Council performance through Council education and enriched input and deliberation.
-
- 1. The cycle will conclude each year on the last day of [month] so that administrative planning and budgeting can be based on accomplishing a one-year segment of the most recent statement of long term Ends.
 - 2. The cycle will start with the Council's development of its agenda for the next year.
 - A. Consultations with selected groups in the ownership or other methods of gaining ownership input will be determined and arranged in the 1st quarter, to be held during the balance of the year.
 - B. Governance education and education related to Ends determination (e.g. presentations by industry experts, advocacy groups, staff and so on) will be arranged in the 1st quarter, to be held during the balance of the year.
 - C. A Council member may recommend or request an item for Council discussion by submitting the item to the Chief Governance Officer no later than 5 days before the Council meeting.

3. Throughout the year, the Council will attend to “required approval” agenda items as expeditiously as possible.
4. CM compensation will be decided during the month of XX after a review of monitoring reports received in the previous year.
5. CM monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangement for third-party monitoring must be prepared.

POLICY TITLE: COST OF GOVERNANCE

Date Adopted by Council:

The Council will invest in its governance capacity.

1. Council skills, methods, and supports will be sufficient to ensure governing with excellence.
 - a. Training and retraining will be used liberally to orient new Council members and candidates for Council membership, as well as to maintain and increase existing Council member skills and understandings.
 - b. Outside monitoring assistance will be arranged so that the Council can exercise confident control over organizational performance. This includes but is not limited to financial audit.
 - c. Outreach mechanisms will be used as needed to ensure the Council's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
3. The Council will establish its cost of governance budget for the next fiscal year during the month of XXX.

POLICY TITLE: GLOBAL COUNCIL-MANAGEMENT DELEGATION

Date Adopted by Council:

The Council's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer, titled the City Manager (CM.)

POLICY TITLE: UNITY OF CONTROL

Date Adopted by Council:

Only officially passed motions of the Council are binding on the CM.

1. Decisions or instructions of individual Council members, officers, or committees are not binding on the CM except in rare instances when the Council has specifically authorized such exercise of authority.
2. In the case of Council members or committees requesting information or assistance without Council authorization, the CM can refuse such requests that require, in the CM's opinion, a material amount of staff time or funds, or are disruptive.

POLICY TITLE: ACCOUNTABILITY OF THE CM

Date Adopted by Council:

The CM is the Council's only link to operational achievements and conduct, so that all authority and accountability of staff, as far as the Council is concerned, is considered the authority and accountability of the CM.

1. The Council will never give instructions to persons who report directly or indirectly to the CM.
2. The Council will not evaluate, either formally or informally, any staff other than the CM or other direct Council Appointees.
3. The Council will view CM performance as identical to organizational performance, so that organizational accomplishment of Council-stated Ends and avoidance of Council-proscribed means will be viewed as successful CM performance.

POLICY TITLE: DELEGATION TO THE CM

Date Adopted by Council:

The Council will instruct the CM through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the CM to use any reasonable interpretation of these policies.

1. The Council will develop policies instructing the CM to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not ends issues as defined here are means issues.
2. The Council will develop policies that limit the latitude that the CM may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Council even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Council will never prescribe organizational means delegated to the CM.
3. As long as the CM uses *any reasonable interpretation* of the Council's Ends and Executive Limitations policies, the CM is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the CM shall have full force and authority as if decided by the Council.

4. The Council may change its Ends and Executive Limitations policies, thereby shifting the boundary between Council and CM domains. By so doing, the Council changes the latitude of choice given to the CM. But so long as any particular delegation (policy) is in place, the Council and its members will respect and support the CM's choices.

POLICY TITLE: MONITORING EXECUTIVE PERFORMANCE

Date Adopted by Council:

Systematic and rigorous monitoring of CM job performance will be solely against the only expected CM job products: organizational accomplishment of Council policies on Ends and organizational operation within the boundaries established in Council policies on Executive Limitations.

1. Monitoring is simply to determine the degree to which Council policies are being met. Information that does not do this will not be considered to be monitoring data.
2. The Council will acquire monitoring information by one or more of three methods:
 - a. By INTERNAL REPORT: in which the CM discloses interpretations and compliance information to the Council;
 - b. By EXTERNAL REPORT: in which an external, disinterested 3rd party selected by the Council assesses compliance with the CM's interpretation of Council policies; and
 - c. By DIRECT COUNCIL INSPECTION: in which a designated Council member or members of the Council assess compliance with the CM's interpretation of the appropriate policy criteria.
3. In every case, the Council will judge (a) the reasonableness of the CM's interpretation, and (b) whether data demonstrate accomplishment of the interpretation.

4. The standard for compliance shall be *any reasonable CM interpretation* of the Council policy being monitored. The Council is the final arbiter of reasonableness, but will always judge with a “reasonable person” test rather than with interpretations favored by Council members or by the Council as a whole.
5. All policies that instruct the CM will be monitored at a frequency and by a method chosen by the Council. The Council can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule, as follows:

Policy	Frequency	Method
	(Times per year)	(See legend below)
ENDS	1X/yr	IR
EL #1 Global Executive Constraint	1X	IR
EL #2a Treatment of Clients	1X	IR
EL #2b Treatment of Staff	1X	IR
EL #2c Compensation and Benefits	1X	IR
EL #2d Financial Condition and Activities	4X	IR
	1X	ER
	2X	BDI
EL #2e Financial Planning and Budgeting	1X or as needed	IR
EL #2f Asset Protection	1X	IR
EL #2g Communication and Support to the Council	1X	IR
	1X	BDI
EL #2h Emergency Executive Succession	1X or as needed	IR

Methods: IR = Internal CM Report

ER = External Report

BDI = Council direct inspection

EXECUTIVE LIMITATIONS

Global Treatment of Customers

Treatment of Staff

Financial Planning/budgeting

Financial Condition and Activities

Emergency City Manager Session

Asset Protection

Compensation and Benefits

Communication and Support to the Board

GOVERNANCE PROCESS

Global Governance Process Policy

Governing Style

Board Job Description

Agenda Planning

Chief Governance Officer's Role

Board Secretary's Role

Board Members' Code of Conduct

Board Committee Principles

Cost of Governance

BOARD-MANAGEMENT DELEGATION

Global Board-Management Delegation

Unity of Control

Accountability of the City Manager

Delegation to the City Manager

Monitoring City Manager Performance

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: GLOBAL EXECUTIVE CONSTRAINT

The city manager shall not cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF CUSTOMERS OF CITY SERVICES

With respect to interactions with customers, the city manager shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF STAFF

With respect to the treatment of paid staff, the city manager shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

The City Manager will not

1. Operate without written personnel rules that (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
2. Retaliate against any staff member for nondisruptive expression of dissent.
3. Fail to acquaint staff with the City Manager's interpretation of their protections under this policy.
4. Allow staff to be unprepared to deal with emergency situations.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: FINANCIAL PLANNING/BUDGETING

The city manager shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

The city manager will not allow budgeting to

1. Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Condition and Activities."
2. Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities, the city manager shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from city council priorities established in Ends policies.

The city manager will not

1. Use any long term reserves
2. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain and otherwise unencumbered revenues within thirty days.
3. Make a single purchase or commitment of greater than \$50,000. Splitting orders to avoid this limit is not acceptable.
4. Acquire, encumber, or dispose of real estate without City Council approval

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: EMERGENCY CITY MANAGER SUCCESSION

In order to protect the board from sudden loss of the city manager services, the city manager shall not permit there to be fewer than two other executives sufficiently familiar with city council and city manager issues and processes to enable either to take over with reasonable proficiency as an interim successor.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: ASSET PROTECTION

The city manager shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

The city manager will not

1. Fail to insure adequately against theft and casualty and against liability losses to board members, staff, and the organization itself.
2. Allow unbounded personnel access to material amounts of funds.
3. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its board, or staff to claims of liability.
5. Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of more than \$3,000 without having obtained comparative process and quality; (c) of more than \$10,000 without a stringent method of assuring the balance of long-term quality and cost. Orders shall not be split to avoid these criteria.
6. Fail to protect intellectual property, information, and files from loss or significant damage.

7. Receive, process, or disburse funds under controls that are insufficient to meet the City Council-appointed auditor's standards.
8. Compromise the independence of the City Council's audit or other external monitoring or advice, such as by engaging parties already chosen by the board as consultants or advisors.
9. Invest or hold operating capital in insecure instruments or inconsistent with adopted financial policies.
10. Endanger the organization's public image, credibility, or its ability to accomplish Ends.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: COMPENSATION AND BENEFITS

With respect to employment, compensation, and benefits to employees, consultants, and contract workers, the City Manager shall not cause or allow jeopardy to financial integrity or to public image.

The city manager will not

1. Change the city manager's own compensation and benefits, except as those benefits are consistent with a package for all other employees.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: COMMUNICATION AND SUPPORT TO THE CITY COUNCIL

The city manager shall not cause or allow the city council to be uniformed or unsupported in its work.

The city manager will not

1. Neglect to submit monitoring data required by the City Council in Council-Staff Delegation policy "Monitoring City Manager Performance" in a timely, accurate, and understandable fashion, directly addressing provisions of Council policies being monitored, and including City Manager interpretations consistent with Council-Staff Delegation policy "Delegations to the City Manager," as well as relevant data.
2. Allow the city council to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the council regardless of the council's monitoring schedule.
3. Allow the council to be without decision information required periodically by the council or let the council be unaware of relevant trends.

4. Let the council be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
5. Allow the council to be unaware that, in the City Manager's opinion, the council is not in compliance with its own policies on Governance Process and Council-Staff Delegation, particularly in the case of council behavior that is detrimental to the work relationship between the council and the city manager.
6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
7. Allow the council to be without a workable mechanism for official board, officer, or committee communications.
8. Deal with the council in a way that favors or privileges certain board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
9. Fail to submit to the council a consent agenda containing items delegated to the City Manager yet required by law, regulation, or contract to be board-approved, along with applicable monitoring information.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: GLOBAL GOVERNANCE PROCESS

The purpose of the City Council, on behalf of the residents of Kennedale, is to see to it that the City of Kennedale (a) achieves appropriate results for appropriate persons at an appropriate cost (as specified in council Ends policies), and (b) avoids unacceptable actions and situations as prohibited in Council Executive Limitations policies.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: GOVERNING STYLE

The Council will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of council and city manager roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.

Accordingly,

1. The council will cultivate a sense of group responsibility. The council, not the staff, will be responsible for excellence in governing. The council will be the initiator of policy, not merely a reactor to staff initiatives. The council will not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.

2. The council will direct, control, and inspire the organization through the careful establishment of broadly written policies reflecting the council's values and perspective. The council's major policy focus will be on intended long-term impacts and not on the administrative or programmatic means of attaining those effects.
3. The council will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring the continuance of governance capability. Although the council can change its governance process policies at any time, it will scrupulously observe those currently in force.
4. Continual council development will include a governance process orientation for new council members and periodic board discussion of process improvement.
5. The council will allow no individual to hinder or be an excuse for not fulfilling group obligations.
6. The council will monitor and discuss its process and performance at each meeting. Self-monitoring will include comparison of council activity and discipline to policies in the Governance Process and Council-Staff Delegation categories.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: COUNCIL JOB DESCRIPTION

Specific job outputs of the council, as an informed agent of Kennedale residents, are those that ensure appropriate organizational performance.

Accordingly, the council will provide

1. Authoritative linkage between the resident and the operational organization.
2. Written governing policies that realistically address the broadest levels of organizational decisions and situations.
 - a. *Ends:* Organizational impacts, benefits, outcomes, recipients, beneficiaries, impacted groups, and their relative worth in cost or priority.
 - b. *Executive Limitations:* Constraints on executive authority that establish the prudence and ethical boundaries within which all executive activity and decisions must take place.
 - c. *Governance Process:* Specification of how the council conceives, carries out, and monitors its own tasks.
 - d. *Board-Management Delegation:* How power is delegated and its proper use monitored; the City Manager's role, authority, and accountability.
3. Assurance of successful organizational performance on Ends and Executive Limitations.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: AGENDA PLANNING

To accomplish its duties with a governance style consistent with council policies, the council will follow an annual agenda that (a) completes an annual re-exploration of Ends policies, and (b) continually improves council performance through education and enriched input and deliberation.

1. The cycle will conclude each year on the last day of September so that administrative planning and budgeting can be based on accomplishing a one-year segment of the council's most recent statement of long-term Ends.
2. The cycle will start with the council's development of its agenda for the next year.
 - a. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be determined and arranged in the first quarter, to be held during the balance of the year.
 - b. Governance education and education related to Ends determination (presentations by futurists, demographers, advocacy groups, staff, and so on) will be arranged in the first quarter, to be held during the balance of the year.
 - c. A council member may recommend or request an item for council discussion by submitting the item to the mayor no later than five days before the council meeting.
3. Throughout the year, the council will attend to consent agenda items as expeditiously as possible.
4. The monitoring of the city manager will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.
5. City Manager review and remuneration will be decided during the month of April after a review of monitoring reports received in the last year.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: CHIEF GOVERNANCE OFFICER'S ROLE

The mayor assures the integrity of the council's process and represents the city to outside parties.

1. That mayor's duty is to ensure that the council behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - a. Meeting discussion content will be only those issues which, according to board policy, clearly belong to the council to decide or to monitor.
 - b. Information that is for neither monitoring performance nor council decisions will be avoided or minimized and always noted as such.
 - c. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

2. The authority of the mayor consists of making decisions that fall within topics covered by policies on Governance Process and Council-Staff Delegation. The mayor is authorized to use any reasonable interpretation of the provisions in these policies.
 - a. The mayor has no authority to make decisions about policies created by the council within Ends and Executive Limitations policy areas. Therefore, the mayor has no authority to supervise or direct the city manager.
 - b. The mayor represents the city to outside parties in announcing council-stated positions and in stating mayoral decisions and interpretations within the area delegated to that role.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: BOARD MEMBERS' CODE OF CONDUCT

The council commits itself and its members to ethical, business like, and lawful conduct, including proper use of authority and appropriate decorum when acting as council members.

1. Members must have loyalty to the **ownership**, unconflicted by loyalties to staff, other organizations, and any personal interest as a customer.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - a. There will be no self-dealing or business by a member with the organization.
 - b. When the Council is required to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall withdraw, without comment, not only from the vote but also from the deliberation.
3. Council members may not attempt to exercise individual authority over the organization.
 - a. Members' interaction with the city manager or with staff must recognize the lack of authority vested in individuals except when explicitly council authorized.
 - b. Members' interaction with the public, media, or other entities must recognize the same limitation and the inability of any council member to speak for the council except to repeat explicitly stated council decisions.
 - c. Except for participation in council deliberation about whether the mayor has achieved any reasonable interpretation of council policy, members will not express individual judgments of performance of employees or the city manager.
4. Members will respect confidentiality as appropriate to issues of a sensitive nature.
5. Members will be properly prepared for council deliberation.
6. Members will support the legitimacy and authority of the final determination of the council on any matter, irrespective of the member's personal position on the issue.

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: COST OF GOVERNANCE

Because poor governance costs more than learning to govern well, the council will invest in its governance capacity.

1. Council skills, methods, and supports will be sufficient to ensure governing with excellence.
 - a. Training and retraining will be used liberally to orient new members and candidates as well as to maintain and increase existing members' skills and understanding.
 - b. Outside monitoring assistance will be arranged so that the council can exercise confident control over organizational performance. This includes, but is not limited to, financial audit.
 - c. Outreach mechanisms will be used as needed to ensure the council's ability to listen to owner viewpoints and values.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: GLOBAL BOARD-MANAGEMENT DELEGATION

The council's sole official connection to the operational organization, its achievements, and conduct will be through the city manager.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: UNITY OF CONTROL

Only officially passed motions of the council are binding on the city manager.

1. Decisions or instructions of individual council members are not binding on the city manager, except in rare instances when the council has specifically authorized such exercise of authority.
2. In the case of council members requesting information or assistance without council authorization, the city manager can refuse such requests that require, in the city managers opinion, a material amount of staff time or funds, or are disruptive.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: ACCOUNTABILITY OF THE CITY MANAGER

The city manager is the board's only link to operational achievement and conduct, so that all authority and accountability regarding organizational operation is the responsibility of the city manager.

1. The board will never give instructions to persons who report directly or indirectly to the city manager.
2. The board will not evaluate, either formally or informally, any staff other than the city manager.
3. The board will view city manager performance as identical to organizational performance, so that organizational accomplishment of board-stated Ends and avoidance of board-prescribed means will be viewed as successful city manager performance.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: DELEGATION TO THE CITY MANAGER

The council will instruct the city manager through written policies that prescribe the organizational Ends to be achieved, and proscribe organizational situations and actions to be avoided, allowing the city manager to use any reasonable interpretation of these policies.

1. The council will develop policies instructing the city manager to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not ends issues as defined here are means issues.
2. The council will develop policies that limit the latitude the city manager may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions, and circumstances that would be unacceptable to the board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The council will never prescribe organizational means delegated to the mayor.
3. Below the global level, a single limitation at any given level does not limit the scope of any foregoing level.
4. Below the global level, the aggregate of limitations on any given level may embrace the scope of the foregoing level, but only if justified by the city manager to the council's satisfaction.
5. As long as the city manager uses any reasonable interpretation of the council's Ends and Executive Limitations policies, the city manager is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. Such decisions of the city manager shall have full force and authority as if decided by the council.
6. The council may change its Ends and Executive Limitations policies, thereby shifting the boundary between council and city manager domains. By doing so, the council changes the latitude of choice given to the city manager. But as long as any particular delegation is in place, the board will respect and support the city manager's choices.

POLICY TYPE: BOARD-MANAGEMENT DELEGATION
POLICY TITLE: MONITORING CITY MANAGER PERFORMANCE

Systematic and rigorous monitoring of city manager job performance will be solely against the expected city manager job outputs: organizational accomplishment of council policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations.

1. Monitoring is simply to determine the degree to which council policies are being met. Information that does not accomplish this task will not be considered to be monitoring information.
2. The council will acquire monitoring information by one or more of three methods:
 - a. By internal report, in which the City Manager discloses interpretations and compliance information to the council.
 - b. By external report, in which an external, disinterested third party selected by the council assess compliance with council policies.
 - c. By direct council inspection, in which a designated member or members of the council assess compliance with the appropriate policy criteria.
3. In every case, the council will judge (a) the reasonableness of the city manager's interpretation and (b) whether data demonstrate accomplishment of the interpretation.

4. The standard for compliance shall be any reasonable city manager interpretation of the council policy being monitored. The council is final arbiter of reasonableness, but will always judge with a “reasonable person” test rather than with interpretations favored by council members or by the council as a whole.
5. All policies that instruct the city manager will be monitored at a frequency and by a method chosen by the council. The council can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

Policy	Method	Frequency	Month
<i>Global Executive Constraint</i>	Internal	Annually	April
<i>Emergency City Manager Succession</i>	Internal	Annually	April
<i>Treatment of Customers</i>	Internal	Bi-annually	May
<i>Treatment of Staff</i>	Internal	Annually	May
<i>Ends</i>	Internal	Annually	June
<i>Communication and Support</i>	Direct Inspection	Annually	June
<i>Financial Planning/ Budgeting</i>	Internal	Quarterly	June - August
<i>Compensation and Benefits</i>	Internal External	Annually Bi-annually	June - August
<i>Asset Protection</i>	Internal	Annually	August
<i>Financial Condition and Activities</i>	Internal	Annually	August
	External	Annually	February