



CITY OF WASILLA

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COUNCIL MEMORANDUM NO. 90-45

FROM: Mayor Stein

DATE: June 4, 1990

RE: Ordinance 90-19 - Repeal of Exemption from Financial Disclosure

By a one vote margin Ordinance W75-0-2 was approved by Wasilla voters on October 7, 1975. The ordinance exempted Wasilla from the financial disclosure provisions of the State's conflict of interest law. The law requires that elected and certain appointed municipal officials report their personal financial dealings. At the time, Wasilla's population was 563 and its annual budget was \$26,686.

The responsibilities of Wasilla officials has grown with the growth of the City, establishment of municipal utilities and expansion of City services. The City population is now nearing 4,000, the annual combined budget is \$2.4 million and the capital assets are some \$22.0 million. To avoid conflicts of interest and to demonstrate to the public the absence of conflicts of interest, financial disclosure is warranted.

The proposed ordinance would place the question of repealing the existing exemption on the October ballot. If passed by the voters, the Council, Mayor, Deputy Administrator, City Clerk and Planning Commissioners would be required to file statements of their financial interests.


John C. Stein, Mayor

INFORMATION STATEMENT: PROPOSITION # _____

On October 2, 1990 the Wasilla municipal election ballot will include Proposition _____ concerning conflict of interest reporting by City officials.

Present Situation

Alaska law requires certain municipal officials to report to the public the persons or corporations with which they do business. This disclosure is intended to avoid conflicts in interest in the operation of City government. By vote, cities may exempt themselves from reporting provisions of state law.

By a one-vote margin, the City of Wasilla elected to exempt its officials in 1975. Wasilla officials are now exempt from the reporting provisions of state law.

Change

When Wasilla elected to exempt its officials, the City population was 563 and its annual budget was \$26,686.

Wasilla now has a population of 3,342 and an annual budget of \$2,400,000. The City's public assets total about \$23,000,000.

In 1975 Wasilla was a second class city, requiring that tax levies be approved by the voters. Wasilla became a first class city in 1984. The City Council may now levy property taxes by ordinance.

Removing Exemption

If the exemption from financial disclosure reporting is removed, the six City Council members, Mayor, Deputy Administrator, City Clerk and seven planning commissioners would be required to file annual conflict of interest statements. Candidates for elected City offices would also be required to file a conflict of interest statement.

Required Statement

If the exemption is removed, Wasilla officials would annually report:

- Their name, occupation, address and telephone number
- Names of spouse and dependent children
- Names of sources of income over \$100 (except retail sales)
- Interests in business and real property (including non-profit corporations)
- Beneficial interests, loans, government contracts and natural resource leases

The statement would be filed with the City Clerk.

Pros and Cons

Pros

- (1) Discourage public officials from acting upon a private or business interest in the performance of a public duty.
- (2) Assure that public officials in their official acts are free of the influence of undisclosed private or business interests.
- (3) Develop public confidence in persons seeking or holding public office.
- (4) Develop accountability in government by permitting public access to information necessary to judge the credentials and performance of those who seek and hold public office.

Cons

- (1) Reporting, itself, discourages capable people, especially those with long client lists, from seeking public office, especially volunteer, non-paid positions.
- (2) Recruiting council candidates and planning commission appointees could be difficult because of reporting requirements.

Proposition

Approval of Proposition _____ would remove the exemption and require Wasilla's elected and appointed City officials to file conflict of interest statements.

Disapproval of Proposition _____ would maintain the exemption of Wasilla City officials from filing conflict of interest statements.

John C. Stein 7-2-90

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