

Ethics Code

Recommended Changes

Summary of Recommended Changes to the Ethics Code

Items Considered and Recommended Changes			
2018 Ethics Code		Proposed 2024 Ethics Code Amendments	Justification
EC-1	The Statement of Purpose establishes standards of conduct, disclosure requirements, and enforcement mechanisms relating to City officials and employees and others whose actions affect public faith in City government.	Add clarification that “others whose actions affect public faith in City government” includes actions by any individual acting on behalf of the City (e.g., volunteers, contract/temporary employees). Section 2-41	It’s important to note that actions of anyone acting on behalf of the City impact public faith in City government.
EC-2	To avoid the appearance and risk of impropriety, a City official or employee is restricted from taking official action that may affect the economic interest of certain individuals / entities.	Add clarification to 2-43(a)(8) regarding recusal(s) related to board(s) in which an employee or official serves. Amendment to read: An official or employee does not have a conflict in matters where they hold a position as a member of the board of directors or other governing board of a business entity if they meet all of the following conditions: a. The person, as a duty of office or job assignment, serves on such board as a representative of the City; b. The person receives no remuneration, either directly or indirectly, for his or her service on such board; and c. The primary nature of the business entity is either charitable, nonprofit, or governmental. Section 2-43	Provides further guidance in relation to potential conflicts when an employee or official serves on a board or in a decision making capacity outside of the City.
EC-2a	Restrictions on employees leaving the City (section 2-58) but no restrictions on employees joining the City from having influence on contracts with former employer.	Include a restriction that during the first 12 months of service an employee/official may not participate in the making or awarding of a contract to a person or entity that the employee/official was employed by during the prior year. Section 2-43	This change is suggested to negate any real or perceived bias (either for or against the entity) because of the prior relationship.

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EC-3	City Officials/Employees may not accept gifts offered to influence/reward official conduct. Additionally, they may not accept gifts from individuals doing/seeking business with the city, seeking action from the city, including registered lobbyist with limited exceptions.	Include information / definition regarding the restrictions related to honorariums that fall under Texas Penal Code 36.07. Section 2-45	Adds language to be consistent with State Code.
EC-4	Former City Employees/Officers are prohibited from having a financial interest in discretionary contracts for one-year after termination of duties.	Clarify that timeframe is related to the awarding of the contract versus seeking/submitting proposals. Section 2-58	Adds clarification based on prior questions.
EC-5	An individual or entity seeking action from the City (contract, zoning change, etc.) must disclose the identity of certain individuals no later than 72 hours prior to City Council action.	Clarify that disclosures should be made at the time the request is submitted, but no later than 72 hours prior to action. Section 2-59	Clarifies rules based on prior questions. To review potential campaign contributions during the prohibited period, disclosures are needed at the time the proposals are submitted.
EC-6	The Ethics Review Board has the discretion to accept or decline consideration of an alleged violation that has been resolved by the City Manager, or by a governmental agency or board with jurisdiction over the matter.	Allow Ethics Review Board the discretion to accept or decline consideration of <u>any</u> alleged violation that has been resolved, including by, but not limited, the City Manager, or by a governmental agency or board with jurisdiction over the matter. Section 2-82	Increases the discretion of the ERB to not have to accept an alleged violation for formal consideration if the complainant has already sufficiently resolved the issue without it going through the City Manager or other entity with jurisdiction.
EC-7	The Ethics Code supplements applicable state and federal laws.	Notice of the duty to comply with state and federal law should be provided towards the beginning of the Ethics Code instead of at the end. Section 2-92	Moving this section to the beginning of the Code will increase chance of notice by the reader.

Summary of Recommended Changes to the Ethics Code

Items considered with no changes recommended			
2018 Ethics Code		Proposed 2024 Ethics Code Amendments	Justification
EC-8	City Officers include members of "More Than Advisory" Boards.	No changes recommended. Section 2-52	Consistent with Local Government Code 171.001(1) - "Local public official" means a member of the governing body or another officer, whether elected, appointed, paid, or unpaid, of any district (including a school district), county, municipality ... who exercises responsibilities beyond those that are advisory in nature.
EC-9	Economic interest includes ownership of 10% or more of voting stock or fair market value.	No changes recommended. Section 2-52	10% is consistent with other similar codes.
EC-10	Former City Employees/Officers are prohibited from representation of private interests before the City for two-years after termination of duties.	No changes recommended. Section 2-56	This is consistent with the State's revolving door policies.
EC-11	Former City Employees/Officials are prohibited from performing work on a compensated basis related to a discretionary contract that the individual personally and substantially participated in the negotiation, award, or administration of the contract.	No changes recommended. Section 2-57	This is consistent with the State's revolving door policies.
EC-12	Former City Employees/Officers are prohibited from having a financial interest in discretionary contracts for one-year after termination of duties.	No changes recommended. Section 2-58	Similar to revolving door rules, a one-year restriction on contracting reduces any real or perceived bias or advantage for former City Employees/Officers.

Summary of Recommended Changes to the Ethics Code

Administrative Changes	
His/her, he/she	They/Their Throughout
City Council Contract Personnel	Employees of the Council Aides Corporation Throughout
Definitions	Update to provide any definitions within a section at the beginning of the section instead of at the end. Throughout

Municipal Campaign Finance Code
Recommended Changes

Summary of Recommended Changes to the Municipal Campaign Finance Code

Items Considered and Recommended Changes			
2018 Municipal Campaign Finance Code		Proposed 2024 Municipal Campaign Finance Code Amendments	Justification
MCFC-1	Businesses seeking high profile contracts are prohibited from giving to candidates during certain prohibited periods. However, PACs directly associated with these businesses are allowed to contribute.	Prohibit business PACs from contributing to candidates and office holders during high profile contract prohibition periods. (Note: Language should be specific that restriction is applicable to PACs directly related to the business entity and not industry PACs.) Section 2-309	PACs directly associated with a specific business entity giving contributions should be considered as a contribution from the business itself.
MCFC-2	Board members of non-profit organizations are exempt from contribution prohibitions on high profile contracts.	Prohibit non-profit board members from contributing during high profile contract prohibition periods. Section 2-309	Standardizes requirements for all entities whether they are for-profit or non-profit.
MCFC-3	Board Officers and Executive Committee members of for-profit companies are prohibited from contributing to candidates during certain prohibited periods for high profile contracts. "Regular" board members are allowed to contribute.	Prohibit all company board members from contributing during high profile contract prohibition periods. Section 2-309	Do not distinguish between Board officers and 'regular' Board members as possible influence is equal.
MCFC-4	Campaign finance reporting required by all Political Action Committees.	Require SPACs to file campaign finance reports with the City Clerk's Office. Provide option for GPACs to provide general notice in writing to City Clerk's office versus full campaign finance report. Section 2-308	SPACs are formed to support/oppose a specific candidate or ballot measure. All transactions would likely be associated with local filing rules and be applicable to municipal elections. GPACS are formed to support or oppose a particular point of view, not a specific candidate or measure on the ballot. Since transactions may not be limited to the local municipal election, it would be appropriate to have only applicable transactions reported locally.

Summary of Recommended Changes to the Municipal Campaign Finance Code

MCFC-6	In addition to State reporting requirements, the City requires candidates to file quarterly campaign finance reports.	Change to be consistent with State reporting requirements (Semi-Annually & Pre-Election). Section 2-307	Consistency with State rules. No significant benefit to 3-month reporting.
MCFC-8	Copies of campaign bank account statements must be provided monthly to the City Clerk's Office by: <ul style="list-style-type: none"> • Candidates for Mayor or City Council • Office holders • Specific purpose political action committees (SPACs) registered with the City and formed for the purpose of supporting or opposing a candidate for Mayor or City Council 	Remove requirement to provide copies of bank account statements to the City Clerk's Office. Section 2-306	Texas Election Code does not require the Local Filing Authority to maintain copies of campaign bank account statements. Since these records may contain sensitive information such as the full bank account number, check copies, etc. it is recommended that this requirement be removed.

Items considered with no changes recommended			
2018 Municipal Campaign Finance Code		Proposed 2024 Municipal Campaign Finance Code Amendments	Justification
MCFC-5	Monetary and in-kind contributions to candidates are limited to \$500/\$1,000 per election cycle.	No changes recommended. Section 2-302	ERB believes current limits are sufficient. No compelling reasons to change limits.
MCFC-7	If the prohibited period for campaign contributions for high profile contracts is violated, the contributor is disqualified from the procurement and the contribution must be returned.	No changes recommended. Section 2-309	(Board considered the disqualification provision.) Bidders are informed of this rule through the RFP (page 1 of the RFP), required disclosures in the RFP process, and notified at pre-submittal conference (attendance optional). This section applies only to high profile, discretionary contract. Usually about 40 per year (need stats over last 4-5 years)

Summary of Recommended Changes to the Municipal Campaign Finance Code

Administrative Changes	
His/her, he/she	They/Their Throughout
Portions of the code only reference candidates for Mayor or Council.	Update to provide clarification when the requirement is applicable to both candidates and officeholders. Throughout
References to specific-purpose political action committees (SPACs) are not clear in all parts of the code.	Update to provide clarification when the requirement applies to all SPACs registered with the City versus requirements that are specific to those SPACs formed to support or oppose candidates or officeholders. Throughout