



2025 Ethics Ordinance Proposed Amendments

Madison Rorschach

March 4, 2025

City Auditor



Ethics Ordinance Overview & Amendment Process

- The Ethics Ordinance provides:
 - Ethical guidelines and rules for certain City Officials; and
 - A mechanism (i.e., the Board of Ethics) for holding these City Officials accountable to those rules.
- Amendments to the Ethics Ordinance can be proposed by the Board of Ethics or the City Council but must be adopted by Council.



ID 25-300

Covered City Officials

City Council

- Mayor & Council Members

Boards & Commissions

- Board of Ethics Members
- Planning & Zoning Commissioners
- Board of Adjustment Members
- Historic Landmark Commissioners
- Public Utilities Board Members

Department Heads

- City Manager
- City Attorney
- Municipal Judge
- City Auditor

Discussion Today

- The Board of Ethics unanimously recommended (6-0) adopting the following proposed amendments:
 1. Restructure Ethics Ordinance Sec. 2-273(a) Conflicts of Interest; and
 2. Amend Sec. 2-281(c)(4) to clarify the evidentiary standard of review for Board of Ethics Hearings.
- For each proposal, Council can:
 - Give direction to adopt the amendment as recommended;
 - Give direction to adopt the amendment with changes;
 - Provide relevant direction to the Board of Ethics; or
 - Reject the amendment.

Proposal 1: Restructure Conflicts of Interest

- Conflicts of interest are normal and, themselves, not unethical.
 - Section is intended to provide the public with assurance that a City Official's personal life isn't inappropriately influencing their official duties not to limit a City Official's personal life.
- Ethics Ordinance Conflict of Interest prohibitions general: (1) define when a conflict of interest arises and (2) require recusal and disclosure when this occurs.

Proposal 1: Restructure Conflicts of Interest

1. Expands when Conflicts of Interest arise:

Elements	Current	Proposed
Who	A City Official	A City Official
When	Knowingly deliberated regarding a:	Knowingly participated in Deliberations involving a:
What	<p>Conflicting Interest:</p> <ul style="list-style-type: none">a. A Pending Matter:<ul style="list-style-type: none">a. An application seeking approval of a permit or other authorizationb. A proposal to enter into a contract/arrangement with the City for goods/services/real property/other things of value; orc. A case involving the City.b. A stake, share, equitable interest, or involvement in certain relationships.	<p>Conflict of Interest:</p> <ul style="list-style-type: none">a. Know, or should know that;b. Acting or failing to act in their official capacity;c. Is likely to impact the personal/financial interests of certain relationships;d. In a way not shared with a substantial segment of the City's population.



Deliberations include:

1. Discussions at the dais;
2. Voting as a Member of a Board/Commission;
3. Presentations as an audience member before any City Board/Commission;
4. Conversing/corresponding with other City Officials or Staff.

Proposal 1: Restructure Conflicts of Interest

2. Clarifies disclosure timelines:

~~(2)(3)~~ Disclosure Required. If a City Official recuses from Deliberations due to a ~~Conflicting Interest in a Pending Matter~~ Conflict of Interest, the City Official shall disclose the nature of the ~~Conflicting~~ Conflict of Interest by filing a sworn statement with the City Auditor. Disclosures under this subsection must be made within thirty (30) calendar days of the date on which the City Official became aware of or reasonably should have been aware of the Conflict of Interest arising and shall remain valid for the period covering one year (12 months) from the date of disclosure or until the Conflict of Interest is resolved, whichever occurs first. ~~be for the time period, including the previous calendar year, and up to date where the Conflicting Interest arises before the City Official.~~

Proposal 1: Restructure Conflicts of Interest

3. Adjusts the relationships that create a Conflict of Interest:

Current Ordinance:

- (A) ownership of five percent (5%) or more voting shares or stock in a Business Entity;
- (B) receipt of more than six-hundred dollars (\$600.00) in gross annual income from a Business Entity, as evidenced by a W-2, 1099, K-1, or similar tax form;
- (C) ownership of more than six-hundred dollars (\$600.00) of the fair market value of a Business Entity;
- (D) ownership of an interest in real property with a fair market value of more than six-hundred dollars (\$600.00);
- (E) serves on the Board of Directors or as an Officer of a Business Entity, unless the City Official was appointed to that position by the City Council;
- (F) serves on the Board of Directors (i.e., governing body) or as an Officer of a nonprofit corporation or an unincorporated association, unless the City Official was appointed to that position by the City Council; and/or
- (G) direct or indirect solicitation of an offer of employment for which the application is still pending, receipt of an offer of employment that has not been rejected, or acceptance of an offer of employment from or to a person or Business Entity within the past twelve (12) months;

A City Official is considered to have a Conflicting Interest if the City Official's Relative has a Conflicting Interest.

The term Conflicting Interest does not include ownership of an interest in a mutual or common investment fund that holds securities or assets unless the City Official participates in the management of the fund.

Proposed Amendment:

- (A) The City Official;
- (B) The City Official's Relative or Household Member;
- (C) A Client or Employer of the City Official;
- (D) A Client or Employer of the City Official's spouse, Domestic Partner, child, step-child, adoptive child, foster child, parent, step-parent, or Household Member;
- (E) A Business Entity in which the City Official, their spouse, or their Domestic Partner owns five percent (5%) or more voting shares or stock or owns more than six-hundred dollars (\$600.00) of the fair market value;
- (F) A Business Entity for which the City Official serves as an officer, director, or policy maker unless the City Official was appointed to that position by the City Council;
- (G) A nonprofit corporation or unincorporated association for which the City Official serves on a board or committee unless the City Official was appointed to that position by the City Council;
- (H) A person or Business Entity with whom the City Official, their spouse, or their Domestic Partner solicited, received, or accepted an offer of employment or business opportunity within the past twelve (12) months.

Proposal 1: Restructure Conflicts of Interest

3. Adjusts the relationships that create a Conflict of Interest:

Relative: ~~a family member related to a City Official within the third (3rd) degree of affinity (marriage) or consanguinity (blood or adoption) in accordance with Texas Government Code, Title 5, Subtitle B, Chapter 573. A spouse, Domestic Partner, child, step-child, adoptive child, foster child, parent, step-parent, sibling, parent's sibling, sibling's child, grandparent, step-grandparent, grandchild, step-grandchild; a child, parent, step-parent, sibling, parent's sibling, sibling's child, grandparent, step-grandparent, grandchild, step-grandchild of the City Official's spouse or Domestic Partner; another person claimed as a dependent on the City Official's latest individual state income tax return.~~

Domestic Partner: An adult, unrelated by blood, with whom an unmarried or separated City Official maintains an indefinite romantic or sexual relationship.

Household Member: Anyone whose primary residence is in the City Official's home, including non-relatives who are not rent-payers.

Proposal 1: Restructure Conflicts of Interest

3. Adjusts the relationships that create a Conflict of Interest:

Client: a person or Business Entity to which a City Official has supplied goods or services during the last twenty-four (24) months, having, in the aggregate, a value greater than \$2,500.

Proposal 2: Clarify the Evidentiary Standard

- Proposal to clarify the evidentiary standard of review for Board of Ethics Hearings.

- (4) *Responsibility to Establish Facts:* The Complainant shall present sufficient facts to establish that it is reasonably certain that a violation of this Article has occurred; a Complainant's failure to establish to a reasonable certainty that a violation of this Article has occurred shall be grounds for dismissal of a Complaint. *Burden of Proof:* ~~Because the burden of showing that a violation of this Article occurred is placed on the Complainant, it is the Complainant that has the obligation to put forth evidence, including testimony, supporting the Complaint.~~ The Complainant is required to testify at the hearing unless it the hearing is held to determine if an Accepted Complaint is frivolous. A Complainant's failure to testify at a hearing, other than a hearing held to determine frivolity, shall be grounds for dismissal of a Complaint.

Questions?

Annetta Ramsay

Chair

Board of Ethics

Madison Rorschach

Board of Ethics Staff Liaison

