

# Charter Review

Follow-up from  
Charter Review Committee Recommendations

July 18, 2017

# Background

---

- **October 11, 2016:** Council approved a resolution forming a Charter Review Committee (CRC)
  - Created a 21 person member committee to review seven areas for possible revisions to the Charter and to provide recommendations
- **December 2016 – May 2017:** Charter Review Committee Work
  - Held 8 Committee meetings and formed 3 subcommittees (Stipend, Recall, and Ethics) that held a total of 10 subcommittee meetings
  - Created a final report with recommendations on May 17, 2017
- **June 27, 2017:** CRC Chair Joe Mulroy presented the Committee's recommendations to Council

# Charges for the Charter Review Committee

#	Subject	Charge	CRC Recommendation
1	Districts	<ul style="list-style-type: none"> <li>Should the composition of the Council change to 6 single-member council districts and 1 at-large mayoral district? (Sec. 2.01)</li> </ul>	<ul style="list-style-type: none"> <li>No revision</li> </ul>
2	Terms	<ul style="list-style-type: none"> <li>Should the current 3 consecutive two-year term limitations be changed? (Sec. 2.01)</li> </ul>	<ul style="list-style-type: none"> <li>No revision</li> </ul>
3	District Residency	<ul style="list-style-type: none"> <li>Should the current one-year district residency eligibility requirement be amended? (Sec. 2.02)</li> </ul>	<ul style="list-style-type: none"> <li>Proposed revision</li> </ul>
4	Recall Percentage	<ul style="list-style-type: none"> <li>Should the percentage signature requirement for recall petitions be increased? (Sec. 4.13)</li> </ul>	<ul style="list-style-type: none"> <li>Proposed revision</li> </ul>
5	City Auditor	<ul style="list-style-type: none"> <li>Should the appointment, duties, and responsibilities of the city auditor be clarified? (Sec. 6.04)</li> </ul>	<ul style="list-style-type: none"> <li>Proposed revision</li> </ul>
6	Ethics	<ul style="list-style-type: none"> <li>Should the current conflict of interest and nepotism provisions be replaced with alternative ethics provisions? (Secs. 14.04 and 14.05)</li> </ul>	<ul style="list-style-type: none"> <li>Proposed revision to Charter and recommended ordinance elements</li> </ul>
7	Stipend	<ul style="list-style-type: none"> <li>Should a salary or stipend be established for council members?</li> </ul>	<ul style="list-style-type: none"> <li>Proposed revision</li> </ul>

# City Council Discussion

---

- City Council indicated no questions or concerns regarding the CRC's recommendations for Charges 1, 2, and 3
- Questions for follow-up and various options were discussed for Charges 4, 5, 6, and 7

# Charge #4 - Recall Petition

---

## Committee Recommendation:

- Increase the signature requirement for a recall petition from 25% of votes cast for that seat **to 35%**
  - Recognized community concerns
  - Reviewed recall standards of other communities; comparable communities were closer to 35%
  - Reviewed voter turnouts, voter registrations, and weighed using another method
  - Found that the last recall petition and election was anomaly
  - Recognized the considerable cost of recall elections; however, signatures required should not be unduly burdensome to voters

## Council Discussion:

- Who were the comparable communities?

## Options:

1. Change to 35% (CRC recommendation)
2. Modify recommendation
3. Leave as is

# Charge #5 - City Auditor

---

## Committee Recommendation:

Sec. 6.04. - City ~~Internal~~ Auditor.

~~The city auditor shall be appointed by the council and shall serve at the pleasure of the council, and shall perform such auditing duties as may be assigned from time to time by the council, or by the city manager at the direction of the council.~~

The City Internal Auditor shall be appointed by the City Council, shall serve at the pleasure of the City Council, and shall perform such auditing duties herein described or as may be assigned by the Council. The position of the City Internal Auditor is to be held on a continuous, fulltime basis. On an interim basis, the City Council may engage external independent auditing resources to accomplish the Internal Audit function.

The City Internal Auditor is responsible for providing (a) an independent appraisal of City operations to ensure policies and procedures are in place and complied with, inclusive of purchasing and contracting; (b) information that is accurate and reliable; (c) that assets are properly recorded and safeguarded; (d) that risks are identified and minimized; and (e) that resources are used economically and efficiently, and that the City's objectives are being achieved.

The City Internal Auditor is responsible for directing all internal audit functions for the City of Denton to eliminate waste, fraud, and abuse.

# Charge #5 - City Auditor

---

## Council Discussion:

- How are interim responsibilities handled for other appointed officials in the Charter?
- Should there be a time limit on an interim appointment?

## Options:

1. Adopt CRC recommended language
2. Modify recommended language
  - Strike last sentence "On an interim basis, the City Council may engage external independent auditing resources to accomplish the Internal Audit function"
  - Define specific timeframe for an interim basis (for example, does not exceed 18 months)

# Charge #6 - Ethics

---

## 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.

## Council Discussion:

- How does Charter language compare to the model city charter?
- Should employees be included in the Charter language?

# Charge #6 - Ethics

---

## CRC Recommended Charter Language:

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.

## Model City Charter:

- Both contain a conflict of interest provision
- Both contain an enforcement mechanism
  - Model City Charter contains language for the creation of an independent board of ethics
  - The CRC recommended creation of a three-person panel with mediation and arbitration experience be an element of the ethics ordinance

# Charge #6 - Ethics

---

## Options:

1. Adopt CRC recommended Charter language
2. Modify recommended Charter language
3. Other

*Note: The CRC recommended elements for an Ethics Ordinance (on the following slide for reference)*

# CRC 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.

# Charge #7 - Salary or Stipend

---

## **Committee Recommendation:**

- A stipend of \$750/month for Council Member and \$1,000/month for Mayor; Council can vote to increase a maximum of 3% annually

## **Council Discussion:**

- How does Charter language compare to the model city charter?
- General discussion if an amount should be named in the Charter, what amount, and process to annually determine

# Charge #7 - Salary or Stipend

---

## Model City Charter:

- Does not define an amount; annual salary shall be determined by ordinance
- States that salary shall not become effective until after the next regular election
- Includes that mayor and council members should be reimbursed for expenses incurred in performing their duties

## Options:

1. Adopt CRC recommended language
2. Modify recommended language

# Next Steps

---

- Provide direction on recommended changes to the Charter
- Draft ballot language to meet deadline to file a November election with the County
- Timeline
  - August 1 City Council meeting
    - Review draft ballot language
  - August 16 City Council meeting
    - Consideration of an ordinance to call an election
  - August 21 – Deadline to file with the County for a November 2017 election