



## CITY & BOROUGH OF WRANGELL PUBLIC HEARING AGENDA

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**Tuesday, June 9, 2015**  
**6:30 – 7:00 p.m.**

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**Location: Assembly Chambers, City Hall**

1. Call to Order
2. Roll Call
3. Public Hearing Items:
  - a. **PROPOSED ORDINANCE No. 903:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PLACING THE QUESTION OF EXEMPTION FROM AS 39.50, THE STATE OF ALASKA'S PUBLIC OFFICIAL FINANCIAL DISCLOSURE LAW, ON THE BALLOT FOR THE OCTOBER 6, 2015 REGULAR BOROUGH ELECTION  
*(second reading)*
4. Written Testimony
5. Oral Testimony
6. Adjournment

# Agenda Item 3a

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY PUBLIC HEARING AGENDA ITEM June 9, 2015

#### INFORMATION:

**PROPOSED ORDINANCE No. 903:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PLACING THE QUESTION OF EXEMPTION FROM AS 39.50, THE STATE OF ALASKA'S PUBLIC OFFICIAL FINANCIAL DISCLOSURE LAW, ON THE BALLOT FOR THE OCTOBER 6, 2015 REGULAR BOROUGH ELECTION *(second reading)*

#### Attachments:

1. **Proposed Ordinance No. 903**
2. Information from Borough Attorney on local municipal filing

#### Information:

After the election, if the proposition authorized by the ordinance is approved by the voters, the Borough Clerk must provide the Alaska Public Offices Commission with a copy of the certified election results. APOC will then take Wrangell off the list of municipalities whose officers and candidates for elective office are required to file financial disclosure statements under AS 39.50 and no further financial disclosure statements will be required to be filed with APOC. APOC will send the Borough a letter stating this. If a majority of the voters decide not to opt out of the reporting requirements, municipal officers and candidates for elective office will continue reporting under AS 39.50 as they do now.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 903

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PLACING THE QUESTION OF EXEMPTION FROM AS 39.50, THE STATE OF ALASKA'S PUBLIC OFFICIAL FINANCIAL DISCLOSURE LAW, ON THE BALLOT FOR THE OCTOBER 6, 2015 REGULAR BOROUGH ELECTION

**WHEREAS**, under AS 39.50.145, a municipality may exempt its municipal officers and candidates for elective office from the requirements of Alaska Statute Title 39, Chapter 50, Public Official Financial Disclosure, if a majority of the voters voting on the question at a regular election or a special election, vote to exempt its municipal officers and candidates for elective office from the requirements of AS 39.50; and

**WHEREAS**, under AS 39.50.145, the question of exemption from the requirements of AS 39.50 may be submitted to the voters by the Assembly by ordinance; and

**WHEREAS**, with respect to the City and Borough of Wrangell, the municipal officers required to file financial disclosures under AS 39.50 are the Borough Mayor, members of the Assembly, members of the School Board, the Borough Manager, and members of the Planning and Zoning Commission; and

**WHEREAS**, the Assembly has considered the question of exemption from the Public Official Financial Disclosure law, including concerns that the disclosure requirements may have the effect of discouraging qualified persons from seeking or holding municipal office, including serving on the Planning and Zoning Commission, and concerns with privacy issues and the burden imposed on municipal officials under the State law; and

**WHEREAS**, the City and Borough of Wrangell has enacted a comprehensive conflict of interest ordinance, codified as Section 3.04.112 of the Wrangell Municipal Code, which sets out standards of conduct for elected and appointed Borough officials and employees so that the public may be assured that its trust in such persons is well placed, and to protect the public interest in full disclosure of conflicts of interest and in promoting ethical standards of conduct for Borough officials and employees; and

**WHEREAS**, given these considerations, the Assembly has determined that the question of whether to exempt municipal officers and candidates for elective office from the requirements of AS 39.50 should be submitted to the voters at the regular borough election to be held on October 6, 2015;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

SEC. 1.       Classification. This ordinance is a non-code ordinance and shall not become a part of the Wrangell Municipal Code.

SEC. 2.       Action. The purpose of this ordinance is to place a question before the voters of whether to exempt municipal officers and candidates for elective office from the requirements of the State of Alaska Public Official Financial Disclosure Law (AS 39.50).

SEC. 3.       Submission of Question to the Voters. The question of whether to exempt municipal officers and candidates for elective office of the City and Borough of Wrangell from the requirements of the State of Alaska Public Official Financial Disclosure Law (AS 39.50) shall be submitted to the voters of the City and Borough of Wrangell at the next regular borough election. The Borough Clerk shall prepare the ballot proposition and perform all necessary steps in accordance with law to submit this proposition to the qualified voters of the Borough at the next regular borough election to be held on October 6, 2015.

SEC. 4.       Proposition. The ballot proposition shall read substantially as follows:

**PROPOSITION 2**

Shall the municipal officers and candidates for elective office of the City and Borough of Wrangell be exempt from the requirements of the State of Alaska Public Official Financial Disclosure Law, AS 39.50?

YES (oval)

NO (oval)

SEC. 5.       Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: May 26, 2015

PASSED IN SECOND READING: \_\_\_\_\_, 2015

\_\_\_\_\_  
David L. Jack, Mayor

ATTEST:

\_\_\_\_\_  
Lavonne Klinke, Deputy Borough Clerk

# HOFFMAN & BLASCO, LLC

## JUNEAU

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## ANCHORAGE & CRAIG

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May 18, 2015

To: Mayor and Assembly  
Jeff Jabusch, Borough Manager  
Kim Lane, Borough Clerk

From: Bob Blasco and Barbara Ritchie

Re: Opt out of AS 39.50 and question of substitute ordinance

As requested, we have prepared the attached draft ordinance for placing the question of exemption from the State of Alaska Public Official Financial Disclosure Law, AS 39.50, on the ballot at the next regular Borough election.

It is our understanding the Assembly also asked for our comments on whether the Borough should adopt its own municipal official financial disclosure requirements that would apply instead of the state financial disclosure system, to be effective if the opt out question is approved by the voters. Some municipalities in Alaska have voted to opt out of AS 39.50; others have voted to opt out and at the same time substitute their own local version of financial disclosure reporting requirements.

This is a policy decision for the Assembly, not a legal issue. We believe the Assembly sets policy for the Borough and for that reason we do not feel we should offer a recommendation. The Borough is not required to enact an ordinance that would create a local system to replace the State law in the event the voters approve the ballot proposition. However, we offer the following observations in response to the Assembly's request.

The City and Borough of Wrangell has adopted a comprehensive conflict of interest ordinance, WMC 3.04.112. This ordinance applies to elected borough officials, persons appointed to fill a vacancy in an elective office, members of borough boards and commissions whose appointment is subject to confirmation by the Assembly, and borough employees whether full-time, part-time, temporary, or permanent. It applies to the Assembly,

## ATTORNEYS AT LAW

## ATTORNEYS

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## PROFESSIONAL STAFF

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+LEGAL ASSISTANT

administration, hospital board, planning and zoning commission, museum board, and port commission.

The conflict ordinance addresses a wide range of topics including: financial interests; contracts, bids and proposals; use of office for personal gain; representing private business or personal interests before the Assembly and other boards; conduct that conflicts with official duties; confidential information; outside business that conflicts with official duties; acceptance of gratuities; use of borough owned-property; post-office/employment restrictions; disclosure requirements; and sanctions for violation. The ordinance provides that it is to be liberally construed to protect the public interest in full disclosure of conflicts of interest and promote ethical standards of conduct. In addition, under WMC 3.05.020, the Assembly's order of business, there is always an Assembly agenda item on "Conflict of Interest" to provide time for any conflict of interest disclosures and determinations on such disclosures.

The Assembly could reasonably conclude that the code requirements and procedures for conflict of interest disclosures by municipal officials and employees are sufficient to assure public confidence and accountability in the Borough government, elected officials, and persons serving on boards and commissions.

Some of the concerns with AS 39.50 raised by municipalities in deciding to submit a question the voters to opt out have included privacy issues, the burden on municipal officials and the increased burden as a result of changes to the law that expanded the disclosure requirements, and the concern that residents may be discouraged from seeking or holding municipal office because of the requirements. These are reasonable concerns for the Assembly. It seems potentially counter-productive to address those concerns by opting out of AS 35.50 and at the same time substitute a municipal disclosure system that might raise essentially the same concerns.

Please let us know if you or the Assembly have additional questions.