

# Memorandum

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August 12, 2012

To: Assembly

Cc: Julie Cozzi, Borough Clerk; Mark Earnest, Borough Manager

From: Stephanie Scott

Subject: Agenda Item 7 B: Ordinance 12-07-296 Municipal Official Financial Disclosure law – amend to eliminate total dollar amount of income

Please consider amending Ordinance 12-07-296 to eliminate the requirement to disclose the total amount of income over \$5000, as follows:

## **2.06.035 Public Financial Disclosure**

A. The borough assembly members, mayor, school board members, planning commissioners, and borough manager must annually file a financial disclosure statement listing each source ~~and amount~~ of income over \$5,000, including business interests, real property interests, interests in trusts and retirement accounts exceeding \$5,000, natural resources leases, government contracts and leases, and loans, loan guarantees and debts over \$5,000. The borough clerk shall provide the forms.

E. (1) The source ~~and amount~~ of income over \$5000 during the preceding calendar year, including taxable and nontaxable capital gains, received by the filer, the filer's spouse or domestic partner, and the filer's dependent child, except that a source of income that is a gift must be included if the value of the gift exceeds \$250;

We have, "on the books," the requirement that a conflict of interest may exist if an elected borough official or a member of his/her immediate family has a "substantial financial interest" in the matter. HBC 2.06.030 (C) boldly states, "An assembly member or member of any board or commission may not deliberate or vote on any matter in which the member has a substantial personal or financial interest." (Additionally, see Charter Article XVIII, section 18.01, Conflict of Interest as well as Haines Borough Code Section 2.06.020 Scope of Code of Ethics.)

I believe that Ordinance 12-07-296 establishes that \$5000 is the threshold in Haines for “substantial financial interests.” But I do not believe that the community at large feels it is necessary to report the sum total of the interest that exceeds \$5000 in every case, annually, and before filing as a candidate as would be required by 12-07-296. The more detailed examination of the interest can be reserved for the formal examination of a possible conflict of interest by the Mayor and the Assembly as particular matters arise in the course of business as provided by HBC 2.06.080, Disclosures of conflicts by public officers other than employees.<sup>1</sup>

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**<sup>1</sup> 2.06.080 Disclosures of conflicts by public officers other than employees.**

A. A public officer other than an employee, who is involved in a matter that may result in a violation of this chapter, shall disclose the matter on the public record and ask to be excused from the discussion and official action on that matter. The presiding officer shall determine whether the officer’s involvement would violate this chapter. If the presiding officer determines that a violation would exist if the officer continues to participate, the officer shall refrain from voting, deliberating, or participating in the matter. The presiding officer’s decision may be overridden by a majority vote of the body.