



City of Denton

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

Meeting Agenda

Board of Ethics

Monday, August 5, 2024

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 August 1, 2024, 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, August 5, 2024 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. [BOE24-028](#) Consider approval of minutes from July 8, 2024.
[Estimated presentation/discussion time: 5 minutes]
Attachments: [Exhibit 1 - Draft Regular Meeting Minutes 07-08-2024](#)
- B. [BOE24-029](#) Receive a report, hold a discussion, and give staff direction regarding future meeting topics.

[Estimated presentation/discussion time: 10 minutes]

Attachments:

[Exhibit 1 - Agenda Information Sheet](#)

[Exhibit 2 - Board of Ethics Tentative Meeting Topics \(August 2024\)](#)

- C. [BOE24-027](#) Receive a report, hold a discussion, and give staff direction regarding updates to the 2024 Packet of Proposed Amendments to the Ethics Ordinance and Board of Ethics Rules of Procedure.

Attachments:

[Exhibit 1 - Agenda Information Sheet](#)

[Exhibit 2 - Recommended Proposal Updates](#)

[Exhibit 3 - City of Denton Ethics Policy](#)

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 August 1, 2024 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.



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Legislation Text

File #: BOE24-028, **Version:** 1

AGENDA CAPTION

Consider approval of minutes from July 8, 2024.

[Estimated presentation/discussion time: 5 minutes]

City of Denton Board of Ethics

After determining that a quorum was present, the Board of Ethics of the City of Denton, Texas, convened in a Regular (Special) Meeting on Monday, July 8, 2024, 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, Members Dustin Pavelek, David Zoltner, Patricia Reinke, and Andrea Eberhard

ABSENT: None.

1. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

None.

2. ITEMS FOR CONSIDERATION

A. **BOE24-023** Consider approval of minutes from June 3, 2024.

The item was presented, and discussion followed. Member Zoltner moved to approve the minutes as presented; motion seconded by Member Pavelek.

AYES (5): Annetta Ramsay, Dustin Pavelek, David Zoltner, Andrea Eberhard, Patricia Reinke

NAYS (0): None.

ABSENT (0): None.

B. **BOE24-024** Receive a report, hold a discussion, and give staff direction regarding future meeting topics.

The item was presented, and discussion followed. Direction was given for the next meeting to observe comments from the previous council meeting, considering the use outside consultancy for revised amendments, and future involvement of city council with the recommendations from the committee.

C. **BOE24-025** Management Reports. An update on the 2024 Packet of Proposed Amendments.

The item was presented, and discussion followed.

Deborah Armintor, former city council member, made comments on the committee's recommendations regarding conflict of interests and burden of proof that was brought before council. Members had recommendations on future clarification of the ethics code.

D. **BOE24-026** Receive a report, hold a discussion, and give staff direction regarding the Ethics Ordinances alignment with the 2017 Charter Review Committee Recommendations.

The item was presented, and discussion followed.

Next meeting will be August 5th at 5:30 p.m.

With no further business, the meeting was adjourned at 6:58 p.m.

Annetta Ramsay
Chair

Joseph Haddad
Recording Secretary

APPROVED ON: _____



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File #: BOE24-029, **Version:** 1

AGENDA CAPTION

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

[Estimated presentation/discussion time: 10 minutes]



City of Denton

City Hall
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AGENDA INFORMATION SHEET

DEPARTMENT: City Auditor's Office

CITY AUDITOR: Madison Rorschach

DATE: August 5, 2024

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
Definition of Complainant	0:30

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

DIRECTION

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

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

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

May 1, 2018: Ethics Ordinance Adopted

Jun. 2, 2020: Ethics Ordinance amended based on Board of Ethics recommendations

Jan. 25, 2022: Ethics Ordinance amended by City Council to remove profession preferences

Jul. 19, 2022: Ethics Ordinance amended based on Board of Ethics recommendations

Jul. 18, 2023: Ethics Ordinance amended based on Board of Ethics recommendations

Dec. 12, 2023: Ethics Ordinance amended by City Council to eliminate Alternate Members

EXHIBITS

1. Agenda Information Sheet
2. Board of Ethics Tentative Meeting Topics (August 2024)

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

Board of Ethics Tentative Meeting Topics

Updated: August 1, 2024

Meeting	Item	Est. Time
August 2024	Minutes	0:05
	Ethics Ordinance Proposals	0:30
	Future Meeting Topics Update	0:05
	Total Est. Time:	0:40
October 2024	Minutes	0:05
	Annual Ethics Ordinance Training	0:20
	<i>TBD</i>	
	Management Reports	0:05
	Future Meeting Topics Update	0:05
	Total Est. Time:	0:15
November 2024	Minutes	0:05
	<i>TBD</i>	
	Management Reports	0:05
	Future Meeting Topics Update	0:05
	Total Est. Time:	0:15



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File #: BOE24-027, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction regarding updates to the 2024 Packet of Proposed Amendments to the Ethics Ordinance and Board of Ethics Rules of Procedure.



City of Denton

City Hall
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AGENDA INFORMATION SHEET

DEPARTMENT: Board of Ethics
CITY AUDITOR: Madison Rorschach
DATE: August 5, 2024

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding updates to the 2024 Packet of Proposed Amendments to the Ethics Ordinance and Board of Ethics Rules of Procedure.

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

Over the last year, the Board of Ethics has reviewed the City of Denton's Ethics Ordinance and the Board's Rules of Procedure. During this time, the Board developed two proposals to amend the Ethics Ordinance and Board of Ethics Rules of Procedure, which were presented to the City Council during work session on June 4, 2024. Based on the feedback received from the City Council during this meeting, the Board of Ethics Chair has prepared recommendations on updates to these proposals for the Board of Ethics to discuss as shown in Exhibit 2.

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
Jun. 4, 2024: 2024 Packet of Proposed Amendments presented to City Council

EXHIBITS

1. Agenda Information Sheet
2. Recommended Proposal Updates
3. City of Denton Ethics Policy

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

Rorschach, Madison

From: Annetta Ramsay <annetta.ramsay@gmail.com>
Sent: Tuesday, July 30, 2024 2:42 PM
To: Rorschach, Madison
Subject: Proposed changes to ethics policy

This message has originated from an **External Source**. Please be cautious regarding links and attachments.

After spending two days looking at the ethics ordinance for Denton City Officials, I am proposing the following:

At our next work session with the council, I recommend the following:

1) STRIKE sec. 2-281 (c) (4) Burden of proof.

This is non-negotiable.

Once the council has agreed to the first change, we can move forward with Conflict of Interest. Without their agreement to this first change, there is no point in moving forward.

2) Replace Sec. 2-273. Prohibitions. (a) Conflicts of interest (the entire section) with the City Code for Employees section entitled: ADMINISTRATIVE PROCEDURES. I Conflicts of Interest. A & B. The word employee should be replaced with city official. The second bullet point under A should be replaced with Sec. 2-273. (a) (1) (c), the language that was just approved at the June 4 work session.

We need to look at Section II Private Interests to see if that section should also be included.

The city council already approved the language for the city employee code. This would put city officials and employees on a level playing field.

Let me know if you need anything else from me.

Best,
Annetta

Proposal – Replace Denton Ethics Code Section 2-273 with this from the city employee’s ethical code:

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

A. General Rules.

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

- the city official
- the official’s sibling or stepsibling, stepchild, or foster child, parent, or stepparent, niece or nephew, uncle or aunt, or grandparent, or grandchild of either the City Official or their spouse, or Domestic Partner, of the employer of business of any of these people
- an outside client or secondary employer of the city official
- a client or employer of the official’s spouse, child, parent, or member of the household
- an entity for which the official serves as an officer, director, or policy maker
- a board or committee to which the official is appointed; or a person or entity with whom the official or their spouse solicited, received, or accepted an offer of employment or business opportunity within the past twelve (12) months.

B. Disclosure and Recusal

City officials shall proactively report an actual or a potential conflict of interest by submitting a disclosure form for any relationship that presents a potential conflict of interest as soon as they are aware of the conflict. Officials involved in the purchase of goods or services on behalf of the City who have an actual or perceived conflict of interest must submit a disclosure form prior to the commitment of any funds to a vendor. Officials involved in a procurement solicitation must submit the required disclosure forms before any solicitation material will be shared with them. The disclosure forms will be reviewed by Purchasing, Compliance, and Legal to determine if a conflict exists. If a conflict is identified, the employee will be recused from any decision-making, influence, commitment of funds, or solicitations that involve the vendor or individual(s) identified in the conflict. Failure to disclose an actual or potential conflict of interest may result in corrective action, up to and including sanctions by the Board of ethics.

Policy Number and Title:	10.00 Ethics Policy
Policy Section and Chapter:	Human Resources
Policy Type:	Policy with Administrative Procedures
Last Revision Date:	01/18/2023

POLICY STATEMENT

Public service is a public trust of which all City employees are stewards. It is essential that the public has confidence in those who act on their behalf in government. It is the City's policy to promote, uphold, and demand the highest standards of ethical behavior from all employees. The purpose of this policy is to set ethical expectations and guidelines, foster an environment of integrity and impartiality, and thereby enhance the City's ability to function effectively.

By promoting the City's values and prohibiting conduct incompatible with the best interest of the organization and public, risks are minimized, and public trust is strengthened. Each City employee must strive to adhere to the technical compliance and principles set forth in this policy. It is not the purpose of this policy to provide a mechanism to defame, harass, or abuse employees, or to exploit personal grudges.

This policy is not all-inclusive. It is supplemental to all applicable City policies, ordinances, and State/Federal laws and regulations. Employees are expected to use reasonable judgement for decisions that are not outlined in this or other City policies. Other policies may be referenced for more detailed information.

DEFINITIONS

1. Abuse - The intentional misuse of a City office, employment, contract, or other position or authority by virtue of relationship with the City to:
 - obtain personal gain or favor from another City employee, vendor, or citizen,
 - unreasonably harm or burden a resident, vendor, business, or other City employee,
 - violate a City policy, procedure, rule, or regulation in a way that impairs the effective and efficient execution of City operations.
 - a. Examples include:
 - i. Receiving personal gain for awarding contracts to certain vendors
 - ii. Requesting staff to perform personal errands or work tasks for a supervisor or manager
 - iii. Misusing one's authority or position for personal gain
 - iv. Acting in ways grossly inconsistent with the City's core values
2. Cash or Cash Equivalents – Cash or Cash Equivalents are defined as money or stored value

products such as gift cards and gift certificates.

3. Favor - A Favor is defined as performing an action, taking an action, or refraining from an action in a manner advantageous to an employee, customer, business, or organization in a manner atypical of normal business practices or policies. Examples include, but are not limited to, waiving charges or fees, or providing non-public information that could be used for financial or political gain.
4. Fraud – the intentional or knowing misappropriation of City assets by any act including, but not limited to, theft, corruption, conspiracy, embezzlement, deception, bribery, extortion, and intentional misrepresentation. Attempted fraud is treated as seriously as accomplished fraud. Further examples of fraudulent activity are outlined in the City’s Fraud Response Policy (509.01)
5. Game of Chance – A Game of Chance is defined as any game or contest in which the outcome depends on chance, regardless of whether there is a cost to participate (e.g., raffles, drawings, or sweepstakes).
6. Gift - A Gift is defined as any tangible or intangible thing that can be reasonably inferred as benefitting the employee and/or influencing the employee’s judgement or actions. This includes but is not limited to Cash or Cash Equivalents, merchandise, food baskets/trays, meals, transportation, lodging, entertainment, use of facilities or property, and discounts.
7. Honorarium – An Honorarium is defined as payment of money or anything of value in return for an appearance, speech, or article.
8. Perishable Items – Perishable Items are defined as fresh food (not pre-packaged for the intention of extended shelf life) having a shelf life of less than a few days. Plants are also considered Perishable Items.
9. Nominal Value – The Nominal Value of an item is defined as having a value of less than \$25.00.
10. Relative – For the purposes of this policy, Relative shall include, but not be limited to, the following familial relationships:

Relationships by Blood			YOU	Relationships by Marriage		
<ul style="list-style-type: none"> • Great grandparents • Great grandchildren • Uncle • Aunt • Nephew • Niece • First Cousin 	<ul style="list-style-type: none"> • Siblings (including ½ siblings) • Grandparents • Grandchildren 	<ul style="list-style-type: none"> • Parents • Children (includes adoption) 		<ul style="list-style-type: none"> • Spouse (legal or common-law) • Step-Parents • Step-Children • Parents-in-law • Son-in-law • Daughter-in-law 	<ul style="list-style-type: none"> • Brother-in-law • Sister-in-law • Grandparents-in-law • Grandchildren-in-law 	<ul style="list-style-type: none"> • Great grandparents-in-law • Great grandchildren-in-law • Uncle-in-law • Aunt-in-law • Nephew-in-law • Niece-in-law • First cousin-in-law

11. Trophy - A Trophy is defined as a tangible, durable reminder of a specific achievement, and serves as recognition or evidence of merit.
12. Waste - The intentional or unintentional, grossly inefficient, or uneconomical use of City assets or resources; or unnecessarily incurring costs to the City as a result of grossly inefficient practices, systems, or controls
 - a. Examples include:
 - i. Purchasing supplies, goods, or services at artificially inflated prices
 - ii. Making purchases without a valid business need or purchasing quantities of goods that the City is unlikely to fully utilize in a reasonable period of time
 - iii. Renewing a contract for goods or services that the City no longer uses

ADMINISTRATIVE PROCEDURES

I. Conflicts of Interest

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

A. General Rules

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

- the employee
- the employee's spouse, child, parent, or member of the household
- an outside client or secondary employer of the employee
- a client or employer of the employee's spouse, child, parent, or member of the household
- an entity for which the employee serves as an officer, director, or policy maker
- a board or committee to which the employee is appointed; or a person or entity with whom the employee or their spouse solicited, received, or accepted an offer of employment or business opportunity within the past twelve (12) months.

B. Disclosure and Recusal

Employees shall proactively report an actual or a potential conflict of interest by submitting a disclosure form for any relationship that presents a potential conflict of interest as soon as they are aware of the conflict. Employees involved in the purchase of goods or services on behalf of the City who have an actual or perceived conflict of interest must submit a disclosure form prior to the commitment of any funds to a vendor. Employees involved in

a procurement solicitation must submit the required disclosure forms before any solicitation material will be shared with them. The disclosure forms will be reviewed by Purchasing, Compliance, and Legal to determine if a conflict exists. If a conflict is identified, the employee will be recused from any decision-making, influence, commitment of funds, or solicitations that involve the vendor or individual(s) identified in the conflict. Failure to disclose an actual or potential conflict of interest may result in corrective action, up to and including dismissal of employment.

II. Private Interests

Employees shall not use their position with the City:

- to receive special treatment for themselves or anyone else including the receipt of discounts from parties an employee might be interfacing with as part of the employee's role with the City; or
- to unfairly impact the private interests of another.

Employees shall not represent a private interest before the City for compensation.

Employees shall not present private interests to Council, boards, or committees that conflicts with duties, assignments, or projects for which they are involved and/or have decision-making authority.

Employees shall not assert or imply they have the ability to influence City action on any basis other than the merits.

Decisions on behalf of the City shall be made on the merits of the issue, not on any personal considerations.

Employees shall not use any City property, resources, or time for any of the prohibited purposes stated above.

III. Nepotism

In order to prevent conflicts of interest, to avoid accusations and perceptions of biased conduct, and to maintain the confidentiality of restricted information, employment of certain related persons by the City, defined as a Relative by this policy, or within designated City departments, is not allowed. The provisions of this policy apply to persons from outside the City workforce who are applying for employment, or re-employment, with the City, as well as those employees applying for or transferring to other positions within the City.

No person shall be appointed to an office, or be employed by the City of Denton, who is a Relative of any member of the City Council or the City Manager as defined by this policy, and this shall apply to heads of departments in their respective departments.

In a department comprised of more than one operational division, an applicant who is a Relative of a City employee employed in that operational division will not be eligible for employment within the

same division. An applicant for a job in a department consisting of one operational division who is a Relative to an employee of the department will not be eligible for employment in that department. At the discretion of the department head, and with the approval of the City Manager, or designee, stricter guidelines for business reasons may be instituted as long as the reasons are not illegal or discriminatory.

An applicant for a temporary or seasonal position within an operational division of the City may be eligible for the position, without regards to relation to other employees within that operational division, as long as the period of employment does not exceed 120 days within a twelve-month period.

An applicant for a job in an operational division that reports to or serves as staff liaison to a City board or commission is ineligible for employment in that division if the applicant is a Relative of any member of the board.

NOTE: Nepotism guidelines as defined in approved Meet and Confer agreements will supersede this policy.

- A. "Operational divisions" within a department will be determined by that department's organizational chart and are not necessarily equivalent to a department's budgetary divisions.
- B. An applicant shall be required to list on their application for employment all Relatives who are employed by the City, serving on the City Council, or serving on a board or commission. Failure of an applicant to list all applicable relatives employed by the City, or serving on a board or commission, shall result in the disqualification of the applicant for the position for which they have applied.
- C. No current employee may be appointed or promoted to any supervisor's span of responsibility who is a Relative of that supervisor.
- D. In the event of promotion or marriage between two City employees, the following shall apply:
 - 1. If the affected employees are employed in different departments, or different operational divisions of a department, those employees may remain with the City and their job positions will remain unaffected by the marriage or promotion.
 - 2. At the discretion of the department head, married employees may remain and work in the same division or department if one is not directly reporting to the other and neither is in the same chain of command. The affected employees may report to the same department head. If, however, the affected employees are unable to meet these criteria, then one must seek a transfer to another division of that department or another department. This decision shall be made and agreed upon by those employees involved. An employee seeking a transfer will be considered for any City position for which the employee is qualified but cannot remain in the existing division for more than six (6) months. Qualifications being equal, the transferring employee shall be given preferential treatment. If a suitable position cannot be found by the end of this period, one of the two must terminate, or be subject to reassignment, if another position is available. Reassignment is subject to the discretion of the City Manager and based on the individual's skills and qualifications.

E. Relatives of City Council, Boards or Commissions

If an employee is already employed with the City and has been employed with the City at least six (6) months, then the employee is not required to transfer or resign upon the appointment of a relative to City Council, a board, or commission. However, an applicant of a relative of an existing City Council member, board member, or commission member is not eligible for employment in the operational division, which serves as the liaison to the City Council, board, or commission.

F. Relatives of City Manager or Department Head

If an employee is already employed with the City and has been employed with the City at least six (6) months, then the employee is not required to transfer or resign upon the hiring of the City Manager or department head who is a Relative of the employee. However, the employee may not report directly to their Relative.

G. If the City institutes a reorganization that changes operational divisional or departmental boundaries, and an employee would then be working within the same operational division as, or supervising, a member of their immediate family, one of the affected employees must transfer to another operational division. The six (6) month period to arrange a transfer may be extended in 30-day increments with the approval of the City Manager, the department director, and the supervisor. The extension shall not exceed 90 calendar days. If a transfer is not possible, one of the employees will be subject to mandatory reassignment. If this is not possible, one of the employees will be subject to dismissal. The determination of which employee shall be reassigned or terminated will be based upon the business interest of the operational division.

H. Temporary and seasonal employees of the City shall be partially exempt in that two (2) or more members of the same family who are Relatives may be employed within the same operational division as long as the following apply:

1. No more than one of the related employees may be a regular (non-temporary and non-seasonal) employee of the operational division,
2. Related employees will not occupy positions in the same line of authority in which employees can initiate, influence, or participate in, directly or indirectly, decisions involving a direct benefit. Examples of such decisions include, but are not limited to, hiring or rehiring, retention, transfer, promotion, wages, leave requests, or other working conditions,
3. Employees may not audit, evaluate, or review, in any manner, the related employee's work,
4. Employees will not be informed of or involved in corrective actions or performance management regarding the related employee's work, and

5. The relationship will not create an adverse impact on work on the department (e.g., reduction in work productivity, performance, disruption, etc.).
- I. Any employee relationship, regardless of the position the affected parties are in, that creates a disruption or potential disruption in the work environment, creates an actual or perceived conflict of interest as determined by the employee's supervisor(s), Compliance, the Human Resources Department, or the City's Manager's Office, or is otherwise prohibited by applicable law is not permissible under this policy.
- J. This policy applies to all current employees and candidates for employment.

IV. Gifts, Meals, and Events

A. Gifts or Favors

Employees shall neither solicit, nor accept, Gifts or Favors offered from an individual, business, or organization due to their position with the City (See Exceptions).

Cash or Cash Equivalents shall not be provided to employees at internal employee events or appreciation events sponsored or hosted by the City, nor shall the City provide Cash or Cash Equivalents as appreciation for achievement or recognition to the employee.

There are a few exceptions to the gift prohibition. Employees should use their best judgement of what meets this criterion and ask for clarification from their supervisor, Compliance, or Human Resources, when needed.

Exceptions include:

- Items offered or received at an internal employee event sponsored or hosted by the City (e.g., Benefits and Wellness Fair);
- Items included in event registration and available to all attendees (e.g., conference "swag bags");
- Marketing items of nominal value that are widely distributed via mail or at events (e.g., pens, notepads, or keychains);
- Perishable Items of Nominal Value given by member(s) of the public or a civic organization expressing general appreciation to a department, office, or work group;
- Items of Nominal Value received by an employee as part of an appreciation event sponsored or hosted by the City, a civic organization, or non-profit (excluding items received from vendors or parties who have or could potentially have business with the City, where acceptance of the item might be interpreted as creating a conflict of interest for the employee);
- Items of Nominal Value received for achievement or recognition in conformance with this Section;

- Items received from personal friends, relatives, or business associates with whom they have a relationship independent of their position with the City as long as the item is not offered in exchange for an action or decision; or
- Discounts that are available to all City employees; see the City's solicitation policy (114.01).

If a gift does not meet one or more of these exceptions and is accepted by an employee (or the employee is unable to respectfully decline the gift), the gift must be disclosed and donated in accordance with Section IV.D – Disclosure.

Gifts or Favors shall neither be solicited nor accepted as part of a *quid pro quo* arrangement in which the gift is granted to the employee or expected by the employee in return for the performance of an official act. Bribery is prohibited, with no exceptions, as stated in the Texas Penal Code 36.10.

B. Meals

Employees shall neither solicit nor accept meals offered from an individual, business, or organization due to their position with the City (See Exceptions). Employees shall further manage the appearance or risk of impropriety by avoiding meals and/or social functions with individuals, businesses, or organizations that can be reasonably inferred as personally benefitting the employee and/or influencing the employee's professional judgment or actions. Limited exceptions include:

- The meal is provided as part of an approved event, is included in the event's itinerary and registration, and is available to all attendees;
- The meal is essential to business needs or cannot be avoided in the process of performing essential duties (each party or their organization must pay for their own meals and disclose);
- The meal discount is part of a campaign or corporate policy for City employees;
- The meal is included as part of a community event where attendance by the employee is required as part of their essential duties; or
- The meal is discounted or gifted by personal friends, relatives, or business associates with whom they have a relationship independent of their position with the City as long as the item is not offered in exchange for an action or decision.

C. Events

Attendance of events must be deemed essential for training or business needs and approved by the employee's chain of command. Events include, but are not limited to, conferences, off-site meetings, and trade shows. Travel and expenses should also be approved and follow the City's policies for reimbursement of expenses (See Travel Expenses policy 408.01 and Reimbursement of Professional Development Activities policy 408.03), where applicable.

Discounted or complimentary registration, transportation, meals, or lodging for events are prohibited with the exception of:

- Transportation and lodging discounts that are extended to all government employees or attendees of the event (e.g., government hotel rate or buy 2 get 1 free conference registration);
- Meals that meet the exceptions outlined in the meals section of this policy (Section IV-B);
- Scholarships earned from organizations that are not vendors or that do not have the potential to benefit contractually or financially from the City or its employees; or
- Admission, transportation, meals, entertainment, or lodging accepted as a guest for a widely-attended event, such as a convention, conference, symposium, forum, panel discussion, dinner, viewing, reception, or similar event, offered by the sponsor of the event, and unsolicited by the employee provided the employee participates in the event as a speaker or panel participant by presenting information related to their duties as a City employee.

If an event does not meet the exceptions provided above for Gifts, meals, or events, and an employee feels attendance is necessary for their essential job duties, they can seek prior approval to attend the event from the City Manager or their designee. In granting specific exceptions, the City Manager or their designee shall consider if the gratuitous nature of the gift, meal, or event is likely to unduly influence the employee or interfere with the objective performance of the employee's official duties. If in the sole discretion of the City Manager or their designee it is determined that acceptance of a particular gift, meal, or event attendance is reasonably likely to cause the employee to demonstrate biased behavior or preferential treatment, the request for an exception shall be denied.

1. Honorariums

State law prohibits a *public servant* from soliciting or accepting an honorarium if the subject matter is directly related to the person's official duties or if it occurs because of the public servant's position with the City. This applies even if the employee provides the speech or services on their own personal time and there is no expenditure of public resources. The audience or organization for which the speech or services are being provided is not a factor or exception. Discounted or complimentary transportation, meals, or lodging are acceptable in these circumstances.

2. Games of Chance

An employee who is representing the City at an event or who is attending the event at the City's expense, shall not participate in Games of Chance or accept a prize or award from a game of chance associated with that event. An exclusion is internal, City-sponsored events (e.g., Benefits and Wellness Fair).

3. Achievement or Recognition

Employees may accept items of nominal value such as plaques, certificates, Trophies, and flowers that are awarded for recognition of meritorious service or professional achievement and intended solely for presentation. Trophies provided due to employee performance in a pre-approved competitive event may be accepted. Employees may

accept certification, honorary membership, or a fellowship awarded on the same terms and based on the same criteria applied to other candidates or applicants. Acceptance of Cash or Cash Equivalents, or any other prizes that do not meet these terms are prohibited.

D. Disclosure

Proactive steps should be taken to inform individuals, businesses, and organizations of the City's policies regarding gifts, meals, and events. Any unsolicited gifts received by an employee, department, office, or work group that does not meet the exception criteria, are property of the City. Every effort should be made to decline and/or return the gift to the sender or to donate the gift to an approved organization. The sender should be contacted to express appreciation and explain the City's gift policy. In addition to these gifts, any unsolicited meals that cannot be declined or that do not meet the listed exceptions, shall be disclosed. Employees shall disclose all such gifts and meals as soon as possible, but no longer than three (3) business days, from receipt. Disclosure should be provided prior to transporting gifts for donation.

V. Boards, Commissions, and Association Memberships

Employees serving as members of boards, commissions, or associations (excluding Police and Fire labor associations and official City boards that require appointment by Council) that have business with the City through contract or financial support will require disclosure and approval to avoid appearance of favoritism, impropriety, and/or conflicts of interest. Prior to serving on a board, commission, or association, an employee must request prior approval through their department head. Disagreements with denials should be addressed through the City Manager's Office. An employee who is serving on a board at the time of hire and who intends to continue serving must also obtain approval. Before approving a request, department heads will consider the employee's position and role in funding and policy decisions as a board, commission, or association member that could create a conflict or appearance of a conflict of interest for either the employee or the City. Employees must recuse themselves from discussing or making decisions regarding any City business with the board, commission or association while serving on the board, commission, or association. The employee must also take steps to ensure the meeting's minutes adequately document the recusal.

VI. Confidential Information

Confidential information includes all information held by the City that is not available to the public under the Texas Public Information Act.

An employee shall not use their position to obtain official information about any person or entity for any purpose other than the performance of their essential duties.

An employee shall not intentionally, knowingly, or recklessly disclose any confidential information gained by their position concerning the property, operations, policies, employees, or affairs of the City. This rule does not prohibit:

- A. Any disclosure that is no longer confidential by law, which would include providing information pursuant to a lawfully issued subpoena; or
- B. The confidential reporting of illegal or unethical conduct to authorities designated by law.

VII. Secondary Employment

The City shall be the primary employer for all employees for which benefits are being supplied (excludes temporary and seasonal employees). An employee may be employed in any capacity in any other business, trade, occupation, or profession while employed by the City, so long as it is determined that such employment does not tend to bring the City into disrepute, reflect discredit upon the employee, impair independence of judgment, create a conflict (or appearance of a conflict of interest), or conflict with their employment or performance as a City employee. It is the intention of this policy to protect the employee and the City from unintended consequences from secondary employment.

The City recognizes the prerogative of its employees to pursue other employment to occupy their off-duty hours. However, this must be balanced with the City's need for total productivity during working hours and with loyalty from its employees.

No City time, resources, personnel, facilities, or equipment may be used in conjunction with secondary employment, unless authorized in advance by the City Manager or designee.

Secondary employment shall not impair the employee's availability upon emergency recall by the City.

Secondary employment will not be considered an excuse for poor job performance, absenteeism, tardiness, or refusal to work overtime. Should the secondary employment cause or contribute to any of these situations, it must be discontinued, or the employee will be subject to disciplinary action, up to and including termination from City employment.

Membership in the military reserves is not considered secondary employment under this policy. For more information regarding employees in the military reserves, please see the City's Military Service Leave policy (111.04).

As the primary employer, the employee must recognize the City's need for flexibility and changing schedules based upon the demand for services or departmental needs.

A. External Secondary Employment

1. Prior to engaging in secondary employment, whether as an employee at another organization, independent contractor, or self-employed, an employee must request prior approval through their immediate supervisor and department head. An employee who is working another job at the time of hire, and who intends to continue the other employment, must also obtain approval as outlined in this section.
2. All requests for secondary employment must be submitted on a "Secondary Employment Approval Request" form.

3. Before approving a request for secondary employment, supervisors and department heads must ensure the secondary employment does not violate City or departmental rules, policies, or procedures or create a conflict (or appearance of a conflict of interest) for either the employee or the City.
4. If a request for secondary employment is approved, the request must be forwarded to the Human Resources Department for inclusion in the employee's personnel file.
5. Approval may be denied or withdrawn at any time by the department head, upon consultation with the Human Resources Director, or designee, when such employment violates City or departmental rules, policies, or procedures or creates a conflict (or appearance of a conflict of interest) for the City. The reason for denial or withdrawal must be documented in writing to the employee. Disagreements with denials or withdrawals should be addressed through the City Manager's Office.
6. Generally, approvals or denials/withdrawals should be communicated to the employee in writing within 72 hours (excluding weekends) of receiving the Secondary Employment Approval Request form. Delays to this timeline should be communicated to the employee.
7. An approval form is required for every job outside of the City, regardless of location, nature of work, or likelihood of a conflict to exist or occur.
8. A review and approval of the secondary employment is required annually, and a new approval form will be required as a result of the annual review. A new approval form will also be required for changes to employers, positions, or work hours for secondary employment.
9. Approval does not constitute the establishment of a joint employment relationship between the City and any external employer.
10. If the employee accepts secondary employment without approval, the employee may be subject to disciplinary action, up to and including dismissal from the City.
11. If an employee is injured while self-employed, working as an independent contractor, or working for another organization, they will not be covered by the City's workers' compensation program.
12. If an employee is injured in the course and scope of employment with the City, and is missing time from work, the employee must seek written approval from the Deputy Director of Risk and Compliance or Human Resources Director (or their designees) before continuing to work their secondary job (See Workers' Compensation/Salary Continuation Program policy 409.01).

B. Internal Secondary Employment

1. A regular full-time employee may have a part-time job in another department if approved by the supervisor and department head of their full-time job and the relevant guidelines outlined in Section A above are followed. The full-time job is considered the primary employer. To ensure provisions of the Fair Labor Standards Act, the Human Resources

Director, or designee, must also approve a full-time employee working a part-time position with the City.

2. Employees may also work more than one part-time job with the City as long as the relevant guidelines outlined in Section A above are followed. The job the part-time employee is hired in first is considered the primary employer. The primary employer will be responsible for maintaining all records for the regular part-time employee, including:
 - a. Status sheets - pay records
 - b. Allocation and transfer of charges

The secondary employer must coordinate the rate of pay, hours of work, and any other relevant information with the primary employer.

NOTE: The Police and Fire Departments have established written rules, regulations, and criteria which may be more specific than this policy. In such cases, those rules and regulations will supersede this policy.

VIII. Use of City Resources

An employee shall not use, request, or permit the use of City facilities, personnel, equipment, supplies, or time for private purposes while on City duty (including political purposes), except:

- Pursuant to duly adopted City policies; or
- To the extent and according to the terms that those resources are lawfully available to the public.

See the following City policies for specific information on these resources:

- Email Use policy 506.05
- Comprehensive Driving and City Vehicle Use policy 409.05
- Investigation and Inspection of City Facilities/Equipment policy 108.13
- Use of Social Media policy 505.03

IX. Use of Social Media

The City recognizes that social media has become a critical source of communication. Many, including City employees, utilize social media to voice their opinions on matters of both private and public concern. This policy is not intended to prevent employees from making non-confidential communications that are of a general, legitimate concern. However, employees are strongly encouraged to exercise due diligence and caution when utilizing social media to post communication, including but not limited to pictures, documents, or materials, for the public's view. Internet postings can be detrimental to the City. Employees should be mindful that social media and internet postings, even when done off duty, may cause unintended reactions from the public or consequences to the City and its officials and employees.

Guidelines for social media use:

- Employees shall effectively communicate that their postings are their own personal opinions and do not represent the entity in which they are employed (i.e., the City);
- Employees shall not post any information that is considered confidential, sensitive, or copyrighted to which they have access due to their position with the City;
- Employees must be truthful, courteous, and respectful toward other City employees, customers, citizens, and City Officials (e.g., City Council, Mayor); and
- Employees shall not harass others based on protected characteristics (e.g., race, sex, religion, sexual orientation, gender identity, national origin, disability status, etc.). See the City's Harassment Prevention/Workplace Abuse policy 108.10 for additional guidelines regarding discrimination and harassment.

Employees who distribute or post communication by way of social media, or other means, which has the effect of any of the following may be subject to disciplinary action:

- destroying the efficiency of City employees in performing their duties;
- impairing harmony;
- interfering with or disrupting City operations or functions;
- undermining authority;
- prevents successful service with employees' superiors or close working relationships which are essential to fulfill public responsibilities; or
- the ability for employees to perform their duties effectively.

See the City's Disciplinary Action policy 109.01 regarding unbecoming conduct.

Any employee who believes that their First Amendment Right has been infringed upon may request an administrative review under the Disciplinary Actions policy 109.01, Section VI.

Any employee who believes their social media account was compromised, resulting in a communication that would violate these policy guidelines shall immediately report the incident to Human Resources, Compliance, or the City Manager's Office.

For guidelines on social media use on behalf of the City or for City business, see the City's Social Media policy 505.03.

X. Political Activity

City employees are not restricted from using their right to vote in a City election. The City's Absence for Voting policy 111.03 outlines leave time for the purpose of voting.

Employee involvement in political campaigns does have limitations, as follows:

- Per the City's Solicitation policy 114.01, no employee may engage in political activity while on duty or while wearing a City uniform;
- Per the City's Email Use policy 506.05, the City email system may not be used to solicit political causes;
- Employees shall not display campaign materials on any City property, including but not limited to vehicles and uniforms;
- Employees shall not lobby on behalf of the City without prior written approval from the

City Manager, or designee;

- Employees shall refrain from using their influence in any way, for or against, any candidate for any elective office while engaged in the performance of their duties on the job;
- Employees shall not accept gifts or favors for political activity relating to an item on a ballot they participated in, provided advice relating to, or exercised authority on, while in the scope of their City employment; and
- Employees shall not engage in any conduct in relation to a political campaign that would have the effect of destroying the efficiency of City employees, interfering with, or disrupting City operations or functions, impairing harmony, or which prevents successful service with employees' superiors.

Publicly endorsing a candidate, placing a yard sign on private property, wearing or distributing campaign material, making financial contributions, or campaigning for a candidate, are permissible under City policy so long as those activities take place while the employee is off-duty and does not include the use of any City equipment or resources.

XI. Actions of Others

An employee shall not intentionally or knowingly assist or induce, or attempt to assist or induce, any person to violate any provision in this Ethics policy.

An employee shall not violate the provisions of this Ethics policy through the acts of another.

XII. Reporting Unethical Conduct

If an employee witnesses or has knowledge that inappropriate, unlawful, or unethical conduct has occurred, they have a duty to report the actions or behavior through the appropriate channels. Reports of unethical conduct for non-civil service employees will be reviewed and processed by Human Resources and the City Manager's Office. Retaliation for the reporting of inappropriate, unlawful, or unethical conduct is prohibited per the City's Retaliation Act Administrative Directive 108.06. Reports of unethical conduct for civil service Police and Fire employees will be reviewed and processed in accordance with Chapter 143 of the Texas Local Government Code and, where applicable, local rules, meet and confer agreement, and departmental standard operating procedures.

Examples of behaviors include, but are not limited to:

- Theft or misuse of City resources;
- Abuse of position;
- Misuse of confidential information;
- Personal use of City-owned resources;
- Bribery;
- Fraud, Waste, and Abuse
- Falsification of documents;
- Conflicts of interest; or
- Violations of City procurement policy.

XIII. Training

Employees shall complete annual training regarding this policy.

XIV. Exceptions Generally

If an exception is not specifically provided for in this policy, an employee may seek an exception from Compliance or the City Manager's Office. In granting specific exceptions, Compliance or the City Manager's Office shall consider the nature of the act or relationship in light of the purposes and objectives of this policy. Compliance or the City Manager's Office shall weigh whether public knowledge of the granting of the exception would erode public trust in the employee, specifically, and the City, generally. Of crucial concern shall be whether granting the exception is allowed by law and likely to unduly influence the employee or interfere with the objective performance of the employee's official duties. If in the sole discretion of Compliance or the City Manager's Office it is determined that granting the exception is not allowed by law or is reasonably likely to cause the employee to demonstrate biased behavior or preferential treatment, or further the interests of the employee, personally, without a corresponding benefit to the City as an organization, the request for an exception should be denied. Granted exceptions must be reported to City Council through written report.

REFERENCES

- City Policy 108.06 – Retaliation Act
- City Policy 108.10 – Harassment Prevention/Workplace Abuse
- City Policy 108.13 – Investigation and Inspection of City Facilities/Equipment
- City Policy 109.01 – Corrective Action
- City Policy 111.03 – Absence for Voting
- City Policy 111.04 – Military Service Leave
- City Policy 114.01 - Solicitation
- City Policy 408.01 – Travel Expenses
- City Policy 408.03 – Reimbursement for Professional Development Activities
- City Policy 409.01 – Workers' Compensation/Salary Continuation Program
- City Policy 409.05 – Comprehensive Driving and City Vehicle Use
- City Policy 505.03 – Social Media and Digital Platforms
- City Policy 506.05 – Email Use by Employees
- City Policy 509.01 – Fraud Response

REVISION HISTORY

Revision #	Effective Date	Owner	Summary of Changes
1.0	4/17/18	C. Ogden	Initial Policy
2.0	2/11/20	C. Ogden	General policy updates
3.0	11/16/21	C. Moar	<ul style="list-style-type: none"> • General formatting changes • Addition of “potential conflicts of interest” into disclosure and recusal requirements and notice that failure to disclose actual conflicts of interest may results in disciplinary action. • Prohibition on providing Cash or Cash Equivalents in certain situations. • Clarifications on Gifts, Meals and Events definitions and exceptions. • Requirement for approval forms to be completed annually for external secondary employment. • Prohibition on retaliation for reporting unethical conduct and inclusion of Fraud in example of unethical behaviors.
4.0	1/18/23	C. Moar (Ethics & Compliance)	<ul style="list-style-type: none"> • Addition of Fraud, Waste, and Abuse definitions • Addition of first cousins and first cousins-in-law to Nepotism requirements • Addition of definition of “Relative” and removal of references to “third degree of affinity or consanguinity” when referring to Nepotism requirements • Clarification that secondary employment section doesn’t apply to military reservists