



Ethics Ordinance Training

This training will take approximately 15 minutes

The following should watch this training:

- City Councilors
- Board of Ethics Members
- Planning and Zoning Commissioners
- Board of Adjustment Members
- Historic Landmark Commissioners
- Public Utilities Board Members
- City Council Appointed Employees

Welcome to the City of Denton's Ethics Ordinance Training. This training will take approximately 10 minutes.

Before we begin, the City's Ethics Ordinance only applies to certain City Board and Commission members including: the City Council, the Board of Ethics, the Planning & Zoning Commission, the Board of Adjustments, the Historic Landmark Commission, the Public Utilities Board, and the four Council Appointed employees: the City Manager, City Attorney, City Auditor, and the Municipal Judge. If you are not a part of one of these groups you are not required to watch this training.

What will you learn?

1. Ethical Expectations
2. Ordinance Mandates & Prohibitions
3. Advisory Opinions & Clarification Processes
4. Ethics Complaint Process



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Today we will be covering:

1. The ethical expectations laid out by the City's Ethics Ordinance;
2. The ordinance's mandates and prohibitions – or what it requires;
3. How City Officials subject to the ordinance can request clarification on its application; and
4. A quick overview of what happens if an Ethics Complaint is submitted against you as a City Official.

So let's dive right in.

Ethical Expectations

- ✓ Conduct yourself in a manner that fosters public trust;
- ✓ Perform public duties in a way that projects personal & organization integrity;
- ✓ Avoid behavior that calls your motives into question and erodes public confidence;
- ✓ Place Denton resident's interests and concerns above your own;
- ✓ Value honesty, trustworthiness, diligence, objectivity, fairness, due process, efficiency, and prudence; and
- ✓ Balance transparency with the duty to protect personal privacy and preserve confidential information with which you have been trusted.



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To begin, the City of Denton's Ethics Ordinance was adopted in 2018 and was most recently amended in 2023. This ethics code is intended to foster an environment of integrity for those that serve the City of Denton and its residents by ensuring that decision makers provide responsible stewardship of City resources and assets and providing behavioral guidelines and requirements. The key goal of the Ethics Ordinance is to further the public's trust in those who govern their community.

More specifically, the Ethics Ordinance outlines six aspirational expectations that are intended to guide City Officials in carrying out their duties. These include:

- Conducting yourself in a manner that fosters public trust;
- Performing your public duties with personal and organizational integrity;
- Avoiding behavior that might call your motives into question and erode public confidence;
- Placing the interests and concerns of Denton's residents above your own;
- Valuing honesty, trustworthiness, diligence, objectivity, fairness, due process, efficiency, and prudence; and
- Balancing transparency with the duty to protect personal privacy and preserving any confidential information that you have been trusted with.

Ethical Expectations

**Behave Ethically both in
Fact & Appearance**

**Respect your Position of
Privilege**



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While the rest of this training will focus on specific behaviors that City Official must comply with, this is the most important section of the ethics ordinance. If you ever find yourself questioning if a specific action or inaction might be ethical, first ask yourself if it would align with these expectations. Important things to note about these expectations are that they focus not just on the way things are but also how they appear. In addition, a City Official has a position of privilege within the community that they must respect. Serving your community as a City Official is an honor that requires integrity and dedication.

Now that we've covered the basics of the City's ethical expectations, let's get into more specifics. The Ethics Ordinance includes three mandates and nine prohibitions that cover different actions or behaviors that City Official may take. We will briefly cover them over the next four slides; however, more detail is available in the Ethics Ordinance.

Ordinance Mandates & Prohibitions: Reports & Disclosures

- Disclose certain Business Relationships related to a Pending Matter;
- Comply with State law financial disclosures; and
- Report known violations of Ethics Ordinance.



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A **Pending Matter** is an application seeking approval of a permit or other required authorization; a proposal to enter a contract for things of value; or a case involving the City that is, or may be, before a civil, criminal, or administrative tribunal.

Beginning with the mandates, the Ethics Ordinance requires that City Officials disclose certain business relationships if they are relevant to a pending matter. Specifically, if a business entity with a pending matter is owned by a City Official's partner, the City Official must disclose this relationship to the City Secretary and City Auditor at least one business day prior to the meeting where the pending matter will be deliberated. All disclosures will be provided to the relevant body prior to the deliberations.

In addition, it requires that City Officials comply with any financial disclosures required by Texas State law and that a City Official report any person that they know has violated the City's Ethics Ordinance. Not reporting a known violation is itself considered to be a violation of the ordinance.

On to prohibitions - or potential City Official behaviors that are specifically considered violations of the ethics ordinance.

Ordinance Mandates & Prohibitions: Conflicts of Interest & Representation of Others

- Own 5% or more of a Business Entity's voting shares/stocks;
- Own \$600 or more of a Business Entity's fair market value;
- Own \$600 or more of the fair market value of real property;
- Receive \$600 or more in income from a Business Entity;
- Serve on a Business Entity's or Non-Profit's Board of Directors; and
- Solicited, received, or accepted an offer of employment in last 12 months from a Business Entity or person.



A Pending Matter is an application seeking approval of a permit or other required authorization; a proposal to enter a contract for things of value; or a case involving the City that is, or may be, before a civil, criminal, or administrative tribunal.

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Beginning with conflicts of interest, in general, a City Official is required to recuse from deliberating on a pending matter if they or their relative have an interest in a Business Entity or property that is not general to the public. This type of interest is specifically defined as:

- Owning 5% or more of a business entity's voting shares or stock;
- Owning \$600 or more of a business entity's fair market value;
- Owning \$600 or more of the fair market value of real property;
- Receiving \$600 or more in income from a business entity;
- Serving on the Board of Directors or as an officer of a business entity or non-profit; or
- Having solicited, received, or accepted an offer of employment from a business entity or person in the last 12 months.

If you have a conflict of interest as defined on the slide with a pending matter on an agenda, you are required to recuse yourself from the discussion and submit an affidavit of abstention to the City Auditor. A Pending Matter includes: an application seeking approval or authorization, a proposal to enter into a contract, or a case involving the City that is or may be before a civil, criminal, or administrative tribunal.

Further, it is a violation of the ordinance for a current City Official to represent a person, group, or entity before a City Board or Commission for compensation. This prohibition also applies to former City Officials for one year after termination of their official duties. Similarly, former City Officials are prohibited for performing compensated work on a City contract or arrangement if you substantially participated in the negotiation, award, or administration of the contract – unless this participation was limited to deliberation.

Ordinance Mandates & Prohibitions: Gifts



- Gift is anything worth more than \$50 or multiple items valued \$200 or more – except:
 - Campaign contributions;
 - Training/travel expenses if paid by the City or event coordinator;
 - Non-profit or community event expenses related to City Business;
 - Complimentary attendance at fund raising events or hospitality functions
 - Complimentary copies of trade publications or promotional clothing items; or
- Gift due to personal, familial, or professional relationship



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Next is gifts. The Ethics Ordinance prohibits a City Official or their relative from accepting any gift that might reasonably influence a City Official in discharging their official duties.

Specifically, this prohibits a City Official from accepting a single gift valued more than \$50 or multiple gifts with a total value more than \$200. In general, a gift is considered to be anything of monetary value such as cash, property, services, meals, entertainment, or travel-related expenses. If a gift is accepted, the City Official may remedy the violation by promptly donating it or reimbursing the gift giver the actual or fair market value of the gift. If a gift is accepted, the City Official must disclose the acceptance and the remedy by filing a disclosure with the City Auditor.

The ordinance does allow certain exceptions to the gifts prohibition including for:

- Lawful campaign contributions;
- Expenses related to a City Official's travel to a conference or other training event that is connected to the City;
- Expenses related to appearances at non-profit or community events related to City business;
- Complimentary attendance at fund-raising events or hospitality functions;
- Complimentary or promotional copies of trade publications or clothing items; or
- Gifts given due to a personal, familial, or professional relationship regardless of the City Official's City-related duties.

Any items received that fall under one of these exceptions do not need to be disclosed; however, a City Official may choose to disclose it at their discretion.

Ordinance Mandates & Prohibitions: Misuse of Influence & Information

- Improper Influence:
 - Securing or granting privileges or treatment for an individual, group, or business that is not normally available; or
 - Stating or imply that you are acting as a City representative without authorization.
- Misuse of Information:
 - Use of confidential information to advance personal or private financial interest of any person.



Next, it is a violation of the ordinance for a City official to misuse the influence or information gained due to their official City position.

Specifically, a City Official may not use their influence to secure special privileges or treatment for a person, group, or business organization beyond what is normally available or to imply that they are able to do such things. Further a City Official may not state or imply that they are acting as a representative of the City unless they have been authorized to do so by the City Council.

It is also a violation of the ordinance for a City Official, either current or former, to use confidential information gained through their official capacity to advance the personal or private financial interest of themselves or anyone else.

Ordinance Mandates & Prohibitions: Abuse of Resources and Position

- Abuse of Resources:
 - Use of City property, equipment, or staff time for private or political purposes above what's available to all citizens.
- Abuse of Position:
 - Harassment or discrimination against a person based upon:
 - Ethnicity, race, gender, gender identity, sexual orientation, marital status, parental status, or religion.
 - Interference in an investigation including persuading or coercing others to not cooperate.



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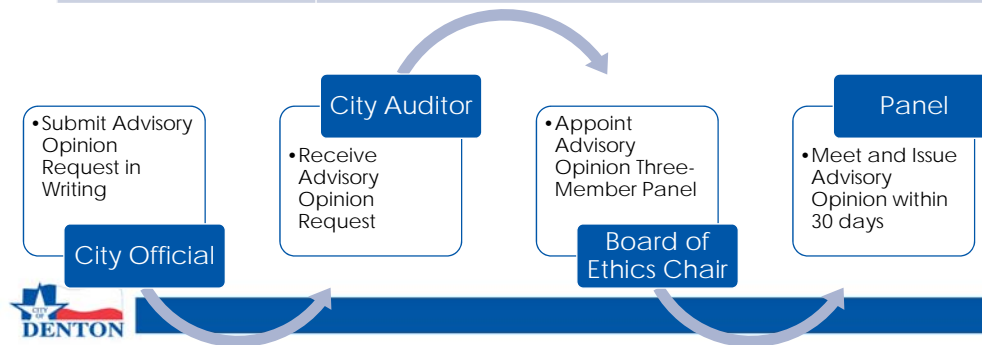
Last, it is a violation of the ordinance for a City Official to abuse the City's resources or the power or privileges granted by their official position.

Specifically, a City Official should not use, request, or allow the use of City resources such as facilities, personnel, equipment, software, or staff time for private purposes – including political – except to the extent that those are available to other residents.

Similarly, it is a violation of the ordinance for a City Official to harass or discriminate against a person based upon their ethnicity, race, gender, gender identity, sexual orientation, marital or parental status, or religion. Further, it is a violation to interfere with any City-related criminal or administrative investigation including persuading or coercing someone else to withhold their cooperation.

Advisory Opinions & Clarification Processes

Clarification Options	Guidance Provided
City Auditor	Relevant Ordinance References; Process Explanations
Personal Attorney	Interpretation of Ordinance Applicability
Board of Ethics	Answer to Question of Compliance; Can be Relied Upon



Now that you have an understanding of the expectations, mandates, and prohibitions outline in the ordinance, if you ever come upon a situation where you need additional guidance you have a few options.

- First, if you need direction helping to find a section of the ordinance related to a particular situation or an answer about how to submit disclosures or complaints, you can reach out to the City Auditor;
- Second, if you have your own attorney, they may be able to provide you with an interpretation of the Ethics Ordinance to help you decide whether to recuse yourself or not in a given situation; and
- Finally, you can also request that the Board of Ethics issue an Advisory Opinion, which is intended to answer a question about compliance with the Ethics Ordinance in a particular situation. The biggest advantage of an Advisory Opinion is that a City Official may use it as an affirmative defense to a submitted Ethics Complaint if they relied upon it in good faith.

In order to receive an Advisory Opinion, a City Official must submit the request in writing to the City Auditor, including relevant details of the situation in question. The City Auditor will then communicate the request to the Board of Ethics Chair who assigns it to a panel of three Board of Ethics members for review. The Panel has 30 days to issue the Advisory Opinion once the request is received.

Ethics Complaint Process

	Initiation	Preliminary Assessment	Hearing	Reconsideration
Complainant	Submit Sworn Complaint Form		Must Testify: Can Present Addt'l Evidence	May Submit New Evidence for 5 days
City Auditor	Determine Form Completeness			
Respondent	Receive Copy of Complaint		May Provide Testimony & Evidence	May Submit New Evidence for 5 days
Board of Ethics	Assign Prelim. Panel	Determine if Complaint is Actionable	Determine if Ordinance Violated	Chair Decides if New Hearing Needed

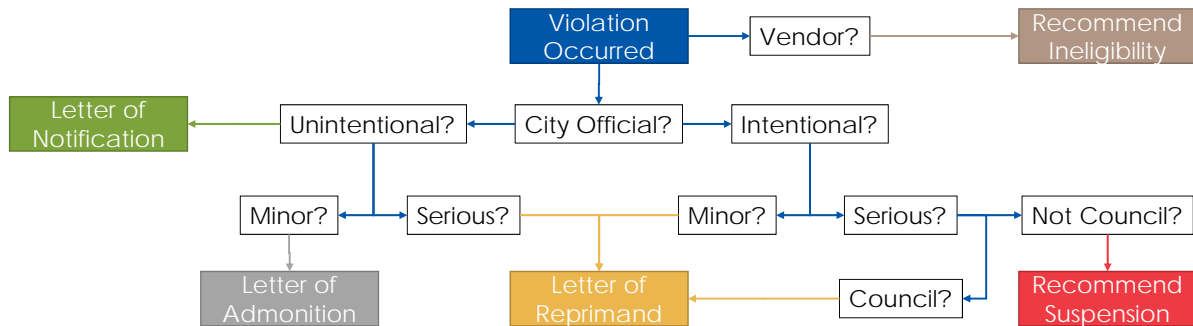


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Finally, the Board of Ethics' primary function is to process Ethics Complaints. There are four phases of the Ethics Complaint process that I will now briefly run through. Additional information about the Ethics Complaint process is available on the City's Board of Ethics Webpage or can be requested from the City Auditor.

- First – Initiation: During this period an individual submits an ethics complaint using the prescribed form to the City Auditor. This complaint form should be accompanied by any evidence such as images, videos, or documentation that the Complainant has to support their allegations and must be sworn to in front of a notary. The City Auditor then determines if the Ethics Complaint is administratively complete, but does not make any judgement on the Complaint's merits. If a complaint is accepted a copy is forwarded to the Complainant, Respondent, and Board of Ethics Chair who assigns it to a preliminary assessment panel.
- During the Preliminary Assessment phase, a panel of three Board of Ethics members reviews the submitted ethics complaint and determines if it is actionable or baseless. A complaint is actionable if on its face the behaviors alleged in the complaint would constitute a violation of the ordinance. The Panel may also recommend that a hearing be held to determine if a complaint is frivolous instead of determining if it is actionable or baseless. The outcome of the preliminary assessment is communicated to the Complainant and Respondent by the City Auditor. If the Complaint is determined to be Baseless the process stops, though the Complainant may submit a written appeal within 10 business days which will initiate the Hearing phase.
- During the Hearing phase, the Board of Ethics schedules an evidentiary hearing and may request additional documentary evidence or issue subpoenas to require individuals to testify. The Complainant must attend and testify at this hearing and may also present any additional evidence they have gathered. In addition, the Respondent may provide testimony and evidence for the Boards consideration. Both the Complainant and Respondent have a right to be represented by legal counsel at the evidentiary hearing. Based on this evidentiary hearing, the Board will determine if a violation of the ordinance has occurred and if so may issue a sanction.
- Once the Board has made a determination on the ethics complaint, the Complainant and Respondent both have five business days to submit any new evidence and request a reconsideration in writing with the City Auditor. The Board of Ethics Chair will review the reconsideration request and will unilaterally determine if a new hearing is warranted based on the new evidence.

Ethics Complaint Process: Sanctions



If during the evidentiary hearing the Board of Ethics finds that a violation of the ethics ordinance has occurred they may issue one of four sanctions based on the City Official's perceived intent and the seriousness of the violation. This decision process is generally illustrated in the decision matrix on the slide. If the Board decides to impose a sanction, the City Official will be notified within 10 days by the City Auditor.

Congratulations!

You have completed the annual City of Denton Ethics Ordinance Training.

Madison Rorschach, City Auditor



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If you have any questions about the content of this training please reach out City Auditor Madison Rorschach.