

Presentation To City Council – Ethics Ordinance Revisions

August 6, 2018

Requested Council Action

Provide clarification and direction to city staff and the Ethics Review Commission regarding proposed amendments to the San Marcos Code of Ethics

Review of ERC's Recommendations

- Limit campaign contributions? Effective date?
- Require city officials and employees to report ethics violations?
- Require remedial ethics training for ethics ordinance violators?
- Prohibit city officials from voting on contracts with business entities they serve in any capacity?
- Require lobbyists to register and submit periodic lobbying activity reports?

Campaign Contribution Limits

- Individual contribution limit: \$500 per candidate per election cycle
- Aggregate fund raising limits per election cycle:

For mayoral candidates: $\$1.25 \times \text{number of registered city voters on date of last mayoral election [32,682 registered voters on 11/07/2017]} = \$40,852.50$

For council candidates: $\$0.75 \times \text{number of registered city voters on date of last election for any council place}$

Runoff candidates: $\$1.50 \times \text{number of registered city voters on the date of the last regular municipal election}$

Campaign Contribution Limits (continued)

Contributions – include monetary, in-kind, and pledged contributions

Election Cycle – Revised by ERC (6-12-2018)

A period of time beginning on the day after the last election for the office of mayor or council member of a particular council place and ending on election day for that position

Other Proposed Amendments

Mandatory Reporting of Ethics Violations:

Amend Section 2.444 of the ethics ordinance to require city officials and employees who have knowledge of a violation of the code of ethics or state conflict of interest law to report the violation to the ERC

Voting on Certain Contracts Prohibited:

Amend Section 2.423 to prohibit a city official from voting on a contract with the city for any business entity that the official serves in any capacity

Other Proposed Amendments (continued)

Remedial Ethics Training:

Amend Section 2.444 to include, as a sanction for violation of the ethics ordinance, a requirement that the official or employee attend remedial ethics training including any updates to the ordinance

Lobbying Regulations

Key Terms Defined:

Lobbying – oral, written, or electronic communication with a city official, employee, or staff member to influence a municipal decision on behalf of the lobbyist himself, or on behalf of another person or entity

Includes: attempts to adopt or defeat adoption of an ordinance or resolution, to gain the award of a contract or approval of a land use/land development application

Lobbying Regulations (continued)

Excludes: communications regarding homestead property; family matters that are not business related; matters not involving financial benefit or detriment

Lobbyist – any person, including an attorney, who engages in lobbying on behalf of his/her principal, employer, or the owner of a business. Both the lobbyist and the principal would be subject to proposed registration and reporting requirements

Lobbying Regulations (continued)

Registration – required; failure to register can delay city's award of contract or land use decision until registration occurs

Activity Reports:

- required to be filed for each two month period
- include the name of the client, list of issues, matters or decisions
- names of city officials or employees contacted
- dollar amount of each gift, benefit or expenditure conferred on a city official in excess of \$50 or in a cumulative amount greater than \$200 per reporting period
- setting annual limit of \$500 on meals or gifts to a city official

Lobbying Regulations (continued)

Violations and Enforcement:

- complaints regarding lobbying violations would be heard by the ERC
- repeated violations – three violations within a five year period – results in suspension for one year
- could also result in municipal court prosecution

Summary of Today's Actions

- Votes taken today on each recommendation
- Date for consideration of ordinance on first reading and effective date(s) for each amendment
- Direction to Ethics Review Commission and staff, if necessary, for additional work to be done regarding these matters