



MEMORANDUM

DATE: July 14, 2025
TO: Board of Ethics
FROM: Madison Rorschach, City Auditor
SUBJECT: Advisory Opinion Responses Report

Background

In accordance with the Board of Ethics Rules of Procedure Section C. Advisory Opinions, information on Advisory Opinion requests should be reported to the Board of Ethics at the next regular meeting. Specifically, the Rules of Procedure outline the following timelines to guide the City Auditor in how to process an Advisory Opinion request:

Timeline for Request Submission	Assigned To
More than Ten Business Days	Three-Member Panel of the Board
More than Five Business Days	Special Counsel
Less than Five Business Days	Provide Information on Prohibitions

As a reminder, Advisory Opinion panels issue written guidance to City Officials regarding how the Code of Ethics applies (if at all) to a particular situation or behavior and may contain conclusions and/or recommendations.

During May 2025, the City Auditor received one request for advice on interpreting the Ethics Ordinance's prohibitions within the 10-day time frame needed for a Panel of the Board of Ethics to issue the opinion. As such, the issued Advisory Opinion is attached for the Board of Ethics' consideration, discussion, and potential direction.¹

Provided Responses

1. 25-001 Affordable Housing Projects (Commissioner Sherri McDade)

¹ It should be noted that it is an affirmative defense to a Complaint that the Respondent relied upon an Advisory Opinion given certain conditions.



June 13, 2025

Denton Planning and Zoning Commissioner Sherri McDade
215 E. McKinney
Denton, Texas 76201

Advisory Opinion

Advisory Opinion No. 25-001: Pertaining to Request for Advisory Opinion No. 25-001, received May 20, 2025, from Denton Planning and Zoning Commissioner Sherri McDade, (“Commissioner McDade”) concerning potential conflicts of interest and recusal recommendation that may arise with respect to her employment as the CEO of the Denton Housing Authority.

Commissioner McDade:

Pursuant to Section 2-278 of the Ethics Ordinance, a panel of the Board of Ethics convened on June 2, 2025 to deliberate on your request and has rendered the opinion given below. The members of the panel were Panel Chair Dustin Pavelek, Panel Member Andrea Eberhard and Panel Member Kenneth Ferguson.

Questions Presented:

Based on the request received, the Board of Ethics appointed a panel to determine if Commissioner McDade’s employment with the Denton Housing Authority, (“Authority”), would require her to recuse or abstain from the following:

1. Any Deliberation or vote of the Planning and Zoning Commission on any item, project, proposed development project, or potential development project which involves the Authority in any way, no matter how remote, or which purports to be affordable housing;
2. Any discussion with City of Denton staff or other City Officials (e.g., Planning and Zoning Commissioner, City Council Members, etc.) on any item, project, proposed development project, or potential development project which involves the Authority in any way, no matter how remote, or which purports to be affordable housing;
3. Any Deliberation or vote of the Planning and Zoning Commission on any item, project, proposed development project, or potential development project which involves any developer, vendor, or other entity with which the Authority has or has had any business relationship;
4. Any discussion with City of Denton staff or other City Officials (e.g., Planning and Zoning Commissioner, City Council Members, etc.) on any item, project, proposed development project,

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or potential development project which involves any developer, vendor, or other entity with which the Authority has or has had any business relationship;

5. Any Deliberation or vote of the Planning & Zoning Commission on any item, project, proposed development project, or potential development project, which involves multifamily or affordable housing; and

6. Any discussion with City of Denton staff or other City Officials (e.g., Planning and Zoning Commissioner, City Council Members, etc.) on any item, project, proposed development project, or potential development project, which involves multifamily or affordable housing.

Background:

The Ethics Ordinance (i.e., City of Denton Code of Ordinances, Chapter 2, Article XI, Sec. 2-278, allows any City Official to request an Advisory Opinion on a question of compliance with the Ordinance. A request is forwarded to a three-member Panel of the Board of Ethics, which must issue a written Advisory Opinion within 30 calendar days. Per the Board of Ethics' Rules of Procedure, an Advisory Opinion should be based on the facts presented in writing by the requestor without additional material being considered. The Panel shall issue the written opinion based on the majority position of the Panel. The Advisory Opinion may contain conclusions and recommendations regarding how the Ethics Ordinance applies (if at all) to a particular situation or behavior.

Questions # 1 and # 2:

The Panel considered questions # 1 and # 2 together because the definition of "Deliberation" covered both questions.

1. Any Deliberation or vote of the Planning and Zoning Commission on any item, project, proposed development project, or potential development project which involves the Authority in any way, no matter how remote, or which purports to be affordable housing;

2. Any discussion with City of Denton staff or other City Officials (e.g., Planning and Zoning Commissioner, City Council Members, etc.) on any item, project, proposed development project, or potential development project which involves the Authority in any way, no matter how remote, or which purports to be affordable housing;

The Panel found that the Denton Ethics Ordinance Sec. 2-268 (a) applied to City Officials and that a Member of the Planning and Zoning Commission was a City Official as defined by the Ethics Ordinance. The Panel also found that the Authority was within the definition of a "Business Entity" as defined in Sec. 2-269 of the Ethics Ordinance. The Panel further found that Sec. 2-273, Prohibitions, (a) Conflicts of Interest (B), receives more than six hundred dollars (\$600.00) in gross annual income, and (E) Service of the Business Entity as an Officer, apply to Commissioner McDade's employment as the CEO of the Authority.

Answer:

The Panel considered Ethics Ordinance Sec. 2-273 (a) (2) Deliberations Prohibited and found that the Deliberation in question 1 and the discussion within question 2 were prohibited.

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The Panel recommended that Commissioner McDade follow the Disclosure Requirements of Ethics Ordinance Sec. 2-273 (a) (3) and recuse herself from any of the activities in questions #1 and # 2.

Questions # 3 and # 4:

The Panel considered questions # 3 and # 4 together based on the above finding that the definition of “Deliberation” covered both questions.

3. Any Deliberation or vote of the Planning and Zoning Commission on any item, project, proposed development project, or potential development project which involves any developer, vendor, or other entity with which the Authority has or has had any business relationship;
4. Any discussion with City of Denton staff or other City Officials (e.g., Planning and Zoning Commissioner, City Council Members, etc.) on any item, project, proposed development project, or potential development project which involves any developer, vendor, or other entity with which the Authority has or has had any business relationship.

Answer:

The Panel found that there were not enough facts stated for the Panel to render an Advisory Opinion.

The Panel recommended that the Commissioner should request another Advisory Opinion with specific facts on a case-by-case basis on how the Authority is involved in any item, project, proposed development project, or potential development project which involves any developer, vendor, or other entity with which the Authority has or has had any business relationship

Questions # 5 and # 6:

The Panel considered questions # 5 and # 6 together based on the above finding that the definition of “Deliberation” covered both questions.

5. Any Deliberation or vote of the Planning & Zoning Commission on any item, project, proposed development project, or potential development project, which involves multifamily or affordable housing; and
6. Any discussion with City of Denton staff or other City Officials (e.g., Planning and Zoning Commissioner, City Council Members, etc.) on any item, project, proposed development project, or potential development project, which involves multifamily or affordable housing.

Answer:

The Panel found that there were not enough facts stated for the Panel to render an Advisory Opinion.

The Panel recommended that the Commissioner should request another Advisory Opinion with specific facts on a case-by-case basis on how the Authority is involved in the Multi-Family Project or the Affordable housing Project



Dustin Pavelek
Panel Chair
City of Denton Board of Ethics

***This opinion pertains only to the relevant sections of the City of Denton Ethics Ordinance. It is not intended as legal advice and does not absolve any party of obligations that may exist under other applicable law (e.g., Texas Local Government Code Chapter 171). All parties are encouraged to consult competent legal counsel concerning their obligations under the law. ***

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