

**Minutes of a Meeting of the
Ethics Ad Hoc Committee
Of the City of Georgetown, Texas**

Wednesday, November 8, 2017

The Ethics Ad Hoc Committee met on Wednesday, November 8, 2017 at 5:30 PM in the Main Floor Conference room of City Hall, 113 E. 8th Street, Georgetown, Texas.

Call to Order at 5:30 PM

Vice Chair, Peggy Moore, called the meeting to order at 5:35 PM. All members were in attendance with the exception of Tim Smith and Paula Trietsch-Chaney. Peggy Moore, Bob Glandt, Jerry Lawhon, Kelly McClennahan, Camarie Perry and Cass Wheeler were in attendance.

REGULAR SESSION

- A. Call Meeting to Order – Peggy Moore, Vice Chair

- B. Discussion of possible amendments to the City of Georgetown Ethics Ordinance – Peggy Moore, Vice Chair

Moore opened the discussion regarding the Ethics Ordinance and recent amendments. The Committee discussed the City Council's direction for the Ad Hoc Committee and their role. It was determined that the Committee would need to analyze the recently amended ethics ordinance which conforms to the State Ethics Statutes.

Discussion followed regarding recent conflict of interest issues among some of the City's advisory boards. Substantial economic interest and financial interest were discussed, as well as the interpretation of a "reasonable person". The Committee members present agreed that there were 3 tasks that would be important: 1) resolve the conflict of interest difficulties 2) provide enforcement for violations of ethics laws 3) clean up vague or ambiguous language.

Moore explained to the Committee that their findings and recommendations could be taken to the Council in pieces, or at varying

times, and recommendations did not need to wait until all issues had been resolved. The Committee was in agreement that it would be important to take the time to make things right. It was suggested that the reestablishment of an Ethics Commission would be the first recommendation. A motion was made and seconded, but withdrawn when the City Attorney noted that action could not yet be taken because the agenda of this meeting only states "discussion".

The City Attorney, Charlie McNabb, was asked to clarify the meaning of "substantial economic interest". McNabb provided information for clarification.

He then noted that the conflict of interest issue was one that needed some attention. He told of the issue that had occurred with the Zoning Board of Adjustment and Enterprise Pipeline. McNabb explained that since some members of the boards are real estate professionals, bankers, or lawyers, who may have spoken to Enterprise, in some capacity, it created confusion of what "business opportunities" meant in the many different scenarios. McNabb said the language in the local ordinance was so broad and vague that members could not determine if they needed to file a conflict of interest and attorneys were not easily able to interpret or advise, also because of the broad or vague language. When not being able to interpret the meaning, it is best to file a conflict of interest, rather than take a chance on violating the ordinance. McNabb said it is always best to error on the side of abstaining. McNabb went on to explain that the applicant had actually later withdrawn his application, but the possibility of this issue occurring on certain boards had become apparent.

McNabb was asked how the state statute differs from the local ordinance in conflicts of interest. McNabb said the state foresees what could conceivably happen and has a provision that allows a body to proceed with a vote, when there are multiple conflicts of interest causing the lack of a quorum. The Committee asked for a copy of the state statute. McNabb said he had not provided the state statute in advance to the Committee, to avoid confusion, but will be happy to provide it now. He explained that state statute applies regardless.

It was suggested that Item K, Substantial Economic Interest, of the Ethics Ordinance from 2012 be removed entirely and the local ordinance use the provisions of Substantial Financial Interest alone. McNabb agreed that the Substantial Economic Interest is hard to define and that the Substantial Financial Interest is well defined. McNabb said that the state statute includes Financial Interest and does not include Economic Interest. He

said that the local ordinance applies to others than just officials, including advisory boards and the direct reports of the City Council – City Manager, City Attorney and City Secretary, and that this still exists in the recent revisions to the local ordinance.

Discussion on possible economic interest scenarios took place. Discussion followed on the difficulty of different interpretations and different expectations of what was “reasonable”. It was agreed that the language needs to be measurable with clear interpretation.

McNabb was asked if the conflicts of interest issues have been a problem in the past. He answered that this incident was the first of its kind in Georgetown. He noted that, because of the rapid growth and development in Georgetown, boards are dealing with much more land use and have much more activity. McNabb explained that it was never the intention of Council to remove the Ethics Commission.

Discussion took place regarding having more teeth in sanctions for ethics violations. McNabb was asked about sanctions. He explained that there are sanctions in state law, that can be criminal, but not in the City. He spoke on letters of Notification, Reprimand and Censure. He explained that local violations would be taken to the City Council for action, but could not be criminal action. He said the new ordinance, following state law, has a criminal violation for not filing a conflict of interest when needing to. He said it would be a Class C, low misdemeanor, for deliberate offenses or egregious offenses that occur more than once. Discussion followed about possibly listing violations. McNabb noted that serious offenses would be picked up by state criminal statute anyway and he feels these sanctions and actions seem appropriate.

McNabb was asked about best practices and if the Committee could take a look at what other cities or city management organizations are doing. It was suggested that looking at model organizations could allow the Committee to use pieces that they liked, without reinventing the wheel.

Discussion took place about the current ordinance starting with the state statute and building from there. It was determined that reinstating the Ethics Commission, taking out the Substantial Economic Interest, and correcting vague language that leads to interpretation issues would be necessary.

The Committee determined that they would like to look at 5 comparable sized cities and their practices on economic interest, financial interest and

sanctions. McNabb said he would gather the information and share it with the Committee for their review.

- C. Discussion regarding future agendas and meeting dates and times – Peggy Moore, Vice Chair

The Committee discussed future meeting dates and times. The next meeting of the Ethics Ad Hoc Committee will be Thursday, December 7, 2017 at 5:30 PM. in the Main Floor Conference Room at City Hall.

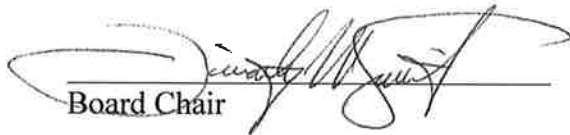
ADJOURNMENT

Vice Chair, Peggy Moore adjourned the meeting at 6:20 PM.

Approved by the Ethics Ad Hoc Committee

2/26/2018

Date


Board Chair


Board Secretary