



# City of Denton

City Hall  
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## AGENDA INFORMATION SHEET

**DEPARTMENT:** City Manager's Office

**CM/ DCM/ ACM:** Bryan Langley

**DATE:** December 12, 2017

### SUBJECT

Consider adoption of an ordinance of the City of Denton authorizing the City Manager, or designee, to execute non-disclosure or confidentiality agreements as needed; providing for a repealer; providing for a severability clause; and providing for an effective date.

### BACKGROUND

In the course of operations, the City of Denton is sometimes asked by private parties to execute Non-Disclosure Agreements (NDA) or Confidentiality Agreements (CA). The purpose of these agreements is to protect the identity of private businesses, the nature of their discussions with the City, and/or proprietary or confidential information each may be providing to each other. While infrequent, these requests usually are related to Economic Development or Denton Municipal Electric (DME) issues. Common examples of these requests include the following:

- As part of our efforts to recruit businesses to the community, we receive requests from companies to keep information confidential for competitive reasons. These companies have indicated concerns about competition for clients and/or employees; financial information relating to their investors (stocks) or information needed to discuss incentives; land acquisitions; and occasionally proprietary information such as salaries or number of employees.
- When we receive leads from the Governor's Office or other development agencies, each lead requests a NDA and provides a project name, not the company's name, in order to protect the identity of the company and preserve their interest in locating an operation in the City of Denton.
- When property acquisitions are involved in an economic development recruitment, companies sometimes request a NDA so that land owners do not know their identity and potentially increase the price of the property.
- DME receives requests for NDAs from power supply companies. These requests primarily are concerned with protecting their pricing information or other proprietary information.

In short, there are situations when executing a NDA or CA are appropriate to consider if the circumstances warrant it. In the past, staff has executed these documents without any formal authorization from the City Council. As such, staff is proposing that the Council approve the attached ordinance. It authorizes the following:

- The City Manager, or designee, is authorized to execute NDAs or CAs after any such agreement has been approved by the City Attorney.

- The City Manager will maintain a copy of all agreements executed. As currently contemplated, this information will be managed by our new Compliance Officer.
- Beginning January 1, 2018, the City Manager will provide the City Council with a list of all agreements executed on a quarterly basis.

It is the intent of management to only initiate a NDA or CA when it is absolutely necessary and in the best interest of the City of Denton. As such, while these agreements may need to be used in some circumstances, we expect to be judicious in the number of agreements that are approved and to institute a review process to ensure this information is properly communicated to the Council.

### **RECOMMENDATION**

Staff recommends approval of the attached ordinance.

### **STRATEGIC PLAN RELATIONSHIP**

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area: Organizational Excellence**

**Related Goal: 1.1 Manage financial resources in a responsible manner**

### **EXHIBITS**

1. Agenda Information Sheet
2. Ordinance

Respectfully submitted:  
Bryan Langley  
Deputy City Manager