

TOWN OF GRAY CONFLICT OF INTEREST POLICY

Approved by the Town Council on July 6, 2021

I. Overview

- a. **Purpose.** It is in the best interest of the Town of Gray to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. The purpose of this Conflict of Interest Policy (the “Policy”) is to clarify state law regarding conflicts of interest as it pertains to Town Councilors and other Town official (including all Town staff), board or committee members, clarify the obligations of Town Councilors, official, and other board or committee members to disclose and otherwise avoid such conflicts of interest, and to otherwise protect the Town’s interests when it is considering taking an action or entering into a transaction that may be influenced or otherwise tainted by a conflict of interest. This policy is also designed to help Town Councilors, officials, and other Town board or committee members identify situations that present potential conflicts of interest, and to provide the Town of Gray with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency.

b. **Definitions**

- (1) Conflict of Interest. A conflict of interest within the context of this Policy refers to any of the following:
 - i. Where a Town Councilor, official, or other board or committee member is an officer, director, partner, associate, employee, or stockholder of a private business corporation or other economic entity which is the subject of an issue or application before the Town Council or a board or committee **and** that Town Councilor, or other board or committee member, is either directly or indirectly the owner of at least 10% of the stock of a private corporation or owns at least a 10% interest in a business or economic entity (*see* 30-A M.R.S. § 2605, as amended);
 - ii. Where a Town Councilor, official, or other board or committee member is placed in a situation where they are tempted to serve their own personal pecuniary interest in lieu of the interests of the Town;
 - iii. Where the Family Member of a Town Councilor, official, or other board or committee member is seeking to contract or otherwise do business with the Town, or where such Family Member is the applicant for a license, permit, or other municipal approval before the board, committee, or other body upon which that Town Councilor or board or committee member sits, or where Town officials provide administrative support; or

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- iv. Any other situation where a Town Councilor, official, or other board or committee member's participation in the consideration and decision on a particular matter would cause even the appearance of a conflict of interest or other impropriety.

- (2) A "Family Member" is a spouse, parent, grandparent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a person subject to this Policy.

II. Procedures

- a. **Annual Disclosure Form Required for Council, Staff, and Quasi-Judicial Board Members:** By July 1 of each year, every currently serving Town Councilor, official, and quasi-judicial board member (including but not limited to Planning Board and Zoning Board of Appeals) shall complete a disclosure form identifying any relationships, positions, or circumstances in which they are involved that they believe could contribute to a conflict of interest. Newly elected Town Councilors, officials, or newly appointed board or committee members must complete this disclosure form prior to being sworn in. Disclosure forms will be provided and maintained by the Town Clerk.
- b. **Disclosure Form Required for Committee Members:** At the time of appointment, every other board or committee member not covered by Section II.a. shall complete a disclosure form identifying any relationships, positions, or circumstances in which they are involved that they believe could contribute to a conflict of interest. Newly appointed board or committee members must complete this disclosure form prior to being sworn in and update them as needed if new potential conflicts of interest arise. Disclosure forms will be provided and maintained by the Town Clerk.
- c. **Independent Contractors:** All service agreements or other contracts entered into between the Town and any independent contractor performing services for or on behalf of the Town shall include language requiring that independent contractor to certify that neither it, nor any of its directors or employees, have a conflict of interest as defined in this Policy.

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d. Procedures for Addressing a Conflict of Interest or Appearance of Conflict of Interest

- (1) When a Town Councilor, official, or a board or committee member believes that they have a conflict of interest, as defined in this Policy, with regard to a matter of business that is before, or may come before the Town Council, or the board or committee of which that person is a member, they shall immediately contact the Town Manager (or if a member of the Council, the Council Chair) to discuss the context of this potential conflict of interest.
- (2) If the purported conflict of interest involves a Councilor, official, or board/committee member's holding of stock or ownership interest in a particular entity, as outlined in Section I(b)(1)(i) of this Policy, that member should, prior the Town Council or board/committee's deliberation, make a full disclosure of said conflict of interest and recuse themselves from further involvement. Once recused, that Councilor or board/committee member should leave the dais until such deliberations have concluded.
- (3) For all other purported conflicts of interest, the following procedures should be followed:
 - i. The Town Councilor, official, or board/committee member shall, prior to the Council or that board/committee's deliberations, make a full public disclosure of the purported conflict of interest.
 - ii. A Town Councilor or board/committee member shall then publicly announce either: (a) that they will recuse themselves from all further deliberation of that particular agenda item, or (b) state on the record that notwithstanding the potential conflict of interest, that they feel they can fairly and impartially decide the matter in front of the Council or the board/committee.
 - iii. Should a Town Councilor or a board/committee member choose not to recuse themselves from a particular matter, the Town Council or board/committee may, upon a majority vote of those present and

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voting (excluding the potentially conflicted Councilor or board or committee member, who must abstain from such a vote) require the potentially conflicted Town Councilor or board/committee member to recuse themselves from further involvement in a particular matter.

- III. Confidentiality; No Personal Use.** Each Town Councilor, official, and board or committee member of the Town shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of Town of Gray. Furthermore, no Town Councilor, official, or board or committee member shall disclose or use information relating to the business of Town of Gray for their personal profit or advantage or the personal profit or advantage of their Family Member(s).

This policy shall be reviewed and revised as deemed necessary by the Town Council. Any changes to the policy shall be communicated to all Town officials, and board or committee members. This policy is governed by the Town of Gray Charter Amended July 14, 2020, Article 2, Section 4.E.