



CITY OF SAN ANTONIO

RON NIRENBERG
MAYOR

November 29, 2017

Subject: Ethics, Integrity and Building Public Trust

Colleagues:

Over the past 15 years, the City of San Antonio has taken numerous steps to enhance public accountability, transparency and ethics at City Hall. These include the voter-approved position of City Auditor, the formation of a City Council Audit Committee, a strengthened Code of Ethics, and emboldened Office of Municipal Integrity. While significant progress has been made, building public trust is not about checking off accomplishments; it requires constant self-evaluation and process improvements.

Over the past few years, we've identified needed areas of improvement to both the Ethics Code and governance structure. These include greater accountability and transparency for quasi-governmental institutions and agencies that largely operate independently from City Hall. This memo is intended to articulate clearly needed steps to enhance public confidence in the work of outside agencies and non-profits that act on behalf of the City.

This year, the City of San Antonio will contract with approximately 275 local, non-profit organizations. These impressive community-led organizations provide cost-effective services to help address the many needs of our citizens. For this fiscal year, the City Council has budgeted over \$115 million that support non-profit organizations.

Prior to receiving these funds, each organization must enter into a City funding agreement, which includes provisions that protect against the loss or misuse of taxpayer dollars. The City reserves the right to audit these organizations at any time to ensure that these protections are in place.

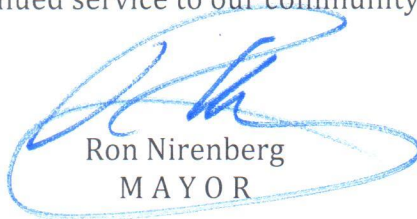
Recent events have shaken the foundation of public trust that we have worked hard to build. To help ensure that public confidence in these organizations is justified and that we prevent further erosion of trust, I have requested the City Auditor and City Attorney's

Office to undertake the following actions and present their recommendations to the Governance Committee:

1. **To review the standard contract provisions in City agency funding agreements to ensure that these contracts include all reasonable and adequate protections of the public dollars.**
2. **To prepare additional contract requirements for non-profits to ensure that significant contracts and real estate transactions involving public dollars are pursued in an ethical manner and in accordance with policies that promote transparency and integrity of the contracting process.** Ethical behavior is more than following rules; it requires understanding as to how actions will protect the public's interest and how they will be perceived.
3. **To prepare recommendations that will ensure that decisions made by City-formed non-profit or quasi-governmental organizations are subject to the review and jurisdiction of the Ethics Review Board.** The governance structure and bylaws of any organization created by the City—or supported by direct public benefit—should uphold the highest standards of transparency, oversight and ethics.
4. **To develop an annual training program for non-profit executives and board members regarding their oversight responsibilities, especially with respect to City funds and transparency.**

The City of San Antonio should be the “gold standard” for good governance and public integrity. I support—and ask you to support—a strengthened Ethics Code, as well as other changes that promote transparency and bolster public trust. Let's also take measures to enable greater independence of the Ethics Review Board, an independent ethics officer and providing official sanction authority to the ERB for violations. Much of this will require revisions to the City Charter. I will work with you to usher these improvements to completion.

Thank you for your continued service to our community.



Ron Nirenberg
MAYOR