

Board Ethics Training Briefing

- Creating Board & Commission Training Manual
 - o Provides detailed information regarding all training, attendance and ethics requirements, FAQs, policies and procedures, composition of boards, roles and responsibilities.
 - o Will be available online to all citizens, board members, support staff and provided to each new member.
 - o We are determining whether we will have time to schedule group trainings for all board members.
- Ethics Training Updates
 - o Clarify Conflict of Interest Requirements for Sovereign and Advisory Boards.
 - The common confusion between requirements for sovereign and advisory boards on the city and state conflict of interest requirements.
 - o Emphasizing the basic understanding of COI.
 - Anyone can have a COI, doesn't reflect on their personal character and its common that expertise and COI coincide.
 - List common types of conflicts of interest
 - Define difference between abstaining and recusing
- Updating conflict of interest/sign in sheets
 - o We have had several staff trainings and are proactively working with liaisons to provide quarterly attendance files to me so that they are available in one location.
 - o Providing the recusal requirements with the sign in sheet.
 - o Encouraging board members to review agendas prior to meetings to comply with any sovereign board requirements.

ATTENDANCE AND CONFLICT OF INTEREST SHEET (SOVEREIGN BOARDS)

BOARD/COMMITTEE NAME: _____ DATE OF THE MEETING: _____

Failure to sign this form will result in the member being counted as absent (unexcused absence). Any vote cast by a member who did not sign will not be counted.

By signing below, members indicate they were in attendance and certify they have no conflict of interest* related to any agenda item or declare each conflict of interest. They agree not to participate in a discussion, deliberation, or vote on an agenda item for which they have a conflict of interest.

BOARD MEMBER	SIGNATURE VERIFYING PRESENCE	ARE YOU <u>ABSTAINING</u> OR <u>RECUSING</u> ON ANY AGENDA ITEMS?	IF YES, IDENTIFY THE AGENDA ITEM NUMBER BELOW.	IF <u>RECUSING</u> , HAVE YOU SUBMITTED AN AFFIDAVIT WITH THE OFFICE OF THE CITY CLERK?
DISTRICT 1: John Doe		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 2: Jane Smith		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 3:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 4:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 5:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 6:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 7:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 8:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 9:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
DISTRICT 10:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
MAYOR'S APPT:		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No

*A board member has a conflict of interest if City Code Chapter 2-7 or Local Government Code Chapter 171 prohibits the board member from taking action on a vote or decision before the board.

Recusing vs. Abstaining

Recuse-Disqualifies you from participating in a decision based on city and state recusal requirements. Please see “City Recusal Requirements” and “State Recusal Requirements” sections below.

Abstain- To refrain from voting by one’s own choice on grounds such as personal involvement, the appearance of bias or the belief that there is not enough information provided to make a fair decision. A member may choose to participate in debate, amending motions but refrains from voting.

City Recusal Requirements

The City Code requires you to recuse yourself when you have a “substantial interest” in a person; in an association, business, corporation, government agency, or other entity; or in a piece of real estate that would be affected by a vote of the board on which you serve.

You have a substantial interest in real property if your interest has a market value of \$5,000 or more.

You have a substantial interest in a person, business, or entity if:

- You own 5% of a business or an interest worth \$5,000 in a business
- During a year, you receive income from a person or business that amounts to \$5,000 in salary or professional fees
- During a year, you receive \$20,000 in payment for goods or nonprofessional services, or 10% of your gross income
- You serve as a corporate officer or member of the board of directors or other governing board of an entity
- You owe money or are owed money by a person or business in an amount of \$5,000 or more.
- An interest in real estate worth \$5,000 or more is a substantial interest.
- You have a substantial interest if your spouse has a substantial interest.

Recusing yourself under City Code:

- You make a public disclosure revealing the nature and the extent of your substantial interest.
- You must make sure your disclosure is recorded in the board’s official records.
- You must NOT participate in the discussion.
- You must NOT vote

Leaving the dais is a good way to emphasize that you are refraining from participating in the discussion and the vote.

State Recusal Requirements

The state law only applies to sovereign boards. The state law applies in addition to the city’s recusal requirements, not instead of them. If you are a member of a sovereign board, you need to be familiar with both the city and state requirements.

Under state law, you have a substantial interest in a business entity if:

- You own 10% or more of the voting stock or shares of the entity
- You own 10% or more or \$15,000 or more of the fair market value of the entity.
- You received funds from the business entity that exceed 10% of your gross income for the previous year.
- You have a substantial interest in real property if your interest is an equitable or legal ownership in the real property with a fair market value of \$2,500 or more.

Recusing yourself under the state law:

- You must publicly disclose the nature and extent of the interest by filing an affidavit with the City Clerk before the vote.
- You must NOT vote.
- You must NOT take part in the discussions leading up to the vote.

If you do not properly recuse yourself under the state law, you could be subject to prosecution for a Class A misdemeanor. This offense is prosecuted by the County or District Attorney, and it is punishable by a fine of up to \$4,000, a year in jail, or both the fine and the time in jail.