

**Denali Borough, Alaska**  
**ORDINANCE NO: 03-12**

Introduced By Assembly Member: Teresa Hall

**AN ORDINANCE AMENDING THE DENALI BOROUGH CODE OF ORDINANCES BY THE  
ADDITION OF TITLE 5, CHAPTER 36 A CODE OF ETHICS FOR THE DENALI BOROUGH  
MAYOR, BOROUGH ASSEMBLY MEMBERS AND BOROUGH EMPLOYEES**

BE IT ENACTED by the Assembly of the Denali Borough:

**Section 1. Classification** This ordinance is of a general and permanent nature.

**Section 2. Purpose** The purpose of this Ordinance is to amend The Denali Borough Code Of Ordinances by the addition of Title 5, Chapter 36 a Code of Ethics for the Denali Borough Mayor, Borough Assembly Members and Borough Employees.

**CHAPTER 36**

**Code of Ethics for the Denali Borough Mayor, Borough Assembly members, and  
Borough employees**

Sections:

1. Declaration of Policy
2. Scope of Chapter
3. Misuse of Official Position
4. Improper Gifts
5. Improper use or Disclosure of Information
6. Improper Influence in Borough Grants, Contracts, or Leases
7. Outside Employment Restricted
8. Aiding a Violation Prohibited
9. Definitions
10. Conflict of Interest
11. Political Activities
12. Effective Date

Section 1. Declaration of Policy

It is declared that [high moral and ethical standards] a Code of Ethics among the Borough Mayor, Borough Assembly members and Borough employees [are] is essential to assure the trust, respect, and confidence of the people of this Borough.

A code of ethics for the guidance of the Borough Mayor and Borough Assembly members and Borough employees will:

- (a) Discourage the Borough Mayor, Borough Assembly members and Borough employees from acting upon personal or financial interests in the performance of their public responsibilities;
- (b) Improve standards of public service; and
- (c) Promote and strengthen the faith and confidence of the people of this Borough in public officials and employees;

Holding public office or employment is a public trust and that as one safeguard of that trust, the people require the Borough Mayor, Borough Assembly members and Borough employees to adhere to a code of ethics;

A fair and open government requires that the Borough Mayor, Borough Assembly members and Borough employees conduct the public's business in a manner that preserves the integrity of the governmental process and avoids conflicts of interest;

In order for the rules governing conduct to be respected both during and after leaving public service, the code of ethics must be administered fairly without bias or favoritism;

No code of conduct, however comprehensive, can anticipate all situations in which violations may occur nor can it prescribe behaviors that are appropriate to every situation; in addition, laws and regulations regarding ethical responsibilities cannot legislate morality, eradicate corruption, or eliminate bad judgment; and

Compliance with a Code of Ethics is an individual responsibility; thus all who serve the Borough have a solemn responsibility to avoid improper conduct and prevent improper behavior by colleagues and subordinates.

## Section 2. Scope of Chapter

- A. The Assembly reaffirms that the Borough Mayor and the Borough Assembly members hold office as a public trust and any effort to benefit a personal or financial interest through official action is a violation of that trust. In addition, the Assembly finds that, so long as it does not interfere with the full and faithful discharge of the Mayor's or the Assembly's responsibilities this chapter does not prevent the Mayor from following other independent pursuits. The Assembly further recognizes that
  - (1) In a representative democracy, the representatives are drawn from society and, therefore, cannot and should not be without personal and financial interests in the decisions and policies of government;
  - (2) People who serve as Borough Mayor retain their rights to interests of a personal or financial nature; and

- (3) standards of ethical conduct for the Mayor need to distinguish between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts of interests that are substantial and material.
- B. Unethical conduct is prohibited, but there is no substantial impropriety if, as to a specific matter, the Mayor's
- (1) personal or financial interest in the matter is insignificant, or of a type that is possessed generally by the public or a large class of persons to which the Mayor belongs; or
  - (2) action or influence would have insignificant or conjectural effect on the matter.

### Section 3. Misuse of Official Position

- A. The Borough Mayor, Borough Assembly member or a Borough employee may not use, or attempt to use, his or her official position for personal gain, and may not intentionally secure or grant unwarranted benefits or treatment for any person.
- B. The Borough Mayor, Borough Assembly member or a Borough employee may not
- (1) seek other employment or contracts through the use or attempted use of official position;
  - (2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the Borough;
  - (3) use Borough time, property, equipment, or other facilities to benefit personal or financial interests;
  - (4) participate in an official action in which the Borough Mayor, Borough Assembly member or employee has a substantial financial interest;
  - (5) attempt to benefit a personal or financial interest through coercion of a subordinate or require a Borough employee to perform services for the private benefit of the Borough Mayor, Borough Assembly member or an employee at any time; or
  - (6) solicit any assessments, contributions or services for any political party from any employee in the Borough service during working hours.
  - (7) use or authorize the use of Borough funds, facilities, equipment, services, or another government asset or resource to include borough letterhead or logo with the intent to differentially benefit or harm a candidate or potential candidate for elective office or a political party or group.
- C. A Borough employee who, during his scheduled work hours, engages in political campaign activities shall take approved leave for the period of campaigning.

- D. Nothing in this section shall affect the right of the Borough Mayor, Borough Assembly member or an Borough employee to hold membership in and voluntarily, financially and otherwise support a political party or candidate, to vote as he chooses, to express his opinions on all political subjects and candidates, to maintain political neutrality, and to attend political meetings.
- E. Nothing in this section prohibits inconsequential use of Borough time, property, equipment, or other facilities for personal purposes if the use does not interfere with the performance of official duties and the cost or value related to the use is nominal.
- F. Nothing in this section prohibits the use of a Borough facility by a political organization if the facility is available to other such organizations on the same terms and conditions.

#### Section 4. Improper Gifts

- A. The Borough Mayor, Borough Assembly member or a Borough employee may not solicit, accept, or receive, directly or indirectly, a gift, whether in the form of money, service, loan, travel, entertainment, hospitality, employment, promise, or in any other form, that is a benefit to his personal or financial interests, under circumstances in which could reasonably be inferred that the gift is intended to influence the performance of official duties, actions, or judgment.
- B. Notice of the receipt by [a] the Borough Mayor, Borough Assembly member or Borough employee of a gift, including the name of the giver and a description of the gift and its approximate value, must be provided to the employee's department director within 30 days after the date of its receipt
  - (1) if the Borough Mayor, Borough Assembly member or Borough employee may take or withhold official action that affects the giver;
  - (2) if the gift is connected to the Borough Mayor, Borough Assembly member or Borough employee's governmental status; or
  - (3) if it could be inferred in any other way that the gift is intended to influence the performance of official duties, actions, or judgment.
- C. The restrictions relating to gifts imposed by this section do not apply to a campaign contribution to a candidate for elective office if the contribution complies with laws and regulations governing elections and campaign disclosure.
- D. An Borough Mayor, Borough Assembly member or Borough employee who knows or reasonably ought to know that a family member has received a gift because of the family member's connection with the employee's borough employment or service shall report the receipt of the gift by the family member to the employee's director if the gift would have to be reported under this

section if it had been received by the Borough Mayor, Borough Assembly member or Borough employee or if receipt of the gift by the employee would be prohibited under this section.

#### Section 5. Improper Use or Disclosure of Information

- A. A current or former Borough Mayor or employee may not disclose or use information gained in the course of, or by reason of, his official duties that could in any way result in the receipt of any benefit for the Mayor or employee or an immediate family member, if the information has not also been disseminated to the public.
- B. A current or former Borough Mayor, Borough Assembly member or Borough employee may not disclose or use, without appropriate authorization, information acquired in the course of official duties that is confidential by law.

#### Section 6. Improper Influence in Borough Grants, Contracts, or Leases

The Borough Mayor, Borough Assembly member or an Borough employee, or an immediate family member, may not attempt to acquire, receive, apply for, be a party to, or have a personal or financial interest in a Borough grant, contract, or lease if he takes or withholds official action that affects the award, execution, or administration of the grant, contract, or lease.

#### Section 7. Outside Employment Restricted

- A. A Borough employee may not render services to benefit a personal or financial interest or engage in or accept outside employment, if the outside employment or service is incompatible or in conflict with the proper discharge of official duties.
- B. A Borough employee rendering services for compensation, or engaging in outside employment, shall report by January 1 of each year the outside services or employment to the director of the employee's department. During the year, any change in an employee's outside service or employment activity must be reported to the director as it occurs.

#### Section 8. Aiding a Violation Prohibited

It is a violation of this chapter for the Borough Mayor, Borough Assembly member or an Borough employee to knowingly aid another person in a violation of this chapter.

## Section 9. Definitions

In this chapter, unless the context requires otherwise,

- A. "benefit" means anything that is to a person's advantage or self- interest, or from which a person profits, regardless of the financial gain, including any dividend, pension, salary, acquisition, agreement to purchase, transfer of money, deposit, loan or loan guarantee, promise to pay, grant, contract, lease, money, goods, service, privilege, exemption, patronage, advantage, advancement, or anything of value;
- B. "business" includes a corporation, company, firm, partnership, sole proprietorship, trust or foundation, or any other individual or entity carrying on a business, whether operated for profit or non-profit;
- C. "child" includes a biological child, an adoptive child, and a stepchild;
- D. "compensation" means any money, thing of value, or economic benefit conferred on or received by a person in return for services rendered or to be rendered by the person for another;
- E. "employee" means a permanent, probationary, seasonal, temporary, or casual employee, whether appointed, executive/administrative/professional, or classified, and does not include the Borough Mayor or Assembly members;
- F. "financial interest" means
  - (a) an interest held by the Borough Mayor, Borough Assembly member, or an Borough employee, or an immediate family member, which includes an involvement or ownership of an interest in a business, including a property ownership, or a professional or private relationship, that is a source of income, or from which, or as a result of which, a person has received or expects to receive a financial benefit;
  - (b) holding a position in a business, such as an officer, director, trustee, partner, employee, or the like, or holding a position of management;
- G. "gain" includes actual or anticipated gain, benefit, profit, or compensation;
- H. "immediate family member" means
  - (a) the spouse of the person;
  - (b) another person cohabiting in a spousal relationship that is not a legal marriage; [regular member of the person's household;]
  - (c) a child, including a stepchild and an adoptive child, of the person;
  - (d) a parent, sibling, grandparent, aunt, or uncle of the person; and
  - (e) a parent or sibling of the person's spouse;
- I. "official action" means a recommendation, decision, approval, disapproval, or other similar action, including inaction;

- J. "organization" includes a group, association, society, political party, or other entity made up of two or more persons, whether operated for profit or nonprofit;
- K. "parent" includes a biological parent, an adoptive parent, and a step-parent;
- L. "person" includes a natural person, a business, and an organization;
- M. "personal interest" means an interest held or involvement by the Borough Mayor, Borough Assembly member or Borough employee, or his immediate family member or parent, including membership, in any organization, whether fraternal, nonprofit, for profit, charitable, or political, from which, or as a result of which, a person or organization receives a benefit;
- N. "source of income" means an entity for which service is performed for compensation or which is otherwise the origin of payment; if the person whose income is being reported is employed by another, the employer is the source of income; if the person is self-employed by means of a sole proprietorship, partnership, professional corporation, or a corporation in which the person, the person's spouse or child, or a combination of them, holds a controlling interest, the "source" is the client or customer of the proprietorship, partnership, or corporation; if the entity which is the origin of payment is not the same as the client or customer for whom the service is performed, both are considered the source;
- O. "substantial financial interest" means an interest that will result in immediate financial gain or financial gain which will occur in the reasonably foreseeable future.

#### Section 10. Conflict of Interest

No Borough employee shall accept outside employment or engage in an activity that:

- A. Violates Chapter 2.25 of this code or otherwise conflicts with the interests of the Borough, or in any way reflects unfavorably upon the Borough;
- B. Is not compatible with the employee's Borough work; or
- C. Detracts from the employee's efficiency in the performance of Borough work.
- D. No Borough employee shall be a contractor to the Borough or be employed by a contractor on Borough matters while receiving a wage from the Borough.

Section 11. Political Activities

- A. No Borough employee shall be an officer of a political party or hold an elective or appointive partisan political office during his employment.
- B. No borough employee, official or private person, shall solicit any assessments, contributions or services for any political party from any employee in the borough service during working hours.
- C. Nothing contained within this section shall affect the right of the employee to hold membership in and voluntarily, financially and otherwise support a political party or candidate, to vote as he chooses, to privately express his opinions on all political subjects and candidates, to maintain political neutrality, and to attend political meetings.

**Section 12. Effective Date** This ordinance becomes effective upon adoption of the Borough Assembly and signature of the Mayor.

Date introduced: June 11, 2003

First reading: June 11, 2003

Public Hearing: May 12, 2004

PASSED AND APPROVED ON THIS 12th DAY OF MAY IN THE YEAR 2004.

  
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DENALI BOROUGH MAYOR

ATTEST:



  
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DENALI BOROUGH CLERK