15 Official Opinions of the Compliance Board 37 (2021)

- 2(F)(1) Agenda-Generally. Failure to include closed-meeting agenda. (No violation)
- ◆ 5(B)(1) Closed Session Vote-Generally. Procedures for holding vote to close on virtual meeting platform. (Guidance)
- ◆ 5(C)(3) Closed Session Statement-Practice in Violation. Uninformative boilerplate/mere repetition of statutory authority. (Violation)
- ♦ 5(C)(3) Closed Session Statement-Practice in Violation. Omitting specific statutory cite. (Violation)
- 5(C)(3) Closed Session Statement-Practice in Violation. Discussing, in closed session, topics not disclosed on written statement. (Violation)
- ♦ 6(D)(1) Closed Session-Minutes-Generally. Must include the items specified by the Act. (No Violation)
- ◆ Violations: § 3-305(d)(2)

* Topic numbers and headings correspond to those in the Opinions Index posted on the Open Meetings webpage at <u>www.marylandattorneygeneral.gov/Pages/OpenGov/OpenMeetings/index.aspx</u>.

Housing Opportunities Commission of Montgomery County

March 22, 2021

The complainant alleges that the Housing Opportunities Commission of Montgomery County ("HOC") violated the closed-session provisions of the Act on multiple occasions during the calendar years 2019 and 2020. We recently resolved a separate complaint involving HOC for meetings held during the calendar year 2018, which was filed on December 6, 2020. *See* 15 *OMCB Opinions* 19 (2021). In response to that complaint, HOC acknowledged that its closed-session procedures did not fully comport with the Act but also noted that it had overhauled them in January 2019. The current complaint is a consolidation of two subsequent complaints, one filed on January 11, 2021 and the other filed on January 12, 2021, which dispute the extent to which HOC brought its procedures into full compliance in January 2019. HOC denies that it violated the Act during the calendar years 2019 and 2020 but also commits to further improving its procedures, specifically as they relate to closing statements and virtual meetings.

Given the omnibus nature of this complaint, we take an approach similar to the one we took with the complaint in 15 *OMCB Opinions* 19 (2021). In other words, we will forego an extensive discussion of each meeting held over the last two years, because we think that prospective guidance on these topics will be more productive for all parties. We will instead focus on select meetings in order to illustrate recurring allegations. To that end, we have grouped the allegations into five categories and will address each in turn: (1) failure to identify topics of closed sessions on agendas; (2) failure to provide adequate disclosures on written closing statements; (3) failure to provide adequate disclosures in meeting minutes; (4) failure to comply with closed-session discussions to topics that fall within the Act's exceptions. For the reasons stated below, we find that some

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violations occurred during the calendar years 2019 and 2020 but that HOC's procedures overall have improved—and continue to do so.

1. Failure to identify topics of closed sessions on agendas

The complainant alleges that HOC has obscured the topics of closed sessions by failing to identify them on the agenda and separate them from "administrative" items. More specifically, the complainant refers to a statement that was included at the bottom of agendas throughout 2019 and 2020 that read: "A closed Administrative Session will be called to order pursuant to Section 3-305(b) . . . of the General Provisions Article of the Annotated Code of Maryland." The specific subsection of § 3-305(b) varied with the agenda but referred to one or more of the Act's fifteen exceptions that allow public bodies to enter closed session to discuss certain topics.¹ HOC responds that the statement has been updated to refer specifically to a "closed" session, rather than to a closed "administrative" session. That change, as we noted in 15 *OMCB Opinions* 19 (2021), should help to avoid confusion as to whether HOC is engaged in an "administrative function" that is not subject to the Act, performing a covered function in "closed session" pursuant to the Act, or both.² In any event, HOC responds that its 2019 and 2020 agendas complied with the Act as it pertains to the topics to be discussed in closed session.

The Act requires a public body to make available to the public an agenda: (i) containing known items of business or topics to be discussed at the portion of the meeting that is open; and (ii) indicating whether the public body expects to close any portion of the meeting in accordance with § 3-305 of the Act. § 3-302.1(a)(1). These two elements of the agenda are distinct. Although a public body must identify on its agenda what topics will be discussed in an open session, the public body must only identify *whether* it anticipates going into a *closed* session. See § 3-302.1(c) (providing that "[a] public body is not required to make available any information in the agenda regarding the subject matter of the portion of the meeting that is closed"). The disclosure of what topics will be discussed in a closed session is instead part of the written closing statement that is required by § 3-305(d)(2) of the Act. Under that separate provision, the Act requires the presiding officer, before a public body meets in closed session, to "make a written statement of the reason for closing the meeting, including a citation of the authority under [the Act], and a listing of the topics to be discussed." See § 3-305(d)(2) (emphasis added). Although the language HOC used previously was not always clear, HOC's agendas nonetheless indicated when closed sessions were anticipated. We thus find no violation as to its agendas and turn to the sufficiency of HOC's written closing statements.³

¹ Unless otherwise noted, statutory references are to the General Provisions Article of the Maryland Annotated Code.

² To be clear, if a public body recesses an open session to carry out an administrative function in a closed session, the required disclosures are different—and more relaxed—than if the public body is performing a covered function in closed session. *Compare* § 3-104 *with* § 3-305(d)(2). When a public body recesses to carry out an administrative function, instead of a preparing a written closing statement, the public body must include in the meeting minutes of its next open session: (1) a statement of the date, time, place, and persons present at the administrative function meeting; and (2) a phrase or sentence identifying the subject matter discussed at the administrative function meeting. *See* § 3-104. Because the submissions focused on HOC performing covered functions in closed sessions, we need not address this distinction further.

³ In addition to the written closing statements, HOC also provided us with the sealed minutes of the closed sessions. We maintain their confidentiality under § 3-206(b)(3).

2. Failure to provide adequate disclosures on written closing statements

The complainant alleges that HOC has failed to provide adequate information about its closed sessions in its written closing statements and has instead used "uninformative boilerplate." More specifically, the complainant focuses on information that HOC provides when it regularly claims exceptions related to acquisition of real property and compliance with other laws. *See* § 3-305(b)(3) (allowing for a closed session to "consider the acquisition of real property for a public purpose and matters directly related to the acquisition"); (b)(13) (allowing for a closed session to "comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter"). HOC responds that the language it uses follows the statutory requirements and sample forms and that it provides as much detail as possible while balancing the confidentiality of the information discussed in closed session.

Before entering a closed session, the Act requires the presiding officer to "make a written statement of the reason for closing the meeting, including a citation of the authority under [the Act], and a listing of the topics to be discussed." § 3-305(d)(2). Although HOC consistently cites to one or more exceptions under the Act, the complainant alleges that the topics of discussion and reason for closing the meeting are not sufficiently identified. Because this allegation is directed at multiple meetings but manifests in similar ways each time, we will address it by discussing one meeting that the complainant referenced multiple times as an example. On August 11, 2020, HOC identified two closed-session topics in its written statement: (1) "a potential real property acquisition" and (2) "confidential commercial and financial terms of a real estate transaction." The written statement explained that, as to the first topic, "public discussion of this topic could harm HOC's bargaining power," and that, as to the second topic, "public discussion of this topic could compromise confidential commercial and financial information."

We start with the first topic, which was closed under § 3-305(b)(3) (i.e., the "real property acquisition" exception). When HOC disclosed only that it would be discussing "a potential real property acquisition," it was essentially repeating the language of that exception. We have often explained that "[r]epetition of the words of the statute does not usually suffice as a description of the topic to be discussed and reason for closing." 8 OMCB Opinions 182, 186 (2013). At the same time, however, we have also recognized in the context of this exception that, "in some cases, the disclosure of the property or public use in question compromises the confidentiality of the discussion." Id. Because "there is no hard and fast rule for how much information is required in every circumstance," 7 OMCB Opinions 216, 224 (2011), we have advised public bodies to "disclose as much information as they can without compromising the confidentiality of matters discussed within the claimed exception," id. at 223. And "where the need for confidentiality is acute ... it is not up to us to assess the level of detail that preserves that confidentiality," 12 OMCB Opinions 5, 7-8 (2018), but rather up to the presiding officer who is responsible for the written closing statement, 7 OMCB Opinions 225, 229 (2011). While there may be instances where HOC could not reveal specific or otherwise identifying information about a particular acquisition, as to August 11, 2020, the submissions indicate HOC's concern about disclosing the specific location of the property but do not demonstrate that disclosing, in general terms, the nature or nonspecific location of the property, or the type of acquisition being explored, would have compromised the discussion. Indeed, HOC has now begun providing such information. We recognize that the information a public body can disclose without compromising the confidentiality of the discussion will vary with the circumstances, see 7 OMCB Opinions 225, 229 (2011), but the repeated use of the statutory language, without more, raises questions about whether the confidentiality of each acquisition is equally likely to be compromised or whether additional information could have been disclosed. HOC has committed to including more information going forward, as appropriate, but we nonetheless find a violation of \S 3-305(d)(2).

We turn now to the second topic, which was closed under $\S 3-305(b)(13)$ (i.e., the "other law" exception). The complainant alleges that HOC does not cite to a "specific constitutional, statutory, or judicially imposed requirement" when utilizing this exception. § 3-305(b)(13). When closing a meeting to comply with another law that prevents public disclosures about a particular matter, that statute must be identified in order for the public to fully understand the basis for closing the meeting. See 12 OMCB Opinions 93, 96 (2018) (finding a violation when a public body did not state that the Public Information Act was the statute that prohibited disclosure). Indeed, the model closing statement on the Office of the Attorney General website identifies the specific provisions of the Public Information Act that prohibit, in that example, the disclosure of job applications and letters of recommendation.⁴ HOC responds that each time it entered closed session under § 3-305(b)(13) it was to comply with the Public Information Act, but its written closing statement did not identify that statute. See Md. Code. Ann., Gen. Prov. § 4-335 (providing that "[a] custodian shall deny inspection of the part of a public record that contains . . . confidential commercial information" or "confidential financial information"). Although HOC's closing statements refer to "confidential commercial and financial information," using language that tracks the statute, the specific statute must be identified to provide necessary context for members of the public who may be less familiar with the provision being referenced. HOC has committed to including the specific statutory citation going forward, but we nonetheless find a violation of § 3-305(d)(2).

3. Failure to provide adequate disclosures in meeting minutes

The complainant alleges that the closed-session summaries in the meeting minutes do not provide the reason for closed sessions but merely parrot the claimed exception. The Act requires the minutes following a closed session to contain four elements: (i) a statement of the time, place, and purpose of the closed session; (ii) a record of the vote of each member as to closing the session; (iii) a citation of the authority under § 3-305 of the Act for closing the session; and (iv) a listing of the topics of discussion, persons present, and each action taken during the session. § 3-306(c)(2). The *reason* for closing the session (beyond citation of the relevant statutory authority) is not one of those four elements. Instead, the reason for closing the session is disclosed in the written closing statement made before a closed session occurs, rather than in the minutes made after. *See* § 3-305(d)(2). Although the meeting minutes might benefit from the same level of detail discussed above as it pertains to the topics discussed in closed session, HOC now provides the four elements required in a closed-session summary, as we noted in 15 *OMCB Opinions* 19 (2021). We thus find no violation.⁵

⁴ https://www.marylandattorneygeneral.gov/Pages/OpenGov/Openmeetings/default.aspx.

⁵ Additionally, the complainant alleges that HOC failed to post online its meeting minutes for June 12, June 21, August 23, and December 5, 2019. HOC admits that these minutes were inadvertently not posted but responds that they were posted a few days after the complainant's inquiry. Thus, this matter has been addressed and the oversight does not rise to the level of a violation. *See* 12 *OMCB Opinions* 83, 84 (2018) (finding no violation because the public body had not "selectively post[ed] its minutes, purposefully delayed posting them or denied the complainant the opportunity to inspect them").

4. Failure to comply with closed-session procedures while meeting remotely

The complainant alleges that HOC has improperly proceeded into closed session on at least three occasions while meeting remotely. As to a meeting on December 11, 2019, the complainant alleges that the video shows no motion to close the meeting, no announcement of the topics to be discussed or the reason for closing the meeting, and no written closing statement. With regard to the written closing statement, the complainant speculates that, because it was not shown on the video, it must have been prepared after the fact. HOC responds that a motion to close the meeting occurred at 1:03:29 of the video, and that a commissioner can be seen reading from part of the preprepared written statement.

Our review of the video confirms that HOC took a recorded vote on a motion to close, albeit out of order in the agenda. More specifically, although the agenda indicated that the closed session would come at the end of the meeting, HOC actually voted to close the meeting before it took up a development corporation matter—the last item of business on the agenda. After voting to close the meeting, HOC apparently realized that it had one more item of business, discussed that item in open session, and then moved to adjourn without clarifying that it was in fact entering the closed session that it had voted on earlier. This practice should be avoided because it can create confusion if a member of the public does not view the entirety of the meeting. In any event, the Act requires a recorded vote on a motion to close "[b]efore a public body meets in closed session." § 3-305(d)(2). Members of the public can reasonably expect that vote to occur before the closed session itself, not before a different item of business or merely at any point in the meeting prior to the closed session. We recognize, however, that HOC corrected itself at 1:05:10 of the video by informing members of the public—after voting to close the meeting—that they were in fact "welcome to stay" for discussion of the development corporation matter. Given the circumstances, we do not find that HOC's mistake and correction rise to the level of a violation.

As to the complainant's allegation that there was no announcement of the specific topics to be discussed in closed session or the reason for closing the meeting, we have frequently observed that the Act imposes no requirement to read the written closing statement aloud. See, e.g., 14 OMCB Opinions 92 (2020); 12 OMCB Opinions 10 (2018). There is similarly no requirement to affirmatively display the written closing statement. Instead, the written statement "is to be available immediately to a member of the public who requests it." 9 OMCB Opinions 29, 33 (2013); see also § 3-305(d)(4) (providing that the written closing statement is "a matter of public record"). That said, "[w]hen a public body is meeting virtually . . . we recommend that the presiding officer read the closing statement aloud so as to enable the public to object to closure." 15 OMCB Opinions 05 (2021); see also 12 OMCB Opinions 13, 14 (2018) (recognizing that "reading the closing statements aloud is a good practice" even during in-person meetings). Here, a written statement appears to have been available at the time the HOC decided to go into closed session, not only because the written statement was submitted to us but also because a portion of it was read aloud on the video. To its credit, HOC has committed to having the presiding officer read the written statement aloud and specifically ask whether anyone would like to object. We thus find no violation.

As to the meetings on August 11, 2020 and December 9, 2020, the complainant reiterates the same allegations but adds that there was no provision for a member of the public to object at the time of the vote to close the meeting. HOC responds that its Coronavirus Disease (COVID-19) – State of Emergency Open Meeting Procedures, posted on its website, provide contact

information (i.e., an e-mail address and phone number) that allows members of the public, if they wish, to obtain a copy of the written closing statement or to object to a closed meeting. As we recently explained, "the Act does not prescribe any particular means by which objections must be received." 14 *OMCB Opinions* 92, 97 (2020). Whatever method a public body chooses, however, the written statement "must be available at the time that the public body actually decides to go into closed session . . . because the Act anticipates the possibility that someone in attendance will object." 9 *OMCB Opinions* 46, 51 (2013). Notably, HOC has updated its meeting procedures to include instructions on how to object and will display the written closing statement on the virtual meeting screen so that the public can view the document during the vote to close the meeting. We commend these actions. In any event, the complainant has not alleged that he or any member of the public objected (or attempted to object) to a closed session, and the submissions indicate that the written closing statements were available upon request at the time of the closed sessions.⁶ Thus, we do not find a violation of the Act.

5. Failure to limit closed-session discussions to topics that fall within the Act's exceptions

Lastly, the complainant alleges that HOC has discussed topics in closed session that are outside of the claimed exceptions. More specifically, the complainant alleges that HOC discussed contract approvals and budget amendments in closed session and asserts that, because these are quasi-legislative functions, these topics must be discussed in open session. *See* § 3-101(j) (defining "quasi-legislative function" to include the "approving, disapproving, or amending" of a budget or a contract). HOC responds that, even if it is performing a function that is covered by the Act, it may still meet in closed session if the discussion falls under an exception listed in § 3-305(b).

The interaction between covered functions and exceptions is best illustrated by example. As we have recently explained in other contexts, "a public body cannot exclude the public from a meeting to discuss a contract *unless* the topic falls within one of the Act's fifteen exceptions." 14 *OMCB Opinions* 92, 93 (2020) (emphasis added); *see also* 10 *OMCB Opinions* 57, 58-59 (2016). In other words, the fact that a public body is performing a function that is covered by the Act does not *always* mean that the topic must be discussed in open session; that is the reason the exceptions in § 3-305(b) exist. *See* 7 *OMCB Opinions* 148, 165 n. 7 (2011) ("Although the act of approving a contract is a quasi-legislative function . . . , not all contracts embody a new policy decision that would exceed the scope of an exception."). Although these exceptions must be "strictly construed in favor of open meetings," § 3-305(a), we do not find that HOC automatically violated the Act each time it discussed contract approvals or budget amendments.

The more difficult question is whether the topics HOC discussed in closed session strayed beyond the Act's exceptions. To answer that question, we address the two most common topics identified by the complainant, contract approvals and budget amendments, as well as a third topic

⁶ The complainant has, however, alleged that he has since been unable to obtain copies of the written closing statements from 2019 and 2020. As we have explained, a person who wants to see meeting documents has two separate options: go to the public body's place of business and inspect them or ask the public body to send copies. 9 *OMCB Opinions* 218, 220 (2015). We recognize that the first option may be unavailable due to COVID-19 restrictions, but the second option remains—and is governed by the Public Information Act. Because our authority extends only to Open Meetings Act matters, we will not address Public Information Act disputes. *Id.; see also* § 3-204(a). In any event, HOC has begun to post its written closing statements online.

that the complainant identified on just one occasion, collective bargaining. We will discuss each general topic using select meetings to illustrate the nature of the allegations.

As for contract approvals, the complainant alleges that HOC approved a purchase contract for real property on January 9, 2019, and that this discussion should have occurred in public view. HOC responds that it is permitted under § 3-305(b)(3) to meet in closed session to "consider the acquisition of real property for a public purpose and matters directly related to the acquisition," and that this includes acquisition by purchase, lease, or easement. Although approval of a purchase contract is a quasi-legislative function that is subject to the Act, the submissions indicate that the discussion of this contract "directly related to the acquisition" of real property and thus fell within the exception. The complainant also alleges, however, that HOC approved a lease contract for the same property. As we have explained, the exception in § 3-305(b)(3) "does not apply to discussions about real property the public body already owns." 9 OMCB Opinions 29, 34 (2013). Here, the submissions indicate that HOC leased the same property it had acquired to another party "pursuant to the terms" of the purchase contract. From the submissions, which do not include the underlying contract, it is difficult to know to what extent the discussion of leasing the property could have been separated from discussion of its acquisition, and we cannot reach a conclusion on that point. If the lease was not "directly related to the acquisition," however, then it would fall outside the exception.7

Without the underlying contracts, we have limited knowledge about how each acquisition was structured, but we encourage HOC to consider what matters might be able to be conducted in public view without, as the written closing statement indicated, "harm[ing] HOC's bargaining power." This exception, which extends only to "matters *directly* related to the acquisition" of real property for a public purpose, is a discretionary exception and should not be applied to matters that can reasonably be separated from the acquisition or when the stated reason for closing the meeting is no longer applicable. § 3-305(b)(3) (emphasis added).

The complainant further alleges that HOC approved sale contracts in closed session. HOC acknowledges that § 3-305(b)(3) does not extend to the disposition of real property but responds that its discussions were instead closed under § 3-305(b)(13) to protect confidential commercial and financial information received from its development partners. The submissions indicate that HOC did in fact rely on that exception. As with the "real property acquisition" exception, however, the "other law" exception should not be applied to matters that can reasonably be separated from the information that is confidential. In reviewing the written closing statement for February 6, 2019, for example, it is not even clear that the sale of real property was a topic of discussion, nor is it clear the nature or type of information that was deemed confidential. The written closing statement merely refers to the "restructuring and funding" of an "ongoing real estate transaction," and states that public discussion of this topic "could compromise the confidentiality of commercial and financial information." Although we cannot determine from the submissions that the discussion exceeded the exception in § 3-305(b)(13), we caution that just because a public body might tangentially refer to a document or information that must be withheld under the Public Information Act for reasons of confidentiality, this does not necessarily mean that the *entire*

⁷ On a related note, the complainant alleged that HOC created an entity to own a different property on September 4, 2019. From the submissions, however, it is clear that the entity was created for the express purpose of acquiring the property and thus falls within the exception.

discussion can be conducted in closed session. Given the lack of detail in the closing statement, however, we find an additional violation of § 3-305(d)(2) beyond, as noted above, failing to identify the Public Information Act. *See* § 3-305(d)(2) (requiring "a written statement of the reason for closing the meeting, including a citation of the authority under [the Act], and a listing of the topics to be discussed"). Without at least a general description of the nature or type of information that was deemed confidential, the members of the public body—and members of the public—are unable to evaluate whether there is a sufficient reason to close the meeting.

As for budget amendments, the complainant alleges that HOC amended its budget on February 6, 2019, to include unspecified real estate costs. From the submissions, it does not appear that HOC was in fact amending its budget. Rather, it was approving funding for predevelopment costs that it anticipated would be incurred-that is, a specific project budget-as well as approving funding for predevelopment costs that had already been incurred. HOC asserts that discussions of predevelopment funding enable it to determine whether to consummate a purchase of real property, citing § 3-305(b)(3), and that these discussions involved confidential commercial and financial information that a potential development partner provided and would not normally release to the public, citing § 3-305(b)(13). The same applies to the meeting on July 1, 2020, except that HOC only cited to § 3-305(b)(13) because it was discussing predevelopment funding for a project on property that it already owned. That was the correct exception, although, as noted above, HOC failed to cite to the Public Information Act as the specific statutory requirement with which it was complying. In any event, to the extent these discussions involved commercial or financial information that is confidential under § 4-335 of the Public Information Act, the meetings could be closed to prevent its disclosure. Without any specific knowledge of what commercial or financial information HOC's development partners may have provided, we are unable to say whether, or to what extent, § 3-305(b)(13) may have been an appropriate basis for closing these sessions. Putting that aside, the written closing statement again did not give any indication of the nature or type of confidential information requiring protection. As a result, we find an additional violation of § 3-305(d)(2).

Finally, the complainant alleges that HOC exceeded the "collective bargaining" exception when it discussed non-union employees in a closed session on June 5, 2019. See § 3-305(b)(9) (allowing for a closed session to "conduct collective bargaining negotiations or consider matters that relate to the negotiations"). HOC explains that, generally, if it approves a wage adjustment for represented staff, it makes the same adjustment for non-represented staff. Therefore, when it approved a wage adjustment for represented staff on June 5, 2019, subject to union ratification, it also discussed and approved a wage adjustment for non-represented staff, because discussion of the latter in public would have compromised the confidentiality of the negotiations with the union. As we have explained, "collective bargaining agreements . . . are exceptions to the Act's general rule that contract approvals must be conducted in public." 9 OMCB Opinions 71, 76 (2013). Here, HOC disclosed the approval of both wage adjustments via the closed-session summary in its meeting minutes, but the written closing statement gave no indication that non-union employees would also be a topic of discussion. Had the written closing statement done so, the discussion could have fallen within the exception to the extent the discussion of non-represented staff actually related to ongoing negotiations with the union. See 3 OMCB Opinions 245, 249 (2002) (explaining that discussions must have a "direct and material bearing on the conduct of negotiations"). Discussions about extending an existing collective bargaining agreement to non-represented staff, on the other hand, would not. See 4 OMCB Opinions 99, 109 (2004). From the submissions, we

cannot determine whether HOC exceeded the claimed exception in this case but, because HOC failed to identify non-represented staff as a topic of the closed session, we find an additional violation of § 3-305(d)(2).

Conclusion

As to its closed-session procedures in 2019 and 2020, we find that HOC made progress but still violated § 3-305(d)(2) at times when it failed to provide sufficient detail about the reasons for closing the meeting and the topics to be discussed. As to the application of the Act's exceptions, in planning closed sessions going forward, we encourage HOC to consider what topics might be reasonably separated from the topic giving rise to the exception, so as to conduct its business in open session to the extent possible. To that end, we encourage public bodies to treat the written closing statement like an agenda for closed session, such that the topics and reasons for closing the meeting are clear and the discussion is limited to those topics for the reasons stated. We applaud HOC's commitment to continuous improvement. This opinion is subject to the acknowledgment requirement set forth in § 3-211.

Open Meetings Compliance Board

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