



Texas Government Accountability Association

Board of Directors Meeting

August 27, 2025

02:00 PM

Video Conference*

Meeting Agenda

1. Call to Order
2. Invocation
3. Roll Call
4. Minutes for 2025/06/26 Meeting
5. Convene in Executive Session pursuant to Texas Government Code:
 - a. Section 551.071 for private consultation with the General Counsel to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the General Counsel has a duty under the Texas Rules of Discipline and Professional Conduct regarding confidential communication with the Board.
 - i. AAA Case No. 01-25-0000-8663 – Texas Government Accountability Association v. City of Odessa, and
 - ii. Cause No. C250202212-CV – City of Odessa v. Texas Government Accountability Association in the District Court of Ector County, Texas
6. Discuss and consider TGAA Transparency & Ethics Policy changes and matters related thereto.
7. Discuss and consider TGAA Interlocal Agreement changes and matters related thereto.
8. Discuss and consider TGAA Budget and matters related thereto.
9. Announcements and updates on pending or new matters.
10. Adjournment

*Link to the video conference:

<https://us06web.zoom.us/j/83198294032?pwd=yWPYaTRr8CYTtagU9KYaxm0pftneZ.1>

Agenda Date: August 27, 2025

Agenda Number: 3

Contact/Presenter: Anthony Wilder

Agenda Item: Roll Call

Background: Confirm attendance via voice roll call.

- Kathy Wheat – Board Vice-President
- Scott Sanford – Board Member
- Anthony Wilder – Board Chairman
- Art Martinez de Vara – General Counsel

Agenda Date: August 27, 2025

Agenda Number: 4

Contact/Presenter: Anthony Wilder

Agenda Item: Minutes for 2025/06/26 meeting.

Background: Review and approve the June 26, 2025 board meeting minutes, which are attached as Schedule A.

Agenda Date: August 27, 2025

Agenda Number: 5

Contact/Presenter: Anthony Wilder

Agenda Item: Convene in Executive Session pursuant to Texas Government Code:

- Section 551.071 for private consultation with the General Counsel to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the General Counsel has a duty under the Texas Rules of Discipline and Professional Conduct regarding confidential communication with the Board.
 - AAA Case No. 01-25-0000-8663 – Texas Government Accountability Association v. City of Odessa, and
 - Cause No. C250202212-CV – City of Odessa v. Texas Government Accountability Association in the District Court of Ector County, Texas

Agenda Date: August 27, 2025

Agenda Number: 6

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Transparency & Ethics Policy changes and matters related thereto.

Background: Discuss and consider proposed changes to the Transparency & Ethics Policy, which are attached as Schedule B. A version with no markup is attached as Schedule C to display the Transparency & Ethics Policy if all changes are approved.

Additionally, consider questions from the board regarding 1.2(b)(ii), 1.4(c)(2) and 2.2(b).

Agenda Date: August 27, 2025

Agenda Number: 7

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Interlocal Agreement changes and matters related thereto.

Background: Discuss and consider changes to the Interlocal Agreement, including questions from prospective members regarding paragraph 5 of page 1.

Agenda Date: August 27, 2025

Agenda Number: 8

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Budget and matters related thereto.

Background: Discuss and consider adoption of the following proposed budget for the remainder of FY 2025. For reference, below are budget related sections in Article V of the TGAA Constitution.

TGAA Constitution Section 5.1 – Fiscal Year. The fiscal year of the Association shall be from January 1 through December 31 of that year.

TGAA Constitution Section 5.3 – Budget. The Board shall meet and adopt an annual budget which shall serve as the complete financial plan for the ensuing fiscal year. No unbudgeted indebtedness shall be incurred. No budget shall be adopted under which the expenditures for the ensuing year exceed a reasonable estimate of the actual funds to be available.

Proposed TGAA Budget to be discussed at the 20250827 board meeting			
2025/08/31 - 2025/12/31			
Revenue			Remainder of 2025
	Balance as of 2025/08/31		10,800
	Membership Dues ¹		32,000
	Contributions		81,200
	Total		124,000
Expenditures		Monthly Estimate	Remainder of 2025
	Fees	550	2,200
	Legal	9,000	36,000
	Office Supplies	150	600
	Payroll	18,800	75,200
	Professional Services	0	0
	Travel ²	2,300	9,200
	Website	200	800
	Total	31,000	124,000
¹ Estimate based upon progress with multiple prospective members.			
² Estimate based upon location of prospective members.			

Agenda Date: August 27, 2025

Agenda Number: 9

Contact/Presenter: Anthony Wilder

Agenda Item: Announcements and updates on pending or new matters.

Agenda Date: August 27, 2025

Agenda Number: 10

Contact/Presenter: Anthony Wilder

Agenda Item: Adjournment



Texas Government Accountability Association

Board of Directors Meeting Minutes

June 26, 2025

09:30 AM

Video Conference

Meeting Agenda

1. Call to Order
2. Invocation
3. Roll Call
4. Minutes for 2025/03/04 Meeting
5. Discuss and consider a new director to fill a vacancy in Director Class 1.
6. Convene in Executive Session pursuant to Texas Government Code:
 - a. Section 551.071 for private consultation with the General Counsel to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the General Counsel has a duty under the Texas Rules of Discipline and Professional Conduct regarding confidential communication with the Board.
7. Discuss and consider TGAA Interlocal Agreement changes and matters related thereto.
8. Announcements and updates on pending or new matters.
9. Adjournment

Agenda Date: June 26, 2025

Agenda Number: 3

Contact/Presenter: Anthony Wilder

Agenda Item: Roll Call

Background: A roll call was performed. The following were confirmed via voice roll call.

- Kathy Wheat – Board Vice-President
- Anthony Wilder – Board Chairman
- Art Martinez de Vara – General Counsel

Agenda Date: June 26, 2025

Agenda Number: 4

Contact/Presenter: Anthony Wilder

Agenda Item: Minutes for 2025/03/04 meeting.

Background: Review and approve the March 4, 2025 board meeting minutes, which are attached as Schedule A.

Minutes:

None – The board did not propose any changes to the minutes as presented.

Board Action:

A motion was made by Wheat in favor of the minutes as presented without changes and a second was made by Wilder. The motion passed with the following vote:

Aye – 2 – Wheat, Wilder

Nay – 0 – None

Note: 1 director is vacant.

Agenda Date: June 26, 2025

Agenda Number: 5

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider a new director to fill a vacancy in Director Class 1.

Background: Matt Krause has resigned from the Board of Directors. He served in Director Class 1. We will discuss and consider a candidate to fill the vacancy per the TGAA Constitution Section 4.2.A, which is provided below for reference.

TGAA Constitution Section 4.2.C. Vacancies. Any vacancy occurring in a director's position prior to the expiration of such director's term shall be filled by the affirmative vote of at least a majority of the directors present at a meeting at which a quorum is present; provided that, a vacancy need not be filled unless that vacancy would leave only two directors then serving. A director elected to fill an unexpired term shall be elected for the unexpired term of his or her predecessor in office. Any vacancy resulting from the expiration of a director's term shall be filled by the affirmative vote of at least a majority of the directors present at a meeting at which a quorum is present including any director whose term is expiring. In filling all vacancies, the Board shall select those persons to the Board (i) who are willing to devote the time and energies necessary for serving as a member of the Board, (ii) whose interests are similar to the interests of the Association, and (iii) who will share with the other members of the Association the common goal of providing high-quality services to the Association.

Minutes:

Wilder provided a short bio of Scott Sanford and proposed him as a replacement for the vacant director. There was no further discussion.

Board Action:

A motion was made by Wilder to place Scott Sanford in Director Class 1 and a second was made by Wheat. The motion passed with the following vote:

Aye – 2 – Wheat, Wilder

Nay – 0 – None

Note: 1 director was vacant.

Agenda Date: June 26, 2025

Agenda Number: 6

Contact/Presenter: Anthony Wilder

Agenda Item: Convene in Executive Session pursuant to Texas Government Code:

- Section 551.071 for private consultation with the General Counsel to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the General Counsel has a duty under the Texas Rules of Discipline and Professional Conduct regarding confidential communication with the Board.

Start: 9:45 AM

Stop: 10:00 AM

Board Action:

There was no board action after the executive session.

Agenda Date: June 26, 2025

Agenda Number: 7

Contact/Presenter: Anthony Wilder

Agenda Item: Discuss and consider TGAA Interlocal Agreement changes and matters related thereto.

Background: Discuss and consider the proposed changes to the Interlocal Agreement, which are attached to the agenda packet as Schedule B. A version with no markup is attached to the agenda packet as Schedule C to display the Interlocal Agreement if all changes are approved.

Minutes:

Anthony Wilder provided an overview of the proposed changes followed by discussion.

Board Action:

A motion was made by Sanford to approve the proposed changes to the TGAA Interlocal Agreement and a second was made by Wheat. The motion passed with the following vote:

- Aye – 3 – Sanford, Wheat, Wilder
- Nay – 0 – None

Agenda Date: June 26, 2025

Agenda Number: 8

Contact/Presenter: Anthony Wilder

Agenda Item: Announcements and updates on pending or new matters.

Minutes:

None

Board Action:

None

Agenda Date: June 26, 2025

Agenda Number: 9

Contact/Presenter: Anthony Wilder

Agenda Item: Adjournment

Minutes:

None

Board Action:

A motion was made by Sanford to adjourn the meeting and a second was made by Wheat. The motion passed with the following vote:

- Aye – 3 – Sanford, Wheat, Wilder
- Nay – 0 – None

TEXAS GOVERNMENT ACCOUNTABILITY ASSOCIATION

Comprehensive Transparency and Ethics Policy for Texas Municipalities, Version 25082703

(as may be amended, supplemented or otherwise modified from time to time, this "Policy")

This Policy:

1. Is not applicable to any Elected Official's candidacy or election that is regulated by the Texas Ethics Commission; and
2. Does not waive the authority and discretion of any City, City Body, Elected Official, or City Official to enforce higher ethical standards than those established by this Policy.

SECTION 1. TRANSPARENCY & DISCLOSURES

1. **General Covenants and Provisions.** The transparency standards and requirements set forth in this Policy shall extend to the City, all City Bodies, Elected Officials, City Officials, Affiliated Organizations, Local Government Affiliate, and other Persons as applicable.
2. **Financial.** The City must post to its website, at no cost to the public, for the current fiscal year, and for each fiscal year following the adoption of this Policy by the City, the information set out below in this Section. Unless stated otherwise below, all reports shall be for each fiscal year.
 - a. **ACFR.** All Annual Comprehensive Financial Reports for the City.
 - b. **Audits.**
 - i. The City shall conduct a City-wide efficiency audit every three years, which audit shall be conducted by an outside independent firm; provided, however, the requirement to conduct an efficiency audit is waived if the City has an annual budget of \$2,000,000 or less for any year in which an efficiency audit would otherwise be required. The scope of the audit shall be to engage in fraud detection and to recommend suggested cost savings and identify revenue opportunities. The draft audit report and the final audit report shall be posted to the City's website and the lead partner on the audit shall be made available for a Q&A session with City residents and taxpayers within 30 days of report completion.

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Schedule B

- ii. The City shall conduct a City-wide financial audit every year, which audit shall be conducted by an outside independent CPA firm. The scope of the audit shall be to ~~engage in fraud detection~~, affirm the accuracy of all financial reporting, and confirm proper accounting procedures are utilized. The draft audit report and the final audit report shall be posted to the City's website and the lead partner on the audit shall be made available for a Q&A session with City residents and taxpayers within 30 days of the final audit report's completion, subject to the relevant provisions of the applicable accounting rules. No firm shall perform such audit for more than 3 years in succession and no more than 6 times in 10 years.
- c. **Vendors.** The City shall require all Vendors, in order to receive more than \$10,000 in payments during a fiscal year, to fill out and sign under penalty of perjury, a form annually with the following information at a minimum:
 - i. Name of the Vendor;
 - ii. Address and phone number of the Vendor;
 - iii. Nature of such Subject Vendor's business dealings with the City or any City Body;
 - iv. Any Family Relationship between the Vendor or any Affiliate Organization of the Vendor with an Elected Official or City Official and/or any Elected Official or City Official's Affiliate Organizations;
 - v. The amount and timing of all political contributions by the Vendor or any Affiliate Organization of the Vendor to any Elected Officials in the previous 24 months; and
 - vi. The name, position, and total payments of any individual employed by or otherwise paid within the past 12 months by the Vendor or a Vendor's Affiliate Organization to a current or former Elected Official or City Official or a Family Relationship of a current or former Elected Official or City Official.
- d. **Local Government Affiliates.** As a condition to receiving funds from the City, all Local Government Affiliates shall annually agree in writing to complying with this Policy.
- e. **Miscellaneous Financial Matters.**
 - i. Individual Compensation. A complete list of the total compensation paid to each Elected Official and City Official including wages, salary, overtime, and benefits (including health, dental, life and pension) on an annual basis organized by last name alphabetically.
 - ii. Vendor Searchability. An easily searchable database that includes a unique identifying number, vendor name, amount paid, reason given for amount paid if any, chart of account number and description to where coded, date, and description, if any.

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3. **Conflicts of Interest.** The City shall post on its website accessible from the navigation on the home page within 5 business days, the occurrence of any of the following with all the relevant details:
- a. **City, City Body, & Local Government Affiliate Employment.** If the City, City Body, or any Local Government Affiliate hires or pays for any purpose (other than for compensation listed above in Section 1.2-(e)(i)) an Elected Official or City Official or any person that is a Family Relationship of any Elected Official or City Official.
 - b. **Favorable Granting of a Permit or Zoning Variance.** If the City or a City Body grants a permit or zoning variance to:
 - i. any Elected or City Official;
 - ii. any Family Relationship of any Elected Official or City Official; and/or
 - iii. any Affiliate Organization of any Elected Official or City Official or any of their Family Relationships.
 - c. **Favorable Passing of Ordinances.** If the City or any City Body enacts or passes any ordinance, legislation, rule, or regulation that is materially more favorable to any of the following than other City area citizens and organizations:
 - i. any Elected or City Official;
 - ii. any Family Relationship of any Elected Official or City Official; and/or
 - iii. any Affiliate Organization of any Elected Official or City Official or any of their Family Relationships.
 - d. **Contracting.** If the City, City Body, or any Local Government Affiliate signs a contract with or enters into any agreement (written or otherwise) with:
 - i. any Elected or City Official;
 - ii. any Family Relationship of any Elected Official or City Official; and/or
 - iii. any Affiliate Organization of any Elected Official or City Official or any of their Family Relationships.
 - e. **Payments.** The City, any City Body, or any Local Government Affiliate makes any payments to any of the following that is not pursuant to a written contract and which has not been previously disclosed pursuant to Section 1.3(a) or Section 1.3(d) above:
 - i. any Elected Official or City Official;
 - ii. any Family Relationship of any Elected Official or City Official; and/or
 - iii. any Affiliate Organization of any Elected Official or City Official or any of their Family Relationships.
 - f. **Services & Asset Sales.** Any Elected Official or City Official, any Family Relationship of any Elected Official or City Official, or any Affiliate Organization of any Elected Official, City Official or any their Family Relationships purchases on their own behalf or has another Person purchase on their behalf any material, item, land, improvements, service, or anything of value from the City, a City Body, or a Local Government Affiliate.

4. **City and City Body Meetings.**

- a. All meetings of the City Council as well as boards and commissions of the City with members that are not employees of the City shall be fully subject to the Texas Open Meetings Act and Texas Public Information Act without restriction. If any court of law, administrative court, opinion, statute, or other ruling shall determine that any entity described herein is not subject to the Texas Open Meetings Act and/or Texas Public Information Act as a matter of law, said entity shall regardless adopt the provisions of the Texas Open Meetings Act and Texas Public Information Act and conduct its affairs in full compliance, including waiving immunity for injunctive relief to enforce compliance.
- b. All meetings involving a majority of the City Council shall be live-streamed and video recorded. The City will take all necessary steps to ensure that any individual speaking during the meeting, including any individual speaking to the City Council or making any presentation to the City Council is both clearly visible and identified during the live-stream and in the video recording. The City will ensure that video and audio recordings of all City Council meetings are promptly made available to the public, and in any event within 48 hours, on the City's website.
- c. The City Council shall be permitted to meet in closed executive session to discuss certain sensitive or otherwise confidential information as allowed under Texas state law; provided, however, that any individual matter that the City Council proposes to have considered during a closed executive session must first be (1) listed on the agenda of a regular meeting of such City Council, which such agenda shall be made available to the public on the City's website in advance of such regular meeting, and (2) during that regular meeting of the City Council, approved by a majority vote of the City Council to have such individual matter considered during a later closed executive session.
- d. The City Council shall be permitted to meet in closed executive session to discuss certain sensitive or otherwise confidential information solely as required under Texas state law.

5. **Miscellaneous.**

- a. **Organizational Chart.** A comprehensive organizational chart identifying all City Bodies, Elected Officials, ~~and~~ City Officials, ~~administrators, employees and other staff and contract workers,~~ the supervisor each person reports to, ~~all~~ position descriptions, and contact information (including city phone number and city e-mail address as applicable) updated at least quarterly and posted to the City's website.
- b. **Building Permit Application Procedures.** The procedures required to apply for all building permits and zoning variances with the specific time periods the applicant can expect for all portions of the process for which the City is responsible for performing.

Schedule B

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- c. ***Open Records Requests.*** The City shall implement a system to allow citizens to submit open records requests, to track such requests, and to receive responses to such requests within 10 days at the lowest cost applicable under Texas state law, and with only the redactions and limitations that are mandatory under Texas state law.
- d. ***City Body Appearances.*** Any Person who appears before a City Body, before speaking, shall be asked to disclose any payments he or she or any Family Relationship, Affiliate Organization, or Family Relationship's Affiliate Organization of he or she that have been received from a City Body in the past 12 months.

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SECTION 2. ETHICS & RELATED PROHIBITIONS & REQUIREMENTS

1. General Covenants and Provisions.

- a. The ethics standards set forth in this Policy are designed to:
 - i. Encourage high ethical standards in official conduct by Elected Officials and City Officials; and
 - ii. Establish minimum guidelines for ethical standards of conduct for all Elected Officials and City Officials by setting forth those acts or actions that are incompatible with the best interests of the City.
- b. These standards shall extend to the City, all City Bodies, Elected Officials, City Officials, Local Government Affiliates, Family Relationship, Affiliate Organizations and other Persons as applicable.

2. Conflicts of Interest.

- a. **Decision Making.**
 - i. Elected Officials may not vote on any matter in Section 1.3 above for which they are a Conflicted Party.
 - ii. City Officials may not be the deciding party on any matter in Section 1.3 above for which they are a Conflicted Party.
- b. **Usage of City Property.** Unless explicitly allowed in writing per the terms of employment or office holding, an Elected Official or City Official shall not use, or permit others to use, any City or City Body funds, property, or personnel for non-City or non-City Body purposes, as applicable, except when otherwise available to the public generally or to a class of residents on substantially the same terms and conditions.
- c. **Representation.** Elected Officials and City Officials shall not for pay, profit, compensation, financial gain or other benefit represent or appear on behalf of themselves or on behalf of non-City or non-City Body interests before the City or City Body.
- d. **Personnel Reporting.** No Person employed by the City or a City Body shall report directly or indirectly to a Family Relationship without the affirmative, public approval by the City Council.
- e. **Proper Contracting.** No City Official shall be the decision maker for the hiring of a Vendor whereby said Vendor or an Affiliate Organization of the Vendor is a Family Relationship of the City Official.

3. Gifts.

To avoid the appearance and risk of impropriety and self-enrichment, Elected Officials and City Officials shall not solicit or accept any Gift from any Person doing business with, seeking to do business with, or being regulated by the City. Those items or services that do not constitute prohibited Gifts include, but are not limited to:

- a. Political contributions made and reported in accordance with all applicable local, state, and federal laws.
- b. Awards publicly presented in recognition of public service.

Schedule B

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- c. Entertainment, meals or refreshments furnished in conjunction with public events, appearances, or ceremonies related to official city business, if furnished by the sponsor of such public event, and meals and refreshments having a value of less than \$200.00 when furnished or provided to an Elected Official or City Official during the conduct of public business.
 - d. Any item received by an Elected Official or City Official and immediately donated to a charitable organization.
 - e. Meals, lodging, or transportation in connection with services rendered by the Elected Official or City Official at a conference, seminar or similar event that is more than merely perfunctory.
 - f. Attendance by an Elected Official or City Official at hospitality functions at local, regional, state or national association meetings and/or conferences.
 - g. Pens, pencils, calendars, t-shirts, caps and similar items containing logos, slogans, company names or other marketing material and commonly given out for advertising purposes.
4. **Use of Confidential Information.** Elected Officials and City Officials shall not disclose confidential or proprietary information, or any information they have acquired or obtained in the course of any fiduciary capacity or relationship, that could adversely influence the property, government, or affairs of the City, nor directly or indirectly use his or her position to secure confidential information about any Person for their financial benefit or gain.
5. **Outside Employment and Political Activities.**
- a. Full-time City Officials must inform their supervisor in writing before engaging in off-duty employment.
 - b. ~~The City, City Bodies, and Local Government Affiliates shall abstain from employing professional lobbyists.~~ Any Elected Official ~~or~~, City Official ~~or~~ Lobbyist employed or contracted by the City who advocates for changes in state or federal policy, regulations, or laws in their capacity as an Elected Official ~~or~~, City Official ~~or~~ Lobbyist employed or contracted by the City shall disclose the matters promoted or opposed and to whom on the City's website within 72 hours of occurrence.
6. **Former and Current Elected Officials and City Officials.**
- a. A former Elected Official or City Official shall not use or disclose confidential government information acquired during service as an Elected Official or City Official, provided that this Section shall not prohibit:
 - i. Any disclosure that is no longer confidential by law;
 - ii. The confidential reporting of illegal or unethical conduct to authorities designated by law; or
 - iii. As required by court order or appropriate agency.

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- b. A former paid Elected Official or City Official shall not represent for compensation any person, group or entity, other than himself or herself, or his or her immediate family members, before any Election Official, City Official, City Council, or City Body for a period of 2 years after termination of his or her official duties, except by the public permission of and disclosure by the City Council.

SECTION 3. GLOSSARY OF DEFINED TERMS

1. **Rules of Construction.** 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 this Policy. The word “regulations” means the provisions of any applicable ordinance, rule, regulation or policy.
2. **Defined Terms.** For the purposes hereof, the following terms have the meanings set forth below:
 - a. “**Affiliate Organization**” means any Person in which: (1) such Person or any Family Relationship of such Person holds a five percent (5%) or greater beneficial or ownership interest; and/or (2) such Person or any Family Relationship of such Person is directly or indirectly involved in the management and/or control of such entity.
 - b. “**City**” means any home rule city which has adopted a home rule charter for its local self-governance and all its subsidiaries, or any general law city as defined in the Texas Local Government Code.
 - c. “**City Body**” means the City Council and any commission or board of the City created by the City Council, together with any other governing body or group responsible for the management and administration of any City activities and their subsidiaries. “City Body” shall also include all committees, sub-committees, working groups, boards, corporations, local government corporations, commissions, agencies, departments, funds, non-profits, or any other entity created by any City Body.
 - d. “**City Council**” means the City Council or City Commission as defined in the City Charter or Local Government Code.
 - e. “**City Official**” means all persons appointed by the City Council or an individual City Council Member to a City Body and all employees of the City with supervisory roles and authority over policies and procedures. For the avoidance of doubt, City Official shall not include the Elected Officials.
 - f. “**Conflicted Party**” means any Person who has entered into a relationship categorized as a Conflict of Interest as described by Section 1. (3) above.
 - g. “**Elected Official**” means the elected officers of the City, including the mayor of the City and the members of the City Council.

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- h. **“Family Relationship”** means any relationships within the third degree by consanguinity or second degree by affinity, each as defined by Texas Government Code Chapter 573. In relevant part, (A) Texas Government Code §Chapter 573.023(c) provides that “[a]n individual’s relatives within the third degree by consanguinity are the individual’s: (1) parent or child (relatives in the first degree); (2) brother, sister, grandparent or grandchild (relatives in the second degree); and (3) great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual (relatives in the third degree).”; and (B) Texas Government Code §Chapter 573.025(b) provides that “[a]n individuals relatives within the second degree by affinity are: (1) anyone related by consanguinity to the individual’s spouse in one of the ways named in Section 573.023(c)(1) and 573.023(c)(2); and (2) the spouse of anyone related to the individual by consanguinity in one of the ways named in Section 573.023(c)(1) and 573.023(c)(2).
- i. **“Gift”** means a favor, service, hospitality, economic benefit, product or item having a value of \$200.00 or more, or \$500.00 or more within a 12-month period. A “Gift” does not include campaign contributions reported as required by local, state, or Federal law, money, items, or benefits received from a relative if given on 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.
- j. **“in writing”** shall include by memorandum, letter, or email whereby receipt is verified.
- k. **“Lobbyist”** means any Person as defined by Texas Government Code Chapter 305.
- k.l. **“Local Government Affiliate”** means any Person in which payments (other than compensation) from the City accounts for at least thirty percent (30%) of such Person’s annual revenues, whereby the City or an Elected Official or City Official appoints two or more board members, or whereby the City established or renews such Person’s charter.
- k.m. **“Person”** means any individual, corporation, sole proprietorship, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, limited liability company, and any other legal entity.
- k.n. **“TGAA”** means the Texas Government Accountability Association, which has been organized in accordance with the Interlocal Cooperation Act, Texas Government Code §791.001, et seq.
- k.o. **“Vendor”** means any Person that receives payments from the City or any of its City Bodies that is not employment compensation.

TEXAS GOVERNMENT ACCOUNTABILITY ASSOCIATION

Comprehensive Transparency and Ethics Policy for Texas Municipalities, Version 250827 (as may be amended, supplemented or otherwise modified from time to time, this "Policy")

This Policy:

1. Is not applicable to any Elected Official's candidacy or election that is regulated by the Texas Ethics Commission; and
2. Does not waive the authority and discretion of any City, City Body, Elected Official, or City Official to enforce higher ethical standards than those established by this Policy.

SECTION 1. TRANSPARENCY & DISCLOSURES

1. **General Covenants and Provisions.** The transparency standards and requirements set forth in this Policy shall extend to the City, all City Bodies, Elected Officials, City Officials, Affiliated Organizations, Local Government Affiliate, and other Persons as applicable.
2. **Financial.** The City must post to its website, at no cost to the public, for the current fiscal year, and for each fiscal year following the adoption of this Policy by the City, the information set out below in this Section. Unless stated otherwise below, all reports shall be for each fiscal year.
 - a. **ACFR.** All Annual Comprehensive Financial Reports for the City.
 - b. **Audits.**
 - i. The City shall conduct a City-wide efficiency audit every three years, which audit shall be conducted by an outside independent firm; provided, however, the requirement to conduct an efficiency audit is waived if the City has an annual budget of \$2,000,000 or less for any year in which an efficiency audit would otherwise be required. The scope of the audit shall be to engage in fraud detection and to recommend suggested cost savings and identify revenue opportunities. The draft audit report and the final audit report shall be posted to the City's website and the lead partner on the audit shall be made available for a Q&A session with City residents and taxpayers within 30 days of report completion.

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- ii. The City shall conduct a City-wide financial audit every year, which audit shall be conducted by an outside independent CPA firm. The scope of the audit shall be to affirm the accuracy of all financial reporting and confirm proper accounting procedures are utilized. The draft audit report and the final audit report shall be posted to the City's website and the lead partner on the audit shall be made available for a Q&A session with City residents and taxpayers within 30 days of the final audit report's completion, subject to the relevant provisions of the applicable accounting rules. No firm shall perform such audit for more than 3 years in succession and no more than 6 times in 10 years.
- c. **Vendors.** The City shall require all Vendors, in order to receive more than \$10,000 in payments during a fiscal year, to fill out and sign under penalty of perjury, a form annually with the following information at a minimum:
 - i. Name of the Vendor;
 - ii. Address and phone number of the Vendor;
 - iii. Nature of such Subject Vendor's business dealings with the City or any City Body;
 - iv. Any Family Relationship between the Vendor or any Affiliate Organization of the Vendor with an Elected Official or City Official and/or any Elected Official or City Official's Affiliate Organizations;
 - v. The amount and timing of all political contributions by the Vendor or any Affiliate Organization of the Vendor to any Elected Officials in the previous 24 months; and
 - vi. The name, position, and total payments of any individual employed by or otherwise paid within the past 12 months by the Vendor or a Vendor's Affiliate Organization to a current or former Elected Official or City Official or a Family Relationship of a current or former Elected Official or City Official.
- d. **Local Government Affiliates.** As a condition to receiving funds from the City, all Local Government Affiliates shall annually agree in writing to complying with this Policy.
- e. **Miscellaneous Financial Matters.**
 - i. Individual Compensation. A complete list of the total compensation paid to each Elected Official and City Official including wages, salary, overtime, and benefits (including health, dental, life and pension) on an annual basis organized by last name alphabetically.
 - ii. Vendor Searchability. An easily searchable database that includes a unique identifying number, vendor name, amount paid, reason given for amount paid if any, chart of account number and description to where coded, date, and description, if any.

3. **Conflicts of Interest.** The City shall post on its website accessible from the navigation on the home page within 5 business days, the occurrence of any of the following with all the relevant details:
- a. ***City, City Body, & Local Government Affiliate Employment.*** If the City, City Body, or any Local Government Affiliate hires or pays for any purpose (other than for compensation listed above in Section 1.2(e)(i)) an Elected Official or City Official or any person that is a Family Relationship of any Elected Official or City Official.
 - b. ***Favorable Granting of a Permit or Zoning Variance.*** If the City or a City Body grants a permit or zoning variance to:
 - i. any Elected or City Official;
 - ii. any Family Relationship of any Elected Official or City Official; and/or
 - iii. any Affiliate Organization of any Elected Official or City Official or any of their Family Relationships.
 - c. ***Favorable Passing of Ordinances.*** If the City or any City Body enacts or passes any ordinance, legislation, rule, or regulation that is materially more favorable to any of the following than other City area citizens and organizations:
 - i. any Elected or City Official;
 - ii. any Family Relationship of any Elected Official or City Official; and/or
 - iii. any Affiliate Organization of any Elected Official or City Official or any of their Family Relationships.
 - d. ***Contracting.*** If the City, City Body, or any Local Government Affiliate signs a contract with or enters into any agreement (written or otherwise) with:
 - i. any Elected or City Official;
 - ii. any Family Relationship of any Elected Official or City Official; and/or
 - iii. any Affiliate Organization of any Elected Official or City Official or any of their Family Relationships.
 - e. ***Payments.*** The City, any City Body, or any Local Government Affiliate makes any payments to any of the following that is not pursuant to a written contract and which has not been previously disclosed pursuant to Section 1.3(a) or Section 1.3(d) above:
 - i. any Elected Official or City Official;
 - ii. any Family Relationship of any Elected Official or City Official; and/or
 - iii. any Affiliate Organization of any Elected Official or City Official or any of their Family Relationships.
 - f. ***Services & Asset Sales.*** Any Elected Official or City Official, any Family Relationship of any Elected Official or City Official, or any Affiliate Organization of any Elected Official, City Official or any their Family Relationships purchases on their own behalf or has another Person purchase on their behalf any material, item, land, improvements, service, or anything of value from the City, a City Body, or a Local Government Affiliate.

4. **City and City Body Meetings.**

- a. All meetings of the City Council as well as boards and commissions of the City with members that are not employees of the City shall be fully subject to the Texas Open Meetings Act and Texas Public Information Act without restriction. If any court of law, administrative court, opinion, statute, or other ruling shall determine that any entity described herein is not subject to the Texas Open Meetings Act and/or Texas Public Information Act as a matter of law, said entity shall regardless adopt the provisions of the Texas Open Meetings Act and Texas Public Information Act and conduct its affairs in full compliance, including waiving immunity for injunctive relief to enforce compliance.
- b. All meetings involving a majority of the City Council shall be live-streamed and video recorded. The City will take all necessary steps to ensure that any individual speaking during the meeting, including any individual speaking to the City Council or making any presentation to the City Council is both clearly visible and identified during the live-stream and in the video recording. The City will ensure that video and audio recordings of all City Council meetings are promptly made available to the public, and in any event within 48 hours, on the City's website.
- c. The City Council shall be permitted to meet in closed executive session to discuss certain sensitive or otherwise confidential information as allowed under Texas state law; provided, however, that any individual matter that the City Council proposes to have considered during a closed executive session must first be (1) listed on the agenda of a regular meeting of such City Council, which such agenda shall be made available to the public on the City's website in advance of such regular meeting, and (2) during that regular meeting of the City Council, approved by a majority vote of the City Council to have such individual matter considered during a later closed executive session.
- d. The City Council shall be permitted to meet in closed executive session to discuss certain sensitive or otherwise confidential information solely as required under Texas state law.

5. **Miscellaneous.**

- a. **Organizational Chart.** A comprehensive organizational chart identifying all City Bodies, Elected Officials and City Officials, , the supervisor each person reports to, position descriptions, and contact information (including city phone number and city e-mail address as applicable) updated at least quarterly and posted to the City's website.
- b. **Building Permit Application Procedures.** The procedures required to apply for all building permits and zoning variances with the specific time periods the applicant can expect for all portions of the process for which the City is responsible for performing.

Schedule C

- c. ***Open Records Requests.*** The City shall implement a system to allow citizens to submit open records requests, to track such requests, and to receive responses to such requests within 10 days at the lowest cost applicable under Texas state law, and with only the redactions and limitations that are mandatory under Texas state law.
- d. ***City Body Appearances.*** Any Person who appears before a City Body, before speaking, shall be asked to disclose any payments he or she or any Family Relationship, Affiliate Organization, or Family Relationship's Affiliate Organization of he or she that have been received from a City Body in the past 12 months.

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SECTION 2. ETHICS & RELATED PROHIBITIONS & REQUIREMENTS

1. General Covenants and Provisions.

- a. The ethics standards set forth in this Policy are designed to:
 - i. Encourage high ethical standards in official conduct by Elected Officials and City Officials; and
 - ii. Establish minimum guidelines for ethical standards of conduct for all Elected Officials and City Officials by setting forth those acts or actions that are incompatible with the best interests of the City.
- b. These standards shall extend to the City, all City Bodies, Elected Officials, City Officials, Local Government Affiliates, Family Relationship, Affiliate Organizations and other Persons as applicable.

2. Conflicts of Interest.

- a. **Decision Making.**
 - i. Elected Officials may not vote on any matter in Section 1.3 above for which they are a Conflicted Party.
 - ii. City Officials may not be the deciding party on any matter in Section 1.3 above for which they are a Conflicted Party.
- b. **Usage of City Property.** Unless explicitly allowed in writing per the terms of employment or office holding, an Elected Official or City Official shall not use, or permit others to use, any City or City Body funds, property, or personnel for non-City or non-City Body purposes, as applicable, except when otherwise available to the public generally or to a class of residents on substantially the same terms and conditions.
- c. **Representation.** Elected Officials and City Officials shall not for pay, profit, compensation, financial gain or other benefit represent or appear on behalf of themselves or on behalf of non-City or non-City Body interests before the City or City Body.
- d. **Personnel Reporting.** No Person employed by the City or a City Body shall report directly or indirectly to a Family Relationship without the affirmative, public approval by the City Council.
- e. **Proper Contracting.** No City Official shall be the decision maker for the hiring of a Vendor whereby said Vendor or an Affiliate Organization of the Vendor is a Family Relationship of the City Official.

3. **Gifts.** To avoid the appearance and risk of impropriety and self-enrichment, Elected Officials and City Officials shall not solicit or accept any Gift from any Person doing business with, seeking to do business with, or being regulated by the City. Those items or services that do not constitute prohibited Gifts include, but are not limited to:
 - a. Political contributions made and reported in accordance with all applicable local, state, and federal laws.
 - b. Awards publicly presented in recognition of public service.

- c. Entertainment, meals or refreshments furnished in conjunction with public events, appearances, or ceremonies related to official city business, if furnished by the sponsor of such public event, and meals and refreshments having a value of less than \$200.00 when furnished or provided to an Elected Official or City Official during the conduct of public business.
 - d. Any item received by an Elected Official or City Official and immediately donated to a charitable organization.
 - e. Meals, lodging, or transportation in connection with services rendered by the Elected Official or City Official at a conference, seminar or similar event that is more than merely perfunctory.
 - f. Attendance by an Elected Official or City Official at hospitality functions at local, regional, state or national association meetings and/or conferences.
 - g. Pens, pencils, calendars, t-shirts, caps and similar items containing logos, slogans, company names or other marketing material and commonly given out for advertising purposes.
4. **Use of Confidential Information.** Elected Officials and City Officials shall not disclose confidential or proprietary information, or any information they have acquired or obtained in the course of any fiduciary capacity or relationship, that could adversely influence the property, government, or affairs of the City, nor directly or indirectly use his or her position to secure confidential information about any Person for their financial benefit or gain.
5. **Outside Employment and Political Activities.**
- a. Full-time City Officials must inform their supervisor in writing before engaging in off-duty employment.
 - b. Any Elected Official, City Official or Lobbyist employed or contracted by the City who advocates for changes in state or federal policy, regulations, or laws in their capacity as an Elected Official, City Official or Lobbyist employed or contracted by the City shall disclose the matters promoted or opposed and to whom on the City's website within 72 hours of occurrence.
6. **Former and Current Elected Officials and City Officials.**
- a. A former Elected Official or City Official shall not use or disclose confidential government information acquired during service as an Elected Official or City Official, provided that this Section shall not prohibit:
 - i. Any disclosure that is no longer confidential by law;
 - ii. The confidential reporting of illegal or unethical conduct to authorities designated by law; or
 - iii. As required by court order or appropriate agency.

- b. A former paid Elected Official or City Official shall not represent for compensation any person, group or entity, other than himself or herself, or his or her immediate family members, before any Election Official, City Official, City Council, or City Body for a period of 2 years after termination of his or her official duties, except by the public permission of and disclosure by the City Council.

SECTION 3. GLOSSARY OF DEFINED TERMS

1. **Rules of Construction.** 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 this Policy. The word “regulations” means the provisions of any applicable ordinance, rule, regulation or policy.
2. **Defined Terms.** For the purposes hereof, the following terms have the meanings set forth below:
 - a. “**Affiliate Organization**” means any Person in which: (1) such Person or any Family Relationship of such Person holds a five percent (5%) or greater beneficial or ownership interest; and/or (2) such Person or any Family Relationship of such Person is directly or indirectly involved in the management and/or control of such entity.
 - b. “**City**” means any home rule city which has adopted a home rule charter for its local self-governance and all its subsidiaries, or any general law city as defined in the Texas Local Government Code.
 - c. “**City Body**” means the City Council and any commission or board of the City created by the City Council, together with any other governing body or group responsible for the management and administration of any City activities and their subsidiaries. “City Body” shall also include all committees, sub-committees, working groups, boards, corporations, local government corporations, commissions, agencies, departments, funds, non-profits, or any other entity created by any City Body.
 - d. “**City Council**” means the City Council or City Commission as defined in the City Charter or Local Government Code.
 - e. “**City Official**” means all persons appointed by the City Council or an individual City Council Member to a City Body and all employees of the City with supervisory roles and authority over policies and procedures. For the avoidance of doubt, City Official shall not include the Elected Officials.
 - f. “**Conflicted Party**” means any Person who has entered into a relationship categorized as a Conflict of Interest as described by Section 1.3 above.
 - g. “**Elected Official**” means the elected officers of the City, including the mayor of the City and the members of the City Council.

- h. “**Family Relationship**” means any relationships within the third degree by consanguinity or second degree by affinity, each as defined by Texas Government Code Chapter 573. In relevant part, (A) Texas Government Code §573.023(c) provides that “[a]n individual’s relatives within the third degree by consanguinity are the individual’s: (1) parent or child (relatives in the first degree); (2) brother, sister, grandparent or grandchild (relatives in the second degree); and (3) great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual (relatives in the third degree).”; and (B) Texas Government Code §573.025(b) provides that “[a]n individuals relatives within the second degree by affinity are: (1) anyone related by consanguinity to the individual’s spouse in one of the ways named in Section 573.023(c)(1) and 573.023(c)(2); and (2) the spouse of anyone related to the individual by consanguinity in one of the ways named in Section 573.023(c)(1) and 573.023(c)(2).
- i. “**Gift**” means a favor, service, hospitality, economic benefit, product or item having a value of \$200.00 or more, or \$500.00 or more within a 12-month period. A “Gift” does not include campaign contributions reported as required by local, state, or Federal law, money, items, or benefits received from a relative if given on 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.
- j. “**in writing**” shall include by memorandum, letter, or email whereby receipt is verified.
- k. “**Lobbyist**” means any Person as defined by Texas Government Code Chapter 305.
- l. “**Local Government Affiliate**” means any Person in which payments (other than compensation) from the City accounts for at least thirty percent (30%) of such Person’s annual revenues, whereby the City or an Elected Official or City Official appoints two or more board members, or whereby the City established or renews such Person’s charter.
- m. “**Person**” means any individual, corporation, sole proprietorship, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, limited liability company, and any other legal entity.
- n. “**TGAA**” means the Texas Government Accountability Association, which has been organized in accordance with the Interlocal Cooperation Act, Texas Govovernment Code §791.001, et seq.
- o. “**Vendor**” means any Person that receives payments from the City or any of its City Bodies that is not employment compensation.