



## **AGENDA MEMORANDUM**

First Reading Ordinance for the City Council Meeting September 24, 2019  
Second Reading Ordinance for the City Council Meeting October 1, 2019

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**DATE:** September 16, 2019  
**TO:** Peter Zaroni, City Manager  
**FROM:** Miles Risley, City Attorney  
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826-3360

<b>Electronic Reporting of City Official Financial Disclosure Reports</b>
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**CAPTION:** Ordinance to amend City Code of Ethics regarding Financial Disclosure forms as recommended by the Ethics Commission to allow electronic filing, to include statement regarding conflict of interests, to shorten candidate deadline for filing financial disclosure reports from 5 days to 3 days within filing for office, to allow for unsworn declaration, to allow for shortened report if no changes since last complete report, and to change filing date from last Friday in April to last Friday in March

**SUMMARY:** Ethics Commission recommends electronic reporting of required financial disclosure reports and other improvements to streamline the annual financial disclosure reporting process.

**BACKGROUND AND FINDINGS:**

For several months, the City Ethics Commission has been reviewing the process for filing financial disclosure reports which are required by City Code Section 2-340 to be filed every April covering January 1 through December 31 of the previous year. In addition, candidates for City Council are required by City Code Section 2-343 to file an annual report of financial information covering January 1 through December 31 of the prior year within 5 days of filing for offices. All of the financial disclosure reports, as filed by the reporting officials and candidates, are reviewed by the Ethics Commission as required by City Code 2-326(a)(3). The City Ethics Code Section 2-341 defines "reporting officials" to include City Council members, City Manager, Assistant City Managers, City Secretary, City Attorney, Department heads, Municipal Court judges, Planning Commission, Ethics Commission, Civil Service Board, and Civil Service Commission. In addition to the annual reports, City Council members and the Planning Commission are required to file a supplemental report every July covering the most recent January 1 through June 30. The current process is for every reporting official to physically file a paper copy with the City Secretary's Office.

The Ethics Commission is proposing several changes to improve and streamline the process. First, the proposed amendment would allow electronic filing of the City financial disclosure reports. Second, the proposed amendment would allow a reporting official to file a shortened form to indicate no changes since the last filed report. Third, the Ethics Commission recommends that the financial disclosure statement include a conflict of interest statement. In addition, the Ethics Commission recommends some changes requested by the City Secretary's office to shorten the time for candidates to file their financial disclosure reports, from five days to three days within

filing for office and to change the date for submittal of the reports from the last Friday in April, to the last Friday in March. Lastly, the proposed ordinance would also allow for unsworn declarations in lieu of the requirement for the forms to be sworn, as allowed by the Texas Unsworn Declaration Act.

The City Ethics Commission approved the attached proposed Ordinance to amend the Ethics Code during its meeting on August 15, 2019. The City Secretary's Office participated in the discussions regarding these amendments to streamline the process. In addition, the City IT department assisted in preparing a sample electronic form for review.

The members of the City Ethics Commission are:

Chair: Drue Jones  
Vice-Chair: Rob Bailey  
Claude Axel  
Keith Heavilin  
Richard Greg Hood  
Richard Milby  
Craig Rogers  
Edward Sample  
Sandra Sanchez

**ALTERNATIVES:** An alternative to achieve the same result for certain reporting officials would be to rely instead upon the State financial disclosure reports which are required by Texas Local Government Code Section 145.001 to be filed by candidates and certain "municipal officers" as defined in Texas Local Government Code Section 145.003 (the City Council, the City Attorney and the City Manager).

**FISCAL IMPACT:**

There is no fiscal impact for this item.

**RECOMMENDATION:** Approval of the Ordinance to amend City Code of Ethics regarding Financial Disclosure forms as recommended by the Ethics Commission to allow electronic filing in lieu of paper filing, include statement regarding conflict of interests, shorten deadline for financial disclosure by candidates from 5 days to 3 days within filing for office, allow for unsworn declaration, and allowing for shortened report if no changes since last complete report

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance