



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Meeting Agenda

Board of Ethics

Monday, July 14, 2025

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 Thursday, July 10, 2025, 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, July 14, 2025, 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

- A. [BOE25-025](#) Consider approval of minutes for June 2 and 9, 2025.

[Estimated Presentation/Discussion Time: 5 minutes]

Attachments: [Exhibit 1 - Draft Advisory Opinion 25-001 Meeting Minutes.pdf](#)

[Exhibit 2 - Draft Regular Meeting Minutes.pdf](#)

- B. [BOE25-026](#) Receive a report, hold a discussion, and give staff direction regarding City of Denton

Code of Ordinances Chapter 2, Article XI (Ethics) Sec. 2-282(b) Sanctions.

[Estimated Presentation/Discussion Time: 15 minutes]

Attachments: [Exhibit 1 - Agenda Information Sheet.pdf](#)
[Exhibit 2 - Ethics Ordinance Draft Redlines.pdf](#)

- C. [BOE25-027](#) Receive a report, hold a discussion, and give staff direction regarding timeframes for processing submitted Ethics Complaints.

[Estimated Presentation/Discussion Time: 30 minutes]

Attachments: [Exhibit 1 - Agenda Information Sheet.pdf](#)
[Exhibit 2 - Ethics Complaint Process Timelines.pdf](#)

- D. [BOE25-028](#) Management Reports

1. May 2025 Advisory Opinion Responses Report

[Estimated Presentation/Discussion Time: 10 minutes]

Attachments: [May 2025 Advisory Opinion Responses Report.pdf](#)

- E. [BOE25-029](#) Receive a report, hold a discussion, and give staff direction regarding future meeting topics.

[Estimated Presentation/Discussion Time: 5 minutes]

Attachments: [Exhibit 1 - Agenda Information Sheet.pdf](#)
[Exhibit 2 - Board of Ethics Tentative Meeting Topics \(May 2025\).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 Thursday, July 10, 2025, 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

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Legislation Text

File #: BOE25-025, **Version:** 1

AGENDA CAPTION

Consider approval of minutes for June 2 and 9, 2025.

[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 Special Called Meeting on Monday, June 2, 2025, 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:

PRESENT: Vice-Chair Dustin Pavelek, and Members Kenneth Ferguson, and Andrea Eberhard

ABSENT: None

1. ITEMS FOR CONSIDERATION

A. BOE25-024 Request for Advisory Opinion No. 25-001, received May 20, 2025, from Commissioner Sherri McDade concerning potential conflicts of interest and recusal recommendation.

Andrea Eberhard nominated Dustin Pavelek as presiding officer for the advisory panel; Kenneth Ferguson seconded the motion.

AYES (3): Dustin Pavelek, Kenneth Ferguson, Andrea Eberhard

NAYS (0):

ABSENT (0):

The questions were presented, and a discussion followed.

Kenneth Ferguson motioned based on the definition of Deliberation, Questions 1 and 2, Questions 3 and 4, and Questions 5 and 6, could be treated the same for the purposes of the Advisory Opinion; Andrea Eberhard seconded the motion.

AYES (3): Dustin Pavelek, Kenneth Ferguson, Andrea Eberhard

NAYS (0):

ABSENT (0):

Kenneth Ferguson motioned that, because Ms. McDade is employed by the Denton Housing Authority which would be involved in each project, the Advisory Opinion Panel advise Ms. McDade that the situations discussed in Questions 1 and 2 would create a conflict of interest per Ethics Ordinance Sec. 2-273a.1.B. and Sec. 2-273a.1.E., and so would require disclosure and recusal; Andrea Eberhard seconded the motion.

AYES (3): Dustin Pavelek, Kenneth Ferguson, Andrea Eberhard

NAYS (0):

ABSENT (0):

Dustin Pavelek motioned that, because Questions 3 and 4 did not include enough facts to determine if the situations would create conflict of interest, the Advisory Opinion Panel advise Ms. McDade to

request additional advisory opinions on a case-by-case basis.

AYES (3): Dustin Pavelek, Kenneth Ferguson, Andrea Eberhard

NAYS (0):

ABSENT (0):

Kenneth Ferguson motioned that, because Questions 5 and 6 did not include enough facts to determine if the situations would create a conflict of interest, the Advisory Opinion Panel advise Commissioner McDade to request additional advisory opinions on a case-by-case basis; Dustin Pavelek seconded the motion.

Andrea Eberhard motioned to amend the motion to include in the advice to Commissioner McDade that future advisory opinion requests should include how the Denton Housing Authority is involved in the project; Dustin Pavelek seconded the motion.

AYES (3): Dustin Pavelek, Kenneth Ferguson, Andrea Eberhard

NAYS (0):

ABSENT (0):

With no further business, the meeting was adjourned at 6:28 p.m.

Dustin Pavelek
Presiding Officer

Joseph Haddad
Recording Secretary

APPROVED ON: _____

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, June 9, 2025, 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:

PRESENT: Chair Annetta Ramsay, and Members Patricia Reinke, Kenneth Ferguson, Dianne Baker, and Andrea Eberhard

ABSENT: Vice-Chair Dustin Pavelek

1. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

None.

2. ITEMS FOR CONSIDERATION

A. BOE25-020 Consider approval of meeting minutes for April 14, 2025.

The item was presented, and discussion followed. Member Patricia Reinke motioned to approve the meeting minutes; motion seconded by Member Andrea Eberhard.

AYES (5): Annetta Ramsay, Patricia Reinke, Kenneth Ferguson, Dianne Baker, and Andrea Eberhard

NAYS (0):

ABSENT (1): Dustin Pavelek

It was noted that the items listed were switched around, and the items were presented in the following order.

C. BOE25-022 Receive a report, hold a discussion, and give staff direction regarding communications between Board of Ethics members and City Council members.

The item was presented, and discussion followed.

D. BOE25-023 Receive a report, hold a discussion, and give staff direction regarding City of Denton Code of Ordinances Chapter 2. Article XI (Ethics) Sec. 2-282(b) Sanctions.

The item was presented, and discussion followed. Sanctions were recommended by the board regarding frivolous complaints including a timeframe of one (1) year from the time of the complaint. -- added complainant barred - another sanction -> pay legal expenses by the respondent.

B. BOE25-021 Receive a report, hold a discussion, and give staff direction regarding future meeting topics.

The item was presented, and discussion followed. Kenneth Ferguson and Annetta Ramsay recommended

adding a discussion topic regarding the timeframe for processing an Ethics Complaint during an election. In addition, Diane Baker recommended having a joint meeting with the City Council.

With no further business, the meeting was adjourned at 6:19 p.m.

Annetta Ramsay
Chair

Joseph Haddad
Recording Secretary

APPROVED ON: _____



City of Denton

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Legislation Text

File #: BOE25-026, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction regarding City of Denton Code of Ordinances Chapter 2, Article XI (Ethics) Sec. 2-282(b) Sanctions.

[Estimated Presentation/Discussion Time: 15 minutes]

City of Denton



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AGENDA INFORMATION SHEET

DEPARTMENT: Board of Ethics
CITY AUDITOR: Madison Rorschach
DATE: July 14, 2025

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding City of Denton Code of Ordinances Chapter 2, Article XI (Ethics) Sec. 2-282(b) Sanctions.

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

During the June 9, 2025, meeting of the Board of Ethics, the Board gave staff direction to bring back proposed changes to the Ethics Ordinance that included: (1) barring Complainants found to have submitted a Frivolous Complaint from submitting new Complaints for one year and (2) requiring Complainants who submitted a Frivolous Complaint to reimburse the Respondent for any legal fees incurred due to the submitted Complaint.

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 to eliminate Member experience requirements
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
Dec. 12, 2023: Ethics Ordinance Amended by City Council to eliminate Alternate Members
Apr. 15, 2025: Ethics Ordinance Amended by City Council based on Board of Ethics Recommendations

EXHIBITS

1. Agenda Information Sheet
2. Ethics Ordinance Draft Redlines

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

CITY OF DENTON
CODE OF ORDINANCES
CHAPTER 2: ADMINISTRATION
ARTICLE XI. ETHICS

DIVISION 1. GENERAL

Sec. 2-265. Authority

This Article is enacted pursuant to the authority granted to the City under Section 14.04 of the Charter.

Sec. 2-266. Purpose

The purpose of this Article is to foster an environment of integrity for those that serve the City of Denton and our citizenry. The City Council enacted this Article in order to increase public confidence in our municipal government. It is the policy of the City that all City Officials and employees shall conduct themselves in a manner that assures the public that we are faithful stewards of the public trust. City Officials have a responsibility to the citizens to administer and enforce the City Charter and City Ordinances in an ethical manner. To ensure and enhance public confidence in our municipal government, each City Official must strive not only to maintain technical compliance with the principles of conduct set forth in this Article, but to aspire daily to carry out their duties objectively, fairly, and lawfully. Furthermore, this Article was enacted to ensure that decision makers provide responsible stewardship of City resources and assets.

It is not the purpose of this Article to provide a mechanism to defame, harass or abuse their political opponents, or publicize personal grudges. Rather, this Article is intended to provide a framework within which to encourage ethical behavior, and enforce basic standards of conduct while providing due process that protects the rights of the Complainant and the Respondent.

Sec. 2-267. Prospective

This Article shall apply prospectively, and shall not sustain any Complaints based on acts or omissions alleged to have taken place prior to May 15, 2018.

Sec. 2-268. Applicability

This Article applies to the following persons:

- (a) City Officials;

- (b) Former City Officials whose separation from city service occurred less than one (1) year from the date of the alleged violation of this Article. Application of this Article to Former City Officials shall be limited to alleged violations:
 - (1) that occurred during the term as a City Official;
 - (2) of the prohibition on representing others for compensation (§2-273(d)(2)); or
 - (3) of the prohibition of subsequent work on prior projects (§2-273(h));
- (c) Vendors; and
- (d) Complainant(s), who must comply with this Article’s procedures and the prohibition on Frivolous Complaints.

Sec. 2-269. Definitions

The following words, terms, and phrases, when used in this Article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Accepted Complaint: a sworn allegation of a violation of this Article after the required documentation has been submitted to the City Auditor and determined to be administratively complete.

Actionable Complaint: an Accepted Complaint that has been deemed by a Panel to contain allegations and evidence that, if accepted as true, would support a finding that a violation of this Article occurred.

Advisory Opinions: written rulings regarding the application of this Article to a particular situation or behavior.

Article: this Chapter 2, Article XI of the Code of Ordinances for the City of Denton.

Baseless Complaint: a Complaint that does not allege conduct that would constitute a violation of this Article, or that does not provide evidence that, if true, would support a violation of this Article.

Board of Ethics: the oversight entity established by the Council to administer this Article.

Business Entity: a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, political subdivision, government agency, university, or any other entity recognized by law.

Candidate: a person who has filed an application for a place on a ballot seeking public office, or one who has publicly announced the intention to do so.

Charged: to be charged with a violation of this Article is to have an Accepted Complaint deemed Actionable.

City: the City of Denton in the County of Denton and State of Texas.

City Auditor: the person appointed to serve in the capacity provided for by Section 6.04 of the City Charter, or their designee and clerical staff acting in the City Auditor's absence.

City Official: for purposes of this Article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and Zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board.

City Secretary: the person appointed to serve in the capacity provided for by Section 2.12 of the City Charter, or their designee and clerical staff acting in the City Secretary's absence.

Code: the Code of Ordinances of the City of Denton, Texas, as such Code may be amended from time to time.

Complainant: the human individual who submitted a Complaint to the City.

Complaint: written documentation submitted to the City accusing a City Official of violating this Article.

Confidential Information: any written information that could or must be excepted from disclosure pursuant to the Texas Public Information Act, if such disclosure has not been authorized; or any non-written information which, if it were written, could be excepted from disclosure under that Act, unless disclosure has been authorized by the City Council or City Manager.

Council: the governing body of the City of Denton, Texas, including the Mayor and City Council Members.

Deliberations: discussions at the dais; voting as a Member of the Board or Commission; presentations as a member of the audience before any City Board or Commission; conversing or corresponding with other City Officials or Staff. This term does not apply to a general vote on a broad, comprehensive, or omnibus motion, such as approval of the City budget or polling places.

Department Heads: the employees appointed by the City Council, those being the City Manager, City Auditor, City Attorney, and Municipal Court Judge.

Former City Official: a City Official whose separation from city service occurred less than one (1) year from the date of an alleged violation of this Article.

Frivolous Complaint: a sworn Complaint that is groundless and brought in bad faith, or groundless and brought for the purpose of harassment.

Interfere: a person interferes with a process or activity pertaining to this Article when they intentionally and wrongfully take part in, or prevent, a City process or activity from continuing or being carried out properly or lawfully.

Panel: an *ad hoc* subcommittee of the Board of Ethics consisting of three (3) members assigned by the Chairperson or designated by the City Auditor (as applicable) on a rotating basis,

Pending Matter: an application seeking approval of a permit or other form of authorization required by the City, State, or Federal law; a proposal to enter into a contract or arrangement with the City for the provision of goods, services, real property, or other things of value; a case involving the City that is (or is anticipated to be) before a civil, criminal, or administrative tribunal.

Person: associations, corporations, firms, partnerships, bodies politic, and corporate, as well as individuals.

Recklessly: a person acts recklessly when they are aware of but consciously disregard a substantial and unjustifiable risk that a certain result is probable from either their conduct, or in light of the circumstances surrounding their conduct. The risk must be of such a nature and degree that to disregard it constitutes a gross deviation from the standard of care that an ordinary person would exercise under the circumstances.

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.

Respondent: a City Official who has been charged in a Complaint with having violated this Article.

Shall: a mandatory obligation, not a permissive choice.

Special Counsel: an independent, outside attorney engaged by the City to advise the City as an organization and/or the Board of Ethics.

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Sec. 2-270. Cumulative & Non-Exclusive

This Article is cumulative of and supplemental to all applicable provisions of the City Charter, other City Ordinances, and State/Federal laws and regulations. Compliance with this Article does not excuse or relieve any person from any obligation imposed by any other Rule. Attempts to enforce this Article shall not be construed as foreclosing or precluding other enforcement options provided by other law.

DIVISION 2. RULES OF CONDUCT

Sec. 2-271. Expectations

The following list conveys the City Council's expectations for City Officials. These expectations are aspirational, and shall not serve as the basis for a Complaint.

- (a) City Officials are expected to conduct themselves in a manner that fosters public trust.
- (b) City Officials are charged with performing their public duties in a way that projects a high level of personal integrity and upholds the integrity of the organization.
- (c) City Officials must avoid behavior that calls their motives into question and erodes public confidence.
- (d) City Officials shall place the municipality's interests and the concerns of those the City serves above private, personal interests.
- (e) Those who serve the City are expected to value honesty, trustworthiness, diligence, objectivity, fairness, due process, efficiency, and prudence as values the City professes.
- (f) City Officials must balance transparency with the duty to protect personal privacy and preserve the confidential information with which the City has been entrusted.
- (g) It is neither expected nor required that those subject to this Article relinquish or waive their individual rights.

Sec. 2-272. Mandates

- (a) **Duty to Report.** City Officials shall report any conduct that the person knows to be a violation of this Article. Failure to report a violation of this Article is a violation of this Article. For purposes of this section, submittal of a Complaint or a report made to the Fraud, Waste, or Abuse hotline shall be considered to be a report under this Section. A report to the hotline may remain anonymous unless disclosed by the caller.
- (b) **Financial Disclosures.** All Candidates for City Council, including Candidates for Mayor, shall file financial information reports as required by, and in accordance with, State law. All prospective Vendors and City Officials shall file disclosure forms as required by, and in accordance with, State law.
- (c) **Business Disclosures.** When a Pending Matter is before the City Official, and the City Official has knowledge of being a partner with one of the owners of the Business Interest with the Pending Matter, all City Officials shall file with the City Auditor a report listing the known names of human individuals with whom the City Official or the City Official's spouse is named partner in the following types of businesses: General Partnership, Limited Partnership, Limited Liability Partnership, or Limited Liability Corporation, or Professional Corporation. Annual reports shall be submitted within ninety (90) days of taking office. Failure to submit a report shall not serve as a basis for a Complaint unless the City Official fails to submit a report within thirty (30) days of being provided written notification of the omission. Neither the existence of a business relationship as described in this Section, nor the submission of a report required by this Section shall prevent a City Official from participating in Deliberations on matters pending before the City absent a Conflicting Interest.

- (d) **Disclosure Process.** Disclosures mandated by this section shall be filed with the City Auditor and City Secretary at least one business day prior to deliberation of the Pending Matter. Disclosures received shall be distributed by City staff to the relevant body prior to the Pending Matter being deliberated.

Sec. 2-273. Prohibitions

(a) **Conflicts of Interest:**

- (1) *Definition of Conflict of Interest:* A conflict of interest is a situation in which personal and/or financial considerations actually have influenced or compromised, or are reasonably certain to influence or compromise, the judgment or actions of a City Official when acting in their official capacity. Conflicts of interest arise when City Officials, in their official capacity, act or fail to act in ways that they know, or should know, are likely to impact the personal or financial interests of the following in a way that is not shared with a substantial segment of the City's population:

- (A) A Business Entity in which the City Official owns five percent (5%) or more voting shares or stock;
- (B) A Business Entity from which the City Official receives 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) A Business Entity in which the City Official owns more than six-hundred dollars (\$600.00) of the fair market value;
- (D) Real property in which the City Official owns more than six-hundred dollars (\$600.00) of the fair market value;
- (E) 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;
- (F) 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;
- (G) A person or Business Entity with whom the City Official solicited, received, or accepted an offer of employment or business opportunity within the past twelve (12) months.
- (H) A City Official is considered to have a Conflict of Interest if the City Official's Relative has a Conflict of Interest.

The term Conflict of 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.

- (2) *Deliberation Prohibited.* It shall be a violation of this Code for a City Official to knowingly participate in Deliberations involving a current Conflict of Interest. City Officials with a current Conflict of Interest must recuse themselves and abstain from Deliberations. It is an exception to this recusal requirement if the City Official serves on the City Council, Planning and Zoning Commission, Board of Ethics, Historic Landmark Commission, Public Utilities Board, or Board of Adjustment; where a majority of the members of that body is composed of persons who are likewise required to file (and who do file) disclosures for the same Conflict of Interest.
- (3) *Disclosure Required.* If a City Official recuses from Deliberations due to a Conflict of Interest, the City Official shall disclose the nature of the 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.

Nothing in this section should be construed as conflicting with State law or the requirements of Texas Local Government Code, Title 5, Subtitle C, Chapter 171.

(b) **Gifts.**

- (1) *General.* It shall be a violation of this Article for a City Official or a City Official's Relative to accept any Gift that might reasonably tend to influence such Officer in the discharge of official duties.
- (2) *Specific.* It shall be a violation of this Article for a City Official to accept any Gift for which the fair market value is greater than fifty dollars (\$50.00). It shall be a violation of this Article for a City Official to accept multiple Gifts for which the cumulative fair market value exceeds two hundred dollars (\$200.00) in a single fiscal year. It shall be a violation of this Article for a Vendor to offer or give a Gift to a City Official or a City Official's Relative exceeding fifty dollars (\$50.00) per Gift, or multiple Gifts cumulatively valued at more than two hundred dollars (\$200.00) in a single fiscal year.
- (3) *Definition of Gift.* Anything of monetary value, including but not limited to cash, personal property, real property, services, meals, entertainment, and travel expenses, except those provided in 2-273(b)(3) below.
- (4) *Exceptions.* For the purposes of this Article, the term Gift does not include any of the following:

- (A) a lawful campaign contribution;
 - (B) meals, lodging, transportation, entertainment, and related travel expenses paid for (or reimbursed by) the City in connection with the City Official's attendance at a conference, seminar or similar event, or the coordinator of the event;
 - (C) meals, lodging, transportation, or entertainment furnished in connection with public events, appearances, or ceremonies related to official City business, nonprofit functions, or charity functions, or community events, if furnished by the sponsor of such events (who is in attendance);
 - (D) complimentary copies of trade publications and other related materials;
 - (E) attendance at hospitality functions at local, regional, state, or national association meetings and/or conferences;
 - (F) any gift that would have been offered or given to the City Official because of a personal, familial, professional relationship regardless of the City Official's capacity with the City;
 - (G) tee shirts, caps, and other similar promotional material; and
 - (H) complimentary attendance at political, nonprofit, or charitable fund raising events.
- (5) *Donations.* It is not a violation under this Article for a City Official to accept a Gift prohibited by this Article on behalf of the City of Denton. Conveyance of a Gift prohibited by this Article to the City of Denton or a nonprofit corporation cures any potential violation.
- (6) *Reimbursement.* It is not a violation under this Article for a City Official to accept a Gift prohibited by this Article and promptly reimburse the Person the actual cost or fair market value of the Gift.
- (7) *Disclosure Required.* If a City Official chooses to accept a Gift, the City Official shall disclose the value of the Gift and the nature of the Gift's acceptance by filing an affidavit with the City Auditor.

(c) **Outside Employment.**

- (1) *Applicability of Section.* This subsection applies to Department Heads.
- (2) *Prohibition.* It is a violation of this Article for a Department Head to solicit, accept, or engage in concurrent outside employment which could reasonably be expected to impair independence of judgment in, or faithful performance of, official duties.

- (3) *Disclosure and Consent.* It is a violation of this Article for a Department Head to accept employment from any Person other than the City without first disclosing the prospective employment arrangement in writing to the Mayor and receiving the Mayor's written consent.
- (d) **Representation of Others.**
- (1) *Current City Officials.* It shall be a violation of this Article for a City Official to represent for compensation any person, group, or entity before a board or commission of the City. For purposes of this subsection, the term compensation means money or any other thing of value that is received, or is to be received, in return for or in connection with such representation.
 - (2) *Former City Officials.* It shall be a violation of this Article for a City Official to represent for compensation any person, group, or entity before the City Council or a board, commission, or staff of the City for a period of one (1) year after termination of official duties. This prohibition applies to representation in the form of advocacy or lobbying regarding discretionary approvals of the City, not routine, ministerial actions. For purposes of this subsection, the term compensation means money or any other thing of value that is received, or is to be received, in return for or in connection with such representation. The prohibition in this subsection solely applies to the Former City Official, and shall not be construed to apply to other affiliated Persons. This subsection does not apply to Former City Officials who represent others for compensation in the course of applying for non-discretionary, ministerial permits and routine approvals. It shall be an exception to this Article when the Former City Official is employed by or owns a small business which existed before the Former City Official commenced service as a City Official and is the sole source of specialized knowledge or expertise necessary within that small business, and that knowledge or expertise is necessary to transact business with the City.
- (e) **Improper Influence.** It shall be a violation of this Article for a City Official to use such person's official title/position to:
- (1) secure special privileges or benefits for such person or others;
 - (2) grant any special consideration, treatment, or advantage to any citizen, individual, business organization, or group beyond that which is normally available to every other citizen, individual, business organization, or group;
 - (3) assert the prestige of the official's or employee's City position for the purpose of advancing or harming private interests;
 - (4) state or imply that the City Official is able to influence City action on any basis other than the merits; or
 - (5) state or imply to state or local governmental agencies that the City Official is acting as a representative of the City, as an organization, or as a representative of the City

Council without first having been authorized by the City Council to make such representation (except the Mayor, City Manager, and City Attorney).

(f) **Misuse of Information.**

(1) *Personal Gain.* It shall be a violation of this Article for a former City Official to use any confidential information to which the City Official had access by virtue of their official capacity and which has not been made public concerning the property, operations, policies, or affairs of the City, to advance any personal or private financial interest of any Person.

(2) *Confidential Information.* It shall be a violation of this Article for a City Official to intentionally, knowingly, or recklessly disclose any confidential information gained by reason of the City Official's position concerning the property, operations, policies, or affairs of the City. This rule does not prohibit the reporting of illegal or unethical conduct to authorities designated by law.

(g) **Abuse of Resources.** It shall be a violation of this Article for a City Official to use, request, or permit the use of City facilities, personnel, equipment, software, supplies, or staff time for private purposes (including political purposes), except to the extent and according to the terms that those resources are generally available to other citizens and the City Officials for official City purposes.

(h) **Abuse of Position.** It shall be a violation of this Article for any City Official to engage in the following:

(1) *Harassment & Discrimination.* Use the Official's position to harass or discriminate against any person based upon ethnicity, race, gender, gender identity, sexual orientation, marital status, parental status, or religion.

(2) *Interference.* Interfere with any criminal or administrative investigation alleging the violation of any provision of this Article, the City Charter, administrative policy, or executive order in any manner, including but not limited to seeking to persuade or coerce City employees or others to withhold their cooperation in such investigation is a violation of this Article.

(i) **Subsequent Work on Prior Projects.** It shall be a violation of this Article for any former City Official, within one (1) year of the cessation of official duties for the City, to perform work on a compensated basis relating to a City contract or arrangement for the provision of goods, services, real property, or other things of value, if while in City service the former City Official personally and substantially participated in the negotiation, award or administration of the contract or other arrangement. This Section does not apply to a City Official whose involvement with a contract or arrangement was limited to Deliberations as a member of the City Council, Planning and Zoning Commission, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board.

DIVISION 3. IMPLEMENTATION

Sec. 2-274. Staffing

- (a) **City Auditor.** The City Auditor’s Office shall be responsible to provide staff and clerical support to the Board of Ethics to assist in the implementation and enforcement of this Article. The degree of support required shall be at the discretion of the City Auditor. Nothing herein creates a duty for the City Auditor to enforce this Article. Furthermore, this Article shall not be construed as requiring the City Auditor to investigate allegations of violations of this Article submitted via the Fraud, Waste, or Abuse hotline.
- (b) **Conflicts Log.** The City Auditor’s Office shall, in cooperation with the City Secretary’s Office, maintain a Conflicts Log on an ongoing basis listing the Conflicting Interests disclosed by City Officials in accordance with this Article. The log is a public record. The City Auditor is neither authorized nor required to inspect or act upon the content of the Conflicts Log.
- (c) **City Manager.** If a Complaint accuses the City Auditor of violating this Article, the duties of the City Auditor under this Article shall be performed by the City Manager for purposes of processing that Complaint.

Sec. 2-275. Legal Counsel

- (a) **City Attorney.** The City Attorney shall provide legal support to the City Auditor and the Board of Ethics in the administration of this Article. Nothing herein shall be construed to limit the authority of the City Attorney to render legal guidance in accordance with the City Attorney’s professional obligations and standards.
- (b) **Special Counsel.** Independent, outside legal services shall be engaged by the City Attorney on the City’s behalf to provide legal support to the City Auditor and the Board of Ethics when:
 - (1) in the City Attorney’s discretion it is necessary in order to comply with the Texas Disciplinary Rules of Professional Conduct (for lawyers), or is in the best interest of the City;
 - (2) when the City Council deems Special Counsel is necessary; or
 - (3) when action is being taken by the Board of Ethics regarding any council member.

Sec. 2-276. Training

- (a) **Curriculum.** The City Auditor shall approve a training program that provides an introduction and overview of the expectation, mandates, and prohibitions provided for by this Article.
- (b) **Orientation.** City Officials shall complete a training session regarding this Article within ninety (90) days of commencing their official duties.
- (c) **Annual.** City Officials shall complete an annual training session regarding this Article.

- (d) **Exiting Officials.** Information shall be provided to City Officials terminating their City service regarding the continuing restrictions on the representation of others by certain former City Officials.

Sec. 2-277. Board of Ethics

- (a) **Creation.** There is hereby created a Board of Ethics for the City of Denton.
- (b) **Appointment.** The Board of Ethics shall be appointed by majority vote of the City Council.
- (c) **Number.** The Board of Ethics shall consist of seven (7) regular members.
- (d) **Terms.** Board of Ethics members shall be appointed for two (2) year, staggered terms. Members may be reappointed for successive terms. Appointment to fill a vacancy shall be for the remainder of the unexpired term. Members of the inaugural Board of Ethics shall draw straws to determine which three (3) members shall receive an initial term of one (1) year in order to stagger terms. In total, members may only serve three (3) consecutive terms. A member may be reappointed no sooner than one (1) year after expiration of a previous term.
- (e) **Eligibility.** Membership on the Board of Ethics is limited to residents of the City of Denton.
- (f) **Ineligibility.** The following shall disqualify a person from serving on the Board of Ethics:
 - (1) current service as a City Official;
 - (2) separation from city service as a City Official within two (2) years of the appointment;
 - (3) familial relations to a City Official within the third (3rd) degree of affinity (marriage) or consanguinity (blood or adoption);
 - (4) current service as an elected official in Denton County; and / or
 - (5) conviction of a felony or crime of moral turpitude.
- (g) **Scope of Authority.** The Board of Ethic's jurisdiction shall be limited to implementation and enforcement of this Article, and shall include the authority to administer oaths and affirmations, issue and enforce limited subpoenas to compel the attendance of witnesses and the production of testimony, evidence, and/or documents as is reasonably relevant to the Actionable Complaint, as provided by the City Charter. The issuance and enforcement of subpoenas shall be only upon a majority vote of the Board of Ethics, in accordance with the Rules of Procedure, and enforcement shall be through any of the Sanction options listed herein.
- (h) **Amendments.** The Board of Ethics may recommend amendments to this Article. A recommendation from the Board of Ethics is not required for the City Council to exercise its discretion in amending this Article.

- (i) **Officers.** At the first meeting of each fiscal year the Board of Ethics shall select from among its members a Chairperson and Vice-Chairperson.
- (j) **Rules of Procedure:** The Board of Ethics shall adopt rules of procedure governing how to conduct meetings and hearings. Such procedural rules are subject to confirmation or modification by the City Council.
- (k) **Removal:** The City Council may, by a vote of two-thirds (2/3), remove a member of the Board of Ethics for cause. Justifications warranting removal for cause shall include neglect of duty, incompetence, gross ignorance, inability or unfitness for duty, or disregard of the Code of Ordinances.

Sec. 2-278. Advisory Opinions

- (a) **Requests.** Any City Official may request an Advisory Opinion on a question of compliance with this Article. Requests shall be submitted in writing to the City Auditor, who shall assign the request to a Panel or Special Counsel.
- (b) **Issuance.** A Panel of the Board of Ethics shall issue Advisory Opinions upon request. Advisory Opinions shall be issued within thirty (30) days of receipt of the request. This time limitation is tolled and shall not run until the Board of Ethics is empaneled and its Rules of Procedure are confirmed by the City Council.
- (c) **Reliance.** It shall be an affirmative defense to a Complaint that the Respondent relied upon an Advisory Opinion. In making a determination on the proper disposition of a Complaint, the Board of Ethics may dismiss the Complaint if the Board finds that:
 - (1) the Respondent reasonably relied in good faith upon an Advisory Opinion;
 - (2) the request for an Advisory Opinion fairly and accurately disclosed the relevant facts; and
 - (3) less than five (5) years elapsed between the date the Advisory Opinion was issued and the date of the conduct in question.

Sec. 2-279. Complaints

- (a) **Complainants.** Any person who has first-hand knowledge that there has been a violation of Sections 2-272 and/or 2-273 of this Article may allege such violations by submitting a Complaint. The persons who may submit Complaints includes (but is not limited to) members of the Board of Ethics.
- (b) **Form.** Complaints shall be written on, or accompanied by, a completed form promulgated by the City Auditor.
- (c) **Contents.** A Complaint filed under this section must be in writing, under oath, must set forth in simple, concise, direct statements, and state:
 - (1) the name of the Complainant;

- (2) the street or mailing address, email address, and the telephone number of the Complainant;
 - (3) the name of each person Respondent of violating this Article;
 - (4) the position or title of each person Respondent of violating this Article;
 - (5) the nature of the alleged violation, including the specific provision of this Article alleged to have been violated;
 - (6) a statement of the facts constituting the alleged violation and the dates on which, or period of time in which, the alleged violation occurred; and
 - (7) all documents or other material available to the Complainant that are relevant to the allegation.
- (d) **Violation Alleged.** The Complaint must state on its face an allegation that, if true, constitutes a violation of this Article.
- (e) **Affidavit.** A Complaint must be accompanied by an affidavit stating that the Complaint is true and correct or that the Complainant has good reason to believe and does believe that the facts alleged constitute a violation of this Article. The Complainant shall swear to the facts by oath before a Notary Public or other person authorized by law to administer oaths under penalty of perjury.
- (f) **Limitations Period.** To be accepted, a Complaint must be brought within six (6) months of the Complainant becoming aware of the act or omission that constitutes a violation of this Article. A Complaint will not be accepted more than two (2) years after the date of the act or omission. Notwithstanding the foregoing, nothing in this subsection shall be construed to extend the one (1) year limitation of activity applicable to Former City Officials. The time for filing a Complaint regarding an alleged violation of this Article where the alleged violation occurred after the Effective Date but before the Board of Ethics is empaneled shall be tolled and not begin to run until such time as the Board of Ethics is empaneled and its Rules of Procedure are confirmed by the City Council.
- (g) **Filing.** Complaints shall be submitted to the City Auditor. Submission of Complaints may be made by hand delivery, U.S. Mail, or email directed to an email address publicly listed by the City Auditor.
- (h) **Acceptance of Complaint.** Within five (5) business days of receiving a Complaint, the City Auditor shall determine if it is administratively complete and timely.
- (1) *Administratively Complete.* A Complaint is administratively complete if it contains the information described above. If the Complaint is administratively complete, the City Auditor shall proceed as described in this Article. If the Complaint is incomplete, the City Auditor shall send a written deficiency notice to the Complainant identifying the required information that was not submitted.

The Complainant shall have ten (10) business days after the date the City Auditor sends a deficiency notice to the Complainant to provide the required information to the City Auditor, or the Complaint is automatically deemed abandoned and may

not be processed in accordance with this Article. Within five (5) business days of a Complaint being abandoned, the City Auditor shall send written notification to the Complainant and the Respondent.

- (2) *Timely.* To be timely, a Complaint must be brought within six (6) months of the Complainant becoming aware of the act or omission that constitutes a violation of this Article. A Complaint will not be accepted more than two (2) years after the date of the act or omission.
- (i) **Notification of Acceptance.** Within five (5) business days of determining that a Complaint is administratively complete and timely, the City Auditor shall send a written notification of acceptance and a copy of the complaint to the Complainant, the Respondent, and the City Attorney.

For purposes of this provision, a Complaint shall be considered Accepted when the City Auditor has deemed the submittal administratively complete and timely.

- (j) **Confidentiality.** A Complaint that has been submitted to the City is hereby deemed confidential until such time as the Complaint is either dismissed or placed on an agenda for consideration by the Board of Ethics in accordance with this Article. Clerical and administrative steps shall be taken to identify and manage confidential information in accordance with this Article. The confidentiality created by this Article includes the fact that a Complaint was submitted and the contents of that Complaint. It shall be a violation of this Article for a City Official to publicly disclose information relating to the filing or processing of a Complaint, except as required for the performance of official duties or as required by law. Requests for records pertaining to Complaints shall be responded to in compliance with the State law. The limited confidentiality created by this Article is limited in scope and application by the mandates of the Texas Public Information Act, Chapter 552 of the Texas Government Code.
- (k) **Ex Parte Communications.** After a Complaint has been filed and during the pendency of a Complaint before the Board of Ethics, it shall be a violation of this Article:
 - (1) for the Complainant, the Respondent, or any person acting on their behalf, to engage or attempt to engage directly or indirectly about the subject matter or merits of a Complaint in *ex parte* communication with a member of the Board of Ethics or any known witness to the Complaint; or
 - (2) for a Member of the Board of Ethics, to knowingly allow an *ex parte* communication about the subject matter or merits of a Complaint, or to communicate about any issue of fact or law relating to the Complaint directly or indirectly with any person other than a Member of the Board of Ethics, the City Auditor's office, the City Attorney's office, or Special Counsel.
- (l) **Retaliation Prohibited.** After a Complaint has been filed, and during or after the pendency before the Board of Ethics, it shall be a violation of this Article:
 - (1) For a City Official, Former City Official, or Vendor to directly or indirectly discriminate against, harass, threaten, harm, damage, penalize, or otherwise retaliate

against any person who:

- (A) Files a complaint regarding an alleged violation of this Article, or
 - (B) Testifies, assists, or participates in any manner in a proceeding or hearing under this Article.
- (2) The outcome of the original ethics complaint shall not be deemed relevant to the complaint of retaliation itself.

Sec. 2-280. Preliminary Assessment

- (a) **Referral to Chairperson.** Accepted Complaint(s) shall be referred to the Chairperson of the Board of Ethics within five (5) business days of being determined administratively complete.
- (b) **Assignment of Panel.** Within five (5) business days of receiving an Accepted Complaint, the Chairperson of the Board of Ethics shall assign the Complaint to a Panel for Preliminary Assessment. Board members who have previously submitted an Ethics Complaint against the Respondent in a Preliminary Assessment shall not be assigned to the Panel unless a majority of the Board members have previously submitted an Ethics Complaint against the Respondent. The Chairperson shall order a meeting of the Panel, which shall be conducted in compliance with the Texas Open Meetings Act. Each Panel shall select a Presiding Officer to conduct Panel deliberations.
- (c) **Panel Determination.** Within ten (10) business days of being assigned an Accepted Complaint, the Panel shall review the Complaint on its face and determine whether the Complaint is:
 - (1) *Actionable:* the allegations and evidence contained in the Complaint, if true, would constitute a violation of this Article.
 - (2) *Baseless:* the allegations and evidence contained in the Complaint, if true, would not constitute a violation of this Article.

Actionable Complaints shall be returned to the Chairperson for listing on an agenda for a public hearing to be held within thirty (30) calendar days of a Panel's Actionable determination. Baseless Complaints shall be dismissed. Written notification of the Panel's determination shall be filed with the City Auditor and sent to the Chairperson, the Complainant, the Respondent, and the City Attorney within two (2) business days. Written notifications of dismissal shall include notice of the right to appeal.

- (d) **Recommendation to Determine Frivolity.** Before filing notification of its determination, the Panel may consider recommending a hearing first be held to determine if an Accepted Complaint is frivolous. Written notification of the Panel's recommendation to hold a hearing to determine frivolity shall be filed with the City Auditor and sent to the Chairperson, the Complainant, the Respondent, and the City Attorney within two (2) business days. Hearings to determine frivolity shall be held within thirty (30) calendar days of a Panel's recommendation.

- (e) **Appeals.** A Panel’s preliminary assessment under this Section 2-280 may be appealed to the Board of Ethics by either the Complainant or the Respondent, as applicable. An appeal shall be perfected by filing a written notice of appeal with the City Auditor within ten (10) business days of the date of the written notification.

Sec. 2-281. Meetings

- (a) **Calling Meetings.** Meetings of the Board of Ethics shall be called upon request of the Chairperson, three (3) members, or the City Auditor.
- (b) **Quorum.** The quorum necessary to conduct meetings of the Board of Ethics shall be four (4). The Chairperson (or acting chairperson) shall count toward the establishment of a quorum and retains the right to vote.
- (c) **Hearings:**
 - (1) *Scheduling:* Hearings shall be scheduled by the City Auditor upon the filing of:
 - (A) a Panel determination that a Complaint is Actionable;
 - (B) an Appeal challenging a Panel’s dismissal of a Complaint as Baseless; or
 - (C) a Panel recommendation that a hearing be held to determine if an Accepted Complaint is Frivolous.
 - (2) *Purpose:* The purpose of the hearing(s) shall be solely to determine whether:
 - (A) a violation of this Article occurred, and if so to assess the appropriate sanction;
 - (B) an Accepted Complaint was erroneously dismissed as Baseless by a Panel; and/ or
 - (C) an Accepted Complaint is Frivolous.
 - (3) *Sworn Testimony:* All witness testimony provided to the Board of Ethics shall be under oath.
 - (4) *Responsibility to Establish Evidence:* The Complainant shall present sufficient evidence 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. 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 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.
 - (5) *Representation:* The Respondent shall have a right to present a defense. Both the Complainant and the Respondent have a right to be represented by legal counsel.

- (d) **Open Meetings.** All meetings and hearings of the Board of Ethics, including Panel deliberations, shall be conducted pursuant to the Texas Open Meetings Act. The Board of Ethics may convene in Executive Session (i.e., conduct a closed meeting) as allowed by the Act. All final actions of the Board of Ethics shall take place in open session.
- (e) **Postponement in Certain Instances.**
 - (1) *Board:* Proceedings may be postponed upon majority vote by the members of the Board of Ethics.
 - (2) *Parties:* The Complainant and the Respondent are each entitled to one (1) postponement without cause. Additional postponements shall be solely for good cause and at the discretion of the Board of Ethics.
 - (3) *Criminal Proceedings:* If a Complaint alleges facts that are involved in a criminal investigation or a criminal proceeding before a grand jury or the courts, the Board of Ethics may, when a majority of its members deem appropriate, postpone any hearing or any appeal concerning the Complaint until after the criminal investigation or criminal proceedings are terminated.

Sec. 2-282. Disposition

- (a) **Dismissal.** If the Board of Ethics determines at the conclusion of a hearing by simple majority vote of its members that a Complaint should be dismissed, it may do so upon finding:
 - (1) the Complaint is Baseless;
 - (2) the alleged violation did not occur;
 - (3) the Respondent reasonably relied in good faith upon an Advisory Opinion, as provided in this Article; or
 - (4) the Complainant failed to testify at the hearing.
- (b) **Sanctions.** If the Board of Ethics determines by simple majority vote of those present and voting at the conclusion of a hearing that a violation has occurred, it may within ten (10) business days impose or recommend any of the following sanctions:
 - (1) *Letter of Notification.* If the violation is clearly unintentional, or when the Accuser's action was made in reliance on a written Advisory opinion, a letter of notification shall advise the Respondent of any steps to be taken to avoid future violations.
 - (2) *Letter of Admonition.* If the Board of Ethics finds that the violation is minor and may have been unintentional, but calls for a more substantial response than a letter of notification.
 - (3) *Letter of Reprimand.* If the Board of Ethics finds that the violation:
 - (A) was minor and was committed knowingly, intentionally, or in disregard

of this Article; or

(B) was serious and may have been unintentional.

(4) *Recommendation of Suspension.* If the Board of Ethics finds that a violation was committed by a member of the Planning & Zoning Commission, Zoning Board of Adjustment, Board of Ethics, Public Utilities Board, Historic Landmark Commission, or a Department Head, and it:

(A) was serious and was committed knowingly, intentionally, or in disregard of this Article or a state conflict of interest law; or

(B) was minor but similar to a previous violation by the Person, and was committed knowingly, intentionally or in disregard of this Article.

The final authority to impose a suspension rests with the City Council.

(5) *Ineligibility.* If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Notice of all sanctions imposed by the Board of Ethics shall be transmitted to the Respondent, Complainant, City Auditor, City Attorney, and City Council.

(c) **Frivolous.**

(1) *Prohibition.* It is a violation of this Article for a Person to submit a Frivolous Complaint.

(2) *Hearing.* A hearing shall be scheduled on frivolity if the Preliminary Panel recommends an Accepted Complaint first be considered for frivolity. The Complainant is not required to testify at a hearing to determine if their submitted Complaint is frivolous.

(3) *Super-Majority Vote.* If the Board of Ethics determines at the conclusion of a hearing by a vote of two-thirds (2/3) of its Members that a Complaint was Frivolous, the Board may impose a sanction as provided by Section 2-282(b). [A Complainant who submitted a Frivolous Complaint shall be barred from submitting a new Complaint for a period of one \(1\) year from the date the Frivolous determination is made.](#)

[Upon a vote of two-thirds \(2/3\) of its Members that a Complaint was frivolous, the Board may impose attorneys' fees incurred by the respondent of the Frivolous Complaint upon the Complainant.](#)

Upon finding that a Complaint is Frivolous, the Complaint is dismissed.

~~(3)~~(4) Factors. In making a determination on frivolity, the Board of Ethics shall consider the following factors:

- (A) the timing of the sworn Complaint with respect to when the facts supporting the alleged violation became known or should have become known to the Complainant, and with respect to the date of any pending election in which the Respondent is a Candidate or is involved with a candidacy, if any;
- (B) the nature and type of any publicity surrounding the filing of the sworn Complaint, and the degree of participation by the Complainant in publicizing the fact that a Complaint was filed;
- (C) the existence and nature of any relationship between the Respondent and the Complainant before the Complaint was filed;
- (D) if the Respondent is a Candidate for Election to Office, the existence and nature of any relationship between the Complainant and any Candidate or group opposing the Respondent;
- (E) any evidence that the Complainant knew or reasonably should have known that the allegations in the Complaint were groundless; and
- (F) any evidence of the Complainant's motives in filing the Complaint.

~~(4)~~(5) External Remedies. Complainants who submit Frivolous Complaints are hereby notified that their actions may subject them to criminal prosecution for perjury (criminal prosecution), or civil liability for the torts of defamation or abuse of process.

Sec. 2-283. Reconsideration

The Complainant or Respondent may request the Board of Ethics to reconsider its decision. The request must be filed with the City Auditor within five (5) business days of receiving the final opinion of the Board of Ethics. The request for reconsideration shall be sent to the Chairperson of the Board of Ethics and the non-filing party (Complainant or Respondent). If the Chairperson finds, in the Chairperson's sole discretion, that the request includes new evidence that was not submitted at a prior hearing, and that the new evidence bears directly on the Board of Ethics's previous determination, the Chairperson shall schedule a hearing on the request for reconsideration to occur within thirty (30) business days after filing with the City Auditor. Absent new evidence, the Chairperson shall unilaterally dismiss the request for reconsideration and provide notice to the Parties.

Sec. 2-284. Nepotism

- (a) **City Council.** No Person shall be employed by the City who is a relative of any member of the City Council within the third (3rd) degree of affinity or consanguinity.
- (b) **Preexisting Employment.** The prohibitions of this Section do not apply to a Person who

was employed by the City more than six (6) months prior.

Sec. 2-285. General Procedural Matters

- (a) **Deadlines.** Any deadline provided in this Article shall be construed as expiring at 5:00 p.m. local time on the last day.
- (b) **Mailbox Rule.** Under this Article, a deadline for any response or request for appeal is met when the date the response or request for appeal is mailed falls within the timeline requirements of this Article. The posted date of any mailing will control whether it meets the timeline requirements of this Article.

Sec. 2-286. Lobbyists [*reserved*]



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Legislation Text

File #: BOE25-027, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction regarding timeframes for processing submitted Ethics Complaints.

[Estimated Presentation/Discussion Time: 30 minutes]

City of Denton



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

AGENDA INFORMATION SHEET

DEPARTMENT: Board of Ethics
CITY AUDITOR: Madison Rorschach
DATE: July 14, 2025

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding timeframes for processing submitted Ethics Complaints.

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

During the June 9, 2025, meeting of the Board of Ethics, the Board gave staff direction to place on a future agenda an item to discuss the timeframes for processing submitted Ethics Complaints. Exhibit 2 includes a detailed summary of the maximum time each step of the Ethics Complaint process may take; however, the following table summarizes this by phase and includes information on actual processing times since October 1, 2020.

Phase	Max Time	Avg. Time
Administrative Acceptance	10 Business Days	2 Calendar Days
Preliminary Assessment	15 Business Days	9 Calendar Days
Evidentiary Hearing	30 Calendar Days	23 Calendar Days

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 to eliminate Member experience requirements
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
Dec. 12, 2023: Ethics Ordinance Amended by City Council to eliminate Alternate Members
Apr. 15, 2025: Ethics Ordinance Amended by City Council based on Board of Ethics Recommendations

EXHIBITS

1. Agenda Information Sheet
2. Ethics Complaint Process Timelines

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



ETHICS COMPLAINT PROCESS TIMELINES

The following timelines are associated with each phase in the Ethics Complaint process. Each step generally occurs chronologically and must be completed within the number of days listed to the right.

<u>Submitted Ethics Complaint</u>		
Complainant	Submit Ethics Complaint.	NA
City Auditor	Is Ethics Complaint administratively complete & timely? Yes: Ethics Complaint Accepted – proceed to Accepted Ethics Complaint . No: Notify Complainant of deficiency and request missing information.	5 Business Days
Complainant	Provide required missing information – proceed to Accepted Ethics Complaint ; or Do not provide required missing information – Complaint Abandoned.	10 Business Days
City Auditor	Notify Complainant, Respondent, & City Attorney of Abandoned Ethics Complaint.	5 Business Days

<u>Accepted Ethics Complaint</u>		
City Auditor	Notify Complainant and Respondent of Accepted Ethics Complaint. Provide Respondent with copy of the Accepted Ethics Complaint. Refer Accepted Ethics Complaint to Board of Ethics Chair.	5 Business Days
BOE Chair	Assign Accepted Ethics Complaint to three-member Board of Ethics Panel for Preliminary Assessment. Is Accepted Ethics Complaint Actionable? Yes: Actionable Ethics Complaint – proceed to Actionable Ethics Complaint .	5 Business Days
BOE Panel	No: Baseless Ethics Complaint – proceed to Baseless Ethics Complaint . File written Notification of Determination with City Auditor.	10 Business Days
City Auditor	Provide written Notification of Determination to Complainant, Respondent, City Attorney, & Chair.	2 Business Days

<u>Actionable Ethics Complaint</u>		
Respondent	Appeal Panel’s Actionable determination? No: Ethics Complaint Hearing – Proceed to Evidentiary Hearing . Yes: Submit Appeal to City Auditor in writing.	10 Business Days
Board of Ethics	Is Appealed Ethics Complaint Actionable? Yes: Actionable Ethics Complaint – proceed to Evidentiary Hearing . No: Baseless Complaint is Dismissed – End. File written Notification of Determination with City Auditor.	30 Calendar Days
City Auditor	Provide written Notification of Determination to Complainant & Respondent.	2 Business Days

<u>Baseless Ethics Complaint</u>		
Complainant	Appeal Panel’s Baseless determination? No: Baseless Complaint is Dismissed – End. Yes: Submit Appeal to City Auditor in writing.	10 Business Days
Board of Ethics	Is Appealed Ethics Complaint Actionable? Yes: Actionable Ethics Complaint – proceed to Evidentiary Hearing . No: Baseless Complaint is Dismissed – End. File written Notification of Determination with City Auditor.	30 Calendar Days
City Auditor	Provide written Notification of Determination to Complainant & Respondent.	2 Business Days



Evidentiary Hearing

Board of Ethics	Did a violation of the Ethics Ordinance occur?	30 Calendar Days
	Yes: Determine appropriate Sanctions – Proceed to Imposing or Recommending Sanctions. No: Ethics Complaint is Dismissed – Proceed to Dismissed Ethics Complaint.	

Imposing or Recommending Sanctions

Board of Ethics	Render determination of appropriate Sanctions. Notify Respondent, Complainant, City Auditor, City Attorney, & City Council.	10 Business Days
Respondent	File Reconsideration Request?	5 Business Days
	Yes: Proceed to Reconsideration Request. No: Sanctions are imposed – Process End.	

Dismissed Ethics Complaint

BOE Chair	Issue Letter of Dismissal and notify Respondent, Complainant, City Auditor, & City Attorney.	10 Business Days
Complainant	File Reconsideration Request?	5 Business Days
	Yes: Proceed to Reconsideration Request. No: Ethics Complaint Dismissed – Process End	

Reconsideration Request

City Auditor	Forward Reconsideration request to BOE Chair and Respondent.	30 Business Days
BOE Chair	Does the Reconsideration Request include new evidence that bears directly on the Board of Ethics' previous determination?	
	Yes: Schedule Ethics Complaint Hearing – Return to Step 4. No: Unilaterally dismiss the Request for Reconsideration and provide notice to the City Auditor, Complainant, & Respondent – Process End.	

If you have any questions about the process or timelines outlined in this document, you may contact the City Auditor through one of the following methods:

**City Auditor
 215 E. McKinney St.
 Denton, Texas 76201**

(940) 349-7228

**InternalAudit@CityofDenton.com
www.cityofdenton.com**



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File #: BOE25-028, **Version:** 1

AGENDA CAPTION

Management Reports

1. May 2025 Advisory Opinion Responses Report
[Estimated Presentation/Discussion Time: 10 minutes]



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.

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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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File #: BOE25-029, **Version:** 1

AGENDA CAPTION

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

[Estimated Presentation/Discussion Time: 5 minutes]

City of Denton



City Hall
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AGENDA INFORMATION SHEET

DEPARTMENT: Board of Ethics
CITY AUDITOR: Madison Rorschach
DATE: July 14, 2025

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.

Topic	Est. Time
Review Complaint Reconsideration Process	0:30
Comprehensive Review of Current Sanctions; Frivolous Sanctions	1:30
Preliminary Panel Member Objection Process	0:30
Order to Show Cause Process	0:45
Potential Campaign Financing Restrictions	0:30
Guidance on Interactions with Petitioners (Council Request)	0:30
Advisory Opinion Process	0:30
Review of Sanctions	0:30

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 August 2025;
- What topic(s), if any, does the Board of Ethics want to be added to September 2025; 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
Dec. 12, 2023: Ethics Ordinance amended by City Council to eliminate Alternate Members
Apr. 15, 2025: Ethics Ordinance amended based on Board of Ethics recommendations

EXHIBITS

1. Agenda Information Sheet
2. Board of Ethics Tentative Meeting Topics (July 2025)

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

Board of Ethics Tentative Meeting Topics

Updated: July 10, 2025

Meeting	Item	Est. Time
July 2025	Minutes	0:05
	Sanctions Redlines	0:15
	Ethics Complaint Processing Timelines	0:30
	Management Report	0:10
	Future Meeting Topics Update	0:05
	Total Est. Time:	1:05
August 2025	Minutes	0:05
	<i>TBD</i>	
	Management Reports (if needed)	0:05
	Future Meeting Topics Update	0:05
	Total Est. Time:	0:15
September 2025	Minutes	0:05
	<i>TBD</i>	
	Management Reports (if needed)	0:05
	Future Meeting Topics Update	0:05
	Total Est. Time:	0:15