



Meeting Minutes
City Council

Monday, August 6, 2018

12:00 PM

Large City Hall Conference Room

630 E. Hopkins - Ethics Review Commission Recommendations Workshop

I. Call To Order

With a quorum present, the Ethics Review Commission Recommendations Workshop of the San Marcos City Council was called to order by Mayor Thomaides at 12:05 p.m., Monday, August 6, 2018 in the City Hall Conference Room, 630 E. Hopkins, San Marcos, Texas 78666.

II. Roll Call

Council Member Mihalkanin arrived after roll call at 12:15 p.m.

Present: 7 - Mayor Pro Tem Lisa Prewitt, Council Member Saul Gonzales, Deputy Mayor Pro Tem Scott Gregson, Council Member Melissa Derrick, Council Member Jane Hughson, Mayor John Thomaides and Council Member Ed Mihalkanin

1. Consider the Ethics Review Commission's recommended amendments to the San Marcos Code of Ethics including; a. campaign contribution limits; b. mandatory reporting of ethics violations; c. requiring remedial ethics training for ethics ordinance violators; d. prohibiting officials from voting on contracts that benefit any business entity they serve in any capacity; and e. requiring lobbyists to register and provide periodic reports of lobbying activity; provide direction to city staff regarding preparation of an ordinance to be placed on a regular council meeting agenda for approval on first reading; and provide additional direction, if necessary, to the ERC regarding these matters

Michael Cosentino, City Attorney, provided an overview of the meeting and explained that he would be asking the Council to vote on the Ethics Review Commission's recommendations. He reviewed what items staff needed clear direction on. Those items were:

- **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?**

Mr. Cosentino reviewed the campaign contribution limits recommendation. He provided that the recommendation from the Ethics Review Commission

was an Individual contribution limit: \$500 per candidate per election cycle and the following for the Aggregate fund raising limits per election cycle:

For mayoral candidates: \$1.25 x 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 x number of registered city voters on date of last election for any council place

Runoff candidates: \$1.50 x number of registered city voters on the date of the last regular municipal election

Council held discussion regarding reducing the limits of both.

A motion was made by Council Member Derrick and seconded by Council Member Gonzales to reduce the rate for mayoral candidates to \$0.75 x number of registered city voters on date of last mayoral election, to reduce the rate for council candidates to \$0.50 x number of registered city voters on date of last election for any council place, and to strike the runoff candidates contribution limits. The motion carried by the following vote:

For: 6 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Council Member Hughson, Mayor Thomaides and Council Member Mihalkanin

Against: 1 - Deputy Mayor Pro Tem Gregson

Mr. Cosentino continued by reviewing the campaign contribution limit recommendations related to contributions and election cycle. Contributions were recommended to include monetary, in-kind, and pledged contributions. Discussion was held regarding limiting commercial business contributions. Council provided consensus to change the contributions limit to \$500 per contributor instead of per person. Discussion was held regarding the effective date for these changes. Council provided consensus for the effective date to be November 7, 2018.

Discussion was held regarding contribution limits to oneself. Following discussion Council provided consensus to allow a \$2000 contribution to oneself and it would go toward the total contribution limit. Discussion was held regarding candidates making loans to themselves. *Note: Following this meeting Mr. Cosentino provided case law that prevented contributions made by a candidate to his or her own campaign from counting towards the aggregate limit.

Mr. Cosentino explained that the recommendation of the Ethics Review Commission was that Election Cycle be defined as: the period of time beginning on the day after the last general election for the office of mayor or council member of a particular council place and ending on the day of the next general election for that position.

Mr. Cosentino also reviewed the following 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

Discussion was held regarding mandatory reporting and voting on certain contracts. Mr. Lumbreras stated that he felt it was more appropriate to keep this out of the ordinance. Discussion was held regarding confidential reporting and whistle blower protection. Mr. Lumbreras explained that staff will ensure that whistle blower protection is included in employee ethics training materials.

Discussion was held regarding voting on certain contracts. Specifically about council members serving on boards and commission and voting on items such as financial requests. Consensus was to allow a council member to vote on items for boards and commission that the council member serves on as a representative of the council.

The City Council began to run out of time for this workshop and directed Staff to bring back a discussion in January of 2019 regarding Lobbying Regulations.

III. Adjournment.

Mayor Thomaides adjourned the Ethics Review Commission Recommendations Workshop of the San Marcos City Council at 1:32 p.m.

Jamie Lee Case, TRMC, City Clerk

John Thomaides, Mayor