

6) Ethics

Question:

- Should the current conflict of interest and nepotism provisions be replaced with alternative ethics provisions?

Issues Identified:

- Under the current Charter, City Council could adopt an Ethics Ordinance
- However, provisions adopted in an Ethics Ordinance could conflict with the two current Charter ethics provisions if different:
 - **Personal Interest** - Any officer or employee with a substantial interest in a business or real property, as defined by chapter 171, shall comply with the chapter and shall abstain from voting on such matter.
 - **Nepotism** - No person shall be appointed to an office or be employed by the City of Denton who is related to any member of the council within the second degree of affinity or the third degree of consanguinity, and this shall apply to heads of departments in their respective departments.

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Committee Recommendation:

- Charter Language - Recommended adopting Charter language that City **Council shall adopt an ethics ordinance** that addresses 4 ethics components at a minimum
- Ethics Ordinance - In addition to recommended Charter language, the committee recommended several issues to be addressed at a minimum by Council in an ethics ordinance.
- Unanimous vote for approval on May 17

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Recommended Charter Language for Ethics:

The City Council shall adopt an ethics ordinance. At the minimum, the ethics ordinance shall incorporate the conflict of interest standards that appear in chapter 171 of the Texas Local Government Code and all state law as presently exist or may be hereafter amended or adopted. The Council may adopt more stringent standards than those that appear in state law, but the ethics ordinance shall at a minimum include the following components:

- (1) Definition of a prohibited improper economic interest and personal gain;
- (2) Definition of recusal and improper participation when a potential conflict of interest is present;
- (3) Avoidance of appearance of conflict of interest; and
- (4) Administration and enforcement of ethics ordinance coupled with strong and meaningful remedies for infraction.

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Recommended Elements of an Ethics Ordinance:

- Elected and appointed officials **shall recuse themselves** from any discussion or agenda item wherein a conflict or appearance of conflict of interest may exist. Recusal shall mean not only NOT VOTING but also not participating in discussions, deliberations, or lobbying regarding the matter or closely related matters, either in the public forums or otherwise.
- **Conflict** shall be at a minimum as defined in the state law and more stringent in that percentage of ownership shall not be greater than 2 % or \$ 500, whichever is less, nor income derived be greater than \$ 1,000 for either prior or current year. Conflict criteria shall apply to officials and appointees who have fiduciary relationships with parties with pecuniary interest in such matters.
- Elected and appointed officials **shall comply with all applicable laws of the State of Texas**, including but not limited to Local Government Code Chapter 145, Local Government Code Chapter 171, Local Government Code Chapter 176, Penal Code, Sections 36.02, 36.03, and 36.04.
- **Ethics complaints shall be heard by a three-person panel** with mediation and arbitration experience. Council shall select and determine remuneration for a panel pool of not less than seven so that a rotating sequence may be established.
- **A mandatory Ethics training regimen shall be adopted and enforced** for all elected and appointed public officials. The regimen shall address both introductory and ongoing training with a minimum of quarterly continuing education for Ethics.
- **Consideration shall be undertaken to include all city employees** under the Ethics Ordinance to promote employee ethics education, compliance and ongoing training. Care should be exercised to fully interface existing policies and procedures to avoid management conflicts.

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