

ORDINANCE NO. 1010.1

AN ORDINANCE OF THE CITY OF DRIPPING SPRINGS, TEXAS; PROVIDING AN ETHICS ORDINANCE FOR THE CITY; PROVIDING FOR STANDARDS OF CONDUCT; PROVIDING FOR DISCLOSURE OF INTEREST; PROVIDING FOR AN ETHICS REVIEW COMMISSION; PROVIDING FOR DISPOSITION OF ALLEGED VIOLATIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the conduct of the public business should be accomplished City Officials of the City of Dripping Springs free of any personal financial interests that are different from the interests of the general public;

WHEREAS, it is important to the City Officials of the City that they be provided with a process and procedure to provide notice and to refrain from participation in any business of the City in which such City Official has a personal or financial interest that is different from that of the general public; and

WHEREAS, a reasonable Ethics Ordinance and disclosure requirements will provide a basis for continuing confidence in the conduct of the business and affairs of the City;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF DRIPPING SPRINGS, TEXAS:

SECTION I. DEFINITIONS

The following words, terms, and phrases, when used in this Ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. Words used in the present tense include the future tense. Words used in the plural number include the singular, and words in the singular include the plural. The word "shall" is always mandatory. The word "herein" means in the Ordinance. The word "person" means any human being or legal entity and includes a corporation, a partnership, and an incorporated or unincorporated association.

- A. Business Entity. Any corporation, partnership, sole proprietorship, firm, holding company, joint stock company, receivership, trust, or any other entity recognized by law.
- B. City Contractor. Any person and entity that is engaged by the City to provide professional services and receives compensation therefor.
- C. City Official. The Mayor, any member of the City Council, or another officer, whether elected, appointed, paid, or unpaid, of the City who exercises responsibilities beyond those that are advisory in nature.

- D. Compensation. Any economic benefit received in return for labor, services, property, or investment.
- E. Economic Benefit. Any money, real or personal property, purchase, sale, lease, contract, option, credit, loan, discount, service, or other tangible or intangible thing of value, whether similar or dissimilar to those enumerated.
- F. Gift. A favor, hospitality, or economic benefit other than compensation but which does not include campaign contributions reported as required by state law, gifts received from a relative if given an account of kinship, or any value received by will, intestate succession, or as a distribution from an inter vivos or testamentary trust established by a spouse or ancestor.
- G. Income. Economic benefit received.
- H. Intentionally. A person acts intentionally, or with intent, with respect to the nature of his/her conduct or to a result of his/her conduct or to a result of his/her conduct when it is his/her conscious objective or desire to engage in the conduct or cause the result.
- I. Knowingly. A person acts knowingly, or with knowledge, with respect to the nature of his/her conduct or to circumstances surrounding his/her conduct when he/she is aware of the nature of his/her conduct so that the circumstances exist. A person acts knowingly, or with knowledge, with respect to a result of his/her conduct when he/she is aware that his/her conduct is reasonably certain to cause the result.
- J. Substantial Interest
1. A person has a substantial interest in a business entity if:
 - (a) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; or
 - (b) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.
 2. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.
 3. A City Official is considered to have a substantial interest under this section if a person related to the City Official in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest under this section.

SECTION II. STANDARDS OF CONDUCT AND DISCLOSURE OF INTEREST FOR CITY OFFICIALS

A. Policy.

It is the policy of the City that the proper operation of democratic government requires that City Officials be independent, impartial and responsible to the people; that government decisions and policy be made in proper channels of the governmental structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government. In recognition of these goals, a Code of Ethics for City Officials is adopted.

This Code has four purposes: 1) to encourage high ethical standards in official conduct by City Officials; 2) to establish guidelines for ethical standards of conduct for all such City Officials by setting forth those acts or actions that are incompatible with the best interests of the City; 3) to require disclosure by such City Officials of private financial or other interests in matters affecting the City; and 4) to serve as a basis for disciplining those who fail to abide by its terms.

Notwithstanding anything contained in the Ordinance to the contrary, the provisions of this Ordinance shall not apply to political contributions, loans, expenditures, reports, or regulation of political campaigns, or the conduct of candidates in such campaigns, except as expressly provided herein.

B. Standards of Conduct.

1. Grounds for Removal

A City Official may be removed from office for:

- (a) official misconduct, or
- (b) the conviction of any felony or for a misdemeanor involving official misconduct.

2. Gifts

- (a) No City Official shall intentionally or knowingly offer, confer, or agree to confer on another, or solicit, accept, or agree to accept from another:

- (1) any benefit as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion as a City Official or;
- (2) any benefit as consideration for a violation of a duty imposed by law on a City Official.

3. Abstention from Voting

- (a) If a City Official has a substantial interest in a business entity or in real property, the City Official shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:
 - (1) in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
 - (2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
- (b) The affidavit must be filed with the Secretary of the City of Dripping Springs.
- (c) If a City Official is required to file and does file an affidavit under Subsection (a), the City Official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the governmental entity of which the City Official is a member is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.

4. General Provisions.

- (a) No City Official shall, in reliance on information to which he/she has access by virtue of his/her office or employment and that has not been made public, acquire or aid another to acquire a pecuniary interest in any property, transaction, or enterprise that may be affected by the information; or speculate or aid another to speculate on the basis of the information;

- (b) No City Official shall with intent to obtain a benefit or with intent to harm or defraud another, disclose or use information for a nongovernmental purpose that he/she has access to by means of his/her office or employment, and has not been made public.
- (c) No City Official shall with intent to obtain a benefit or with intent to harm or defraud another, intentionally or knowingly misuse government property, services or personnel, or any other thing of value belonging to the government that has come into the public servant's custody or possession by virtue of the public servant's office of employment.
- (d) Any City Official who has a legal or equitable interest in property that is to be acquired with public funds shall file an affidavit within 10 days before the date on which the property is to be acquired by purchase or condemnation.

The affidavit must:

- (1) state the name of the City Official;
 - (2) state the City Official's office, public title, or job designation;
 - (3) fully describe the property;
 - (4) fully describe the nature, type, and amount of interest in the property, including the percentage of ownership interest;
 - (5) state the date when the person acquired an interest in the property;
 - (6) includes a verification; and
 - (7) contain an acknowledgement of the same type required for recording a deed in the deed records of the county.
- (e) Any City Contractor that has a substantial interest in a business entity, or represents a person or business entity that has any pending applications with the City, shall file a notice with the City Secretary stating such interest or representation at least two weeks prior to the date of any consideration of such application by the appropriate body of the City. If such body desires such City Contractor to continue to advise such body regarding such application, a written acknowledgement and waiver shall be

executed by the presiding officer of such body.

SECTION III. SEVERABILITY

If any provision of this Ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION IV. EFFECTIVE DATE

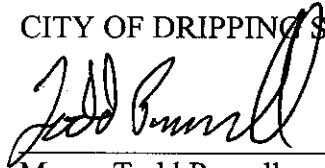
This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Texas Local Government Code, and it is accordingly so ordained.

SECTION V. OPEN MEETINGS


It is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED on this the 23rd day of September, 2003.

CITY OF DRIPPING SPRINGS



Mayor Todd Purcell

ATTEST:


City Secretary Ginger Faught