



# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Meeting Agenda

### Board of Ethics

---

Monday, December 4, 2023

5:30 PM

Council Work Session Room

---

#### **REGISTRATION GUIDELINES FOR ADDRESSING THE BOARD OF ETHICS**

Citizens are also able to participate in the following way (NOTE: Other than public hearings, citizens are only able to comment one time per agenda item; citizens cannot use both methods to comment on a single agenda item. Public comments are not held for work session reports.):

- eComment – On November 30, 2023, the agenda was posted online at <https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>. Once the agenda is posted, a link to make virtual comments using the eComment module will be made available next to the meeting listing on the Upcoming Events Calendar. Within eComment, citizens may indicate support or opposition and submit a brief comment about a specific agenda item. Comments may be submitted up until the start of the meeting at which time the ability to make an eComment will be closed. Similar to when a citizen submits a white card to indicate their position on an item, the eComments will be sent directly to members of the Board of Ethics and recorded by the Secretary.

Members review comments received in advance of the meeting and take that public input into consideration prior to voting on an agenda item. The Chair will announce the number of Comment Cards submitted in support or opposition to an item during the public comment period. Comments will not be read during the meeting. The Secretary will reflect the number of comments submitted in favor/opposition to an item, the registrant's name, address, and (summary of) comments within the Minutes of the Meeting, as applicable.

After determining that a quorum is present, the Board of Ethics of the City of Denton, Texas, will convene in a Regular Meeting on Monday, December 4, 2023 at 5:30 p.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items will be considered:

#### **REGULAR MEETING**

##### **1. PRESENTATIONS FROM MEMBERS OF THE PUBLIC**

This section of the agenda permits a person to make comments regarding public business on items as listed on the agenda and in-person presentations (allows for comments on items not listed on the agenda.) Each speaker will be allowed a maximum of three (3) minutes with up to five speakers per meeting.

##### **2. ITEMS FOR CONSIDERATION**

[BOE23-050](#) Consider approval of minutes for November 6, 2023.

[Estimated Presentation/Discussion Time: 5 minutes]

Attachments: [Exhibit 1 - Draft Minutes](#)

[BOE23-051](#) Receive a report, hold a discussion, and take necessary action regarding Code of Ordinances Chapter 2, Article XI (Ethics), Sec. 2-269 Definitions and Sec. 2-273

Prohibitions.

[Estimated Presentation/Discussion Time: 60 minutes]

**Attachments:**      [Exhibit 1 - Agenda Information Sheet.pdf](#)  
                                 [Exhibit 2 - Presentation.pdf](#)

[BOE23-052](#)      Management Reports

1. Board of Ethics Alternates City Council Discussion Outcome

[Estimated Presentation/Discussion Time: 5 minutes]

**Attachments:**      [Board of Ethics Alternates City Council Discussion Outcome.pdf](#)

[BOE23-053](#)      Receive a report, hold a discussion, and give staff direction regarding future meeting topics.

[Estimated Presentation/Discussion Time: 10 minutes]

**Attachments:**      [Exhibit 1 - Agenda Information Sheet.pdf](#)  
                                 [Exhibit 2 - Board of Ethics Tentative Meeting Topics \(December 2023\).pdf](#)

NOTE: The Board of Ethics reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

CERTIFICATE

I certify that the above notice of meeting was posted on the official website (<https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on November 30, 2023, in advance of the 72-hour posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

\_\_\_\_\_  
OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST 48 HOURS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.



# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Legislation Text

---

**File #:** BOE23-050, **Version:** 1

---

### **AGENDA CAPTION**

Consider approval of minutes for November 6, 2023.

[Estimated Presentation/Discussion Time: 5 minutes]

## City of Denton Board of Ethics

After determining that a quorum was present, the Board of Ethics of the City of Denton, Texas, convened in a Regular Meeting on Monday, November 6, 2023, at 5:30 p.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas.

**PRESENT:** Chair Ramsay, and Members Eberhard, Reinke, Zoltner, Pryor and Alternate Member Rayner.

**ABSENT:** Vice-Chair Pavelek.

### 1. PRESENTATION FROM MEMBERS OF THE PUBLIC

None.

### 2. ITEMS FOR CONSIDERATION

#### A. **BOE23-042** Receive nominations and hold an election of a Chair and Vice Chair.

Member Zoltner nominated Annetta Ramsay to serve as Chair. Motion carried.

AYES (6): Chair Ramsay, and Members Eberhard, Reinke, Zoltner, Pryor and Alternate Member Rayner.

NAYS (0): None.

ABSENT (1): Vice-Chair Pavelek.

Member Zoltner nominated Dustin Pavelek to serve as Vice-Chair. Motion carried.

AYES (6): Chair Ramsay, and Members Eberhard, Reinke, Zoltner, Pryor and Alternate Member Rayner.

NAYS (0): None.

ABSENT (1): Vice-Chair Pavelek.

#### B. **BOE23-047** Consider approval of minutes for October 2, 2023.

Member Reinke moved to approve the minutes as presented; motion seconded by Member Eberhard. Motion carried.

AYES (5): Chair Ramsay, and Members Eberhard, Reinke, Zoltner, and Alternate Member Rayner.

NAYS (0): None.

ABSTAIN (1): Member Pryor.

ABSENT (1): Vice-Chair Pavelek.

#### C. **BOE23-046** Hold a discussion and consider changes to the start time of regular Board of Ethics meetings.

The item was presented, and discussion followed.

Alternate Member Rayner moved to keep the current meeting time of 5:30 pm; motion seconded by Member Pryor. Motion carried.

AYES (4): Members Eberhard, Zoltner, Pryor and Alternate Member Rayner.

NAYS (1): Chair Ramsay.

ABSTAIN (1) Member Reinke.

ABSENT (1): Vice-Chair Pavelek.

**D. BOE23-043** Receive training and hold a discussion regarding the City of Denton Code of Ordinances Chapter 2, Article XI (Ethics).

The item was presented, and discussion followed.

**E. BOE23-045** Receive a report, hold a discussion, and take necessary action regarding Code of Ordinances Chapter 2, Article XI (Ethics), Sec. 2-269 Definitions and Sec. 2-273 Prohibitions.

The item was presented, and discussion followed. The Board gave staff direction to bring back options on how the conflict of interest prohibition could be amended based on their discussion.

Staff was directed to bring back additional options, focusing on what's to be eliminated and replaced.

**F. BOE23-048** Management Reports

1. October 2023 Advisory Opinion Responses Report
2. Board of Ethics Alternates Upcoming City Council Discussion

The item was presented, and discussion followed.

**G. BOE23-049** Receive a report, hold a discussion, and give staff direction regarding future meeting topics.

The item was presented, and discussion followed.

With no further business, the meeting was adjourned at 6:57 p.m.

---

Annetta Ramsay  
Chair

---

Tammy Peal  
Recording Secretary

MINUTES APPROVED ON: \_\_\_\_\_



# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Legislation Text

---

**File #:** BOE23-051, **Version:** 1

---

### **AGENDA CAPTION**

Receive a report, hold a discussion, and take necessary action regarding Code of Ordinances Chapter 2, Article XI (Ethics), Sec. 2-269 Definitions and Sec. 2-273 Prohibitions.

[Estimated Presentation/Discussion Time: 60 minutes]



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Internal Audit

**CITY AUDITOR:** Madison Rorschach

**DATE:** December 4, 2023

### **SUBJECT**

Receive a report, hold a discussion, and take necessary action regarding Code of Ordinances Chapter 2, Article XI (Ethics), Sec. 2-269 Definitions and Sec. 2-273 Prohibitions.

### **BACKGROUND**

On November 6, the Board of Ethics discussed potential alternative definitions for “Pending Matter” and gave Staff direction to bring back options for how the Conflict of Interest Prohibition (i.e. Code of Ordinance Chapter 2 Article XI (Ethics) Sec. 2-273 (a)) could be amended based on their discussion.

Based on a review, of peer city ethics ordinances, Weschler’s model code, and the City of Denton’s employee ethics policy, there are generally three areas of code that shape a conflict of interest prohibition.

Area of Code	Discussion/Decision Points
Broad v. Specific Rules	<ul style="list-style-type: none"><li>• Have a general conflict of interest rule?</li><li>• Have a specific conflict of interest rule(s)?</li><li>• What circumstances create a conflict of interest?</li></ul>
Relevant Relationships	<ul style="list-style-type: none"><li>• What relationships create a conflict of interest?</li><li>• What circumstances create a conflict of interest?</li></ul>
Disclosure and Recusal Requirements	<ul style="list-style-type: none"><li>• What activities must be disclosed?</li><li>• What does disclosure require?</li><li>• What activities must be recused?</li><li>• What does recusal require?</li></ul>

Based on this information, Staff expects to this to be the first of a four-part discussion regarding the conflict of interest prohibition framework.

### **DISCUSSION**

This first discussion will focus on the General v. Specific Rules areas of the code. In addition, the City has currently adopted specific conflict of interest rules. If the Board wishes to change these staff will bring back additional discussions.

In general, there are three options for creating conflict of interest prohibition rules.

1. Have just specific conflict of interest rules (current state);
2. Have just general conflict of interest rules; or
3. Have both general and specific conflict of interest rules.

To inform the discussion, Staff has pulled five examples from benchmarking codes to illustrate the continuum between general and specific rules. These are briefly outlined below:

Direction		Key Terms	Focuses On
1	Houston	None	Conflicting Activities
2	Ethics Policy	Personal & Financial Considerations/Interests	Impact to Interests
3	Model Code	Personal & Financial Benefits	Resulting Benefits
4	San Marcos	Affect, Benefit, Economic Interest	Affected Interests
5	Dallas	Affect, Benefit, Economic Interest, Substantial Economic Interest	Affected Interests

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

May 1, 2018: Ethics Ordinance Adopted by City Council

Jun. 2, 2020: Ethics Ordinance Amended by City Council based on Board of Ethics Recommendations

Jan. 25, 2022: Ethics Ordinance Amended by City Council

Jul. 19, 2022: Ethics Ordinance Amended by City Council based on Board of Ethics Recommendations

Jul. 18, 2023: Ethics Ordinance Amended by City Council based on Board of Ethics Recommendations

**EXHIBITS**

1. Agenda Information Sheet
2. Presentation

Respectfully submitted:  
Madison Rorschach, 940-349-7228  
City Auditor





# Proposed Amendments to the Ethics Ordinance

---

Board of Ethics

December 4, 2023

# Conflict of Interest Prohibition Discussion: Framing the Discussion

Area of Code	Discussion/Decision Points
Broad v. Specific Rules	<ul style="list-style-type: none"><li>• Have a general rule?</li><li>• Have a specific rule?</li><li>• What circumstances create COI?</li></ul>
Relevant Relationships	<ul style="list-style-type: none"><li>• What relationships create COI?</li><li>• What circumstances create COI?</li></ul>
Disclosure & Recusal Requirements	<ul style="list-style-type: none"><li>• What activities must be disclosed?</li><li>• What does disclosure require?</li><li>• What activities must be recused?</li><li>• What does recusal require?</li></ul>

## Potential Direction for Today:

1. Have just specific conflict of interest rules;
2. Have just general conflict of interest rules; or
3. Have both general and specific conflict of interest rules.



# Conflict of Interest Prohibition Discussion: Code Examples – Houston (Direction 1)

**Sec. 18-3. - Standards of conduct.**

**(a) It shall be unlawful for any city official to:**

**(1) Engage in any business or professional activity that conflicts with the discharge of official duties.**

- Least specific/most broad
- Does not say “conflict of interest”
- Provides minimal guidance to City Officials on relevant circumstances
- Focuses on conflicting activity – no comparison baseline



# Conflict of Interest Prohibition Discussion: Code Examples – Denton Ethics Policy (Direction 2)

A conflict of interest is a situation in which personal and/or financial considerations actually have or may have the potential to influence or compromise professional judgment or actions. Conflicts of interest are challenging organizational concerns because they are subject to sensitivities based on perception. In order to manage the associated risks, real or perceived, it is the City's policy to address conflicts of interest through disclosure and recusal.

## A. General Rules

Employees shall be proactive and transparent with any relationships that create an actual or potential conflict of interest. Employees shall avoid actions or conduct that they know, or should know, is likely to impact the personal or financial interests of:

- Slightly less broad
- Does not define personal or financial considerations/interests
- Provides limited guidance to City Officials on relevant circumstances
- Focuses on impacts to interests – no comparison baseline



# Conflict of Interest Prohibition Discussion: Code Examples – Model Code (Direction 3)

a. An **official or employee\*** may not use his or her official position or office, or take or fail to take any action, or influence others to take or fail to take any action, in a manner which he or she knows, or has reason to believe, may result in a **personal\*** or **financial benefit\***, not shared with a substantial segment of the city's population, for any of the following persons or entities (no group of government employees may be considered "a substantial segment" for the purposes of this provision):

- Middle option on the general to specific continuum
- Defines personal and financial benefits/interests broadly
- Provides some guidance to City Officials on relevant circumstances
- Focuses on resulting benefit(s) not being shared with a substantial segment of the public





# Conflict of Interest Prohibition Discussion: Code Examples – San Marcos (Direction 4)

(a) *General rule.* It is unlawful for a city official or employee to take any official action that he or she knows is likely to:

(1) Affect an economic interest of:

- More specific option
- Defines economic interests and benefits
- Provides guidance to City Officials on relevant circumstances & to the ethics body on interpreting “affect”
- Focuses on affect to economic interest(s) being substantially different from the public or substantial segment of the public



# Conflict of Interest Prohibition Discussion: Code Examples – Dallas (Direction 5)

(a) Economic interests affected. To avoid the appearance and risk of impropriety, a city official or employee shall not take any official action that the city official or employee knows is likely to affect particularly the economic interests of:

AND

(b) Substantial economic interests affected. To avoid the appearance and risk of impropriety, a city official or employee shall not take any official action that the city official or employee knows is likely to affect particularly the substantial economic interests of:

- Most specific option
- Defines economic interests, benefits, and substantial economic interests
- Provides guidance to City Officials on relevant circumstances & to the ethics body on interpreting “affect”
- Focuses on affect to economic interest(s) being substantially different from the public or substantial segment of the public



# Conflict of Interest Prohibition Discussion:

## Summary of Potential Directions

Direction		Focus On		Financial		Personal	
1	Houston	Behavior		Not Mentioned		Not Mentioned	
2	Ethics Policy	Impact		No Specific Definitions		No Specific Definitions	
3	Model Code	Resulting Benefit(s) Substantial from Public	Benefit:	<ul style="list-style-type: none"><li>• Money, service, license, permit, contract, authorization, loan, discount, travel, entertainment, gratuity, or hospitality</li><li>• Any promise of these things</li><li>• Anything else of value</li></ul>	Benefit:	<ul style="list-style-type: none"><li>• Financial benefits to relatives or business associates</li><li>• Non-financial benefits such as to reputation or success of one’s career</li></ul>	
			Interest:	<ul style="list-style-type: none"><li>• Relationship to something such that a direct or indirect financial benefit has, will, or might be received</li></ul>	Interest:	<ul style="list-style-type: none"><li>• Relationship to something such that a personal benefit has, will, or might be obtained by certain action or inaction</li></ul>	
4	San Marcos	Affect on Interest(s) Distinguishable from public	Economic Interest:	<ul style="list-style-type: none"><li>• Legal or equitable interest in real, personal, or intangible property or contractual right</li></ul>	Benefit:	<ul style="list-style-type: none"><li>• Anything reasonably regarded as pecuniary gain or pecuniary advantage</li><li>• Money, real or personal property, purchase, sale, lease, contract, option, credit, loan, discount, service</li><li>• Tangible or intangible thing of value</li></ul>	
5	Dallas	Affect on Interest(s) Distinguishable from public	Economic Interest:	<ul style="list-style-type: none"><li>• Legal or equitable property interest in land, chattels, &amp; intangibles and contractual rights having more than de minimis value</li></ul>	Benefit:	<ul style="list-style-type: none"><li>• Anything reasonably regarded as pecuniary gain or pecuniary advantage</li></ul>	
		Substantial Economic Interest	<ul style="list-style-type: none"><li>• More than 10% of shares, stock, ownership interest, or the fair market value or more than \$15,000 of the fair market value of a business entity</li><li>• More than 10% of gross annual income from a business entity</li><li>• More than \$2,500 in fair market value of real property</li></ul>				

16



# Questions?

**Madison Rorschach**

**Board of Ethics Staff Liaison**

**City Auditor**





# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Legislation Text

---

**File #:** BOE23-052, **Version:** 1

---

### AGENDA CAPTION

#### Management Reports

1. Board of Ethics Alternates City Council Discussion Outcome  
[Estimated Presentation/Discussion Time: 5 minutes]



## **MEMORANDUM**

**DATE:** December 4, 2023  
**TO:** Board of Ethics  
**FROM:** Madison Rorschach, City Auditor  
**SUBJECT:** Board of Ethics Alternates Discussion Outcome

On November 7, 2023, the City of Denton City Council discussed the composition of several boards and commissions. Based on this discussion, the City Council gave staff direction to eliminate the Board of Ethics alternate member positions.

An ordinance amending the City's Code of Ordinances to reflect this change will be considered by the City Council on December 12, 2023, and will become effective immediately upon passage. This ordinance does not allow current alternate members to complete their unexpired terms as the positions will be eliminated, meaning any alternate members will immediately roll off the Board of Ethics upon its passage.



# City of Denton

City Hall  
215 E. McKinney St.  
Denton, Texas 76201  
[www.cityofdenton.com](http://www.cityofdenton.com)

## Legislation Text

---

**File #:** BOE23-053, **Version:** 1

---

### **AGENDA CAPTION**

Receive a report, hold a discussion, and give staff direction regarding future meeting topics.

[Estimated Presentation/Discussion Time: 10 minutes]



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Internal Audit  
**CITY AUDITOR:** Madison Rorschach  
**DATE:** December 4, 2023

### **SUBJECT**

Receive a report, hold a discussion, and give staff direction regarding future meeting topics.

### **BACKGROUND**

City of Denton Code of Ordinances Chapter 2, Article XI (Ethics), Sec. 2-277 (i) states that the Board of Ethics may recommend amendments to Article XI (i.e., the Ethics Ordinance) to the City Council from time to time.

### **DISCUSSION**

Based on direction received at previous meetings the following meeting topics have been proposed.

<b>Topic</b>	<b>Est. Time</b>
Review Complaint Reconsideration Process	0:30
Comprehensive Review of Current Sanctions; Frivolous Sanctions	1:30
Definition of Pending Matter	1:30
Conflict of Interest Financial Thresholds/Definitions	1:30
Preliminary Panel Member Objection Process	0:30
COI: Campaign Contributions	0:30
COI: Recent Business Opportunity Negotiations	0:30
COI: Client Relationships	0:30
COI: Debtor/Creditor Relationships	0:30
Order to Show Cause Process	0:45
Potential Campaign Financing Restrictions	0:30

To help plan for future meetings, a document outlining tentative future meeting topics has been prepared based on direction received previously from the Board of Ethics.

### **DIRECTION**

Based on this information, Staff would like direction from the Board on the following:

- What topic(s), if any, does the Board of Ethics want to be added to January 2024;
- What topic(s), if any, does the Board of Ethics want to be added to February 2024; and
- Any additional topics that the Board wishes to discuss at future meetings.

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

May 1, 2018: Ethics Ordinance Adopted

Jun. 2, 2020: Ethics Ordinance amended based on Board of Ethics recommendations  
Jan. 25, 2022: Ethics Ordinance amended by City Council to remove profession preferences  
Jul. 19, 2022: Ethics Ordinance amended based on Board of Ethics recommendations  
Jul. 18, 2023: Ethics Ordinance amended based on Board of Ethics recommendations

**EXHIBITS**

1. Agenda Information Sheet
2. Board of Ethics Tentative Meeting Topics (December 2023)

Respectfully submitted:  
Madison Rorschach, 940-349-7228  
City Auditor

## Board of Ethics Tentative Meeting Topics

Updated: November 14, 2023

Meeting	Item	Est. Time
December 2023	Minutes	0:05
	Conflict of Interest	1:00
	Management Reports	0:05
	Future Meeting Topics Update	0:05
	<b>Total Est. Time:</b>	<b>1:15</b>
January 2023	Minutes	0:05
	2024 Meeting Schedule Adoption	0:05
	<i>TBD</i>	
	<i>TBD</i>	
	Future Meeting Topics Update	0:05
	<b>Total Est. Time:</b>	<b>0:15</b>
February 2023	Minutes	0:05
	<i>TBD</i>	
	<i>TBD</i>	
	Future Meeting Topics Update	0:05
	<b>Total Est. Time:</b>	<b>0:10</b>