

PREAMBLE

1. Individuals working on behalf of the Town of Shelter Island (“the Town”) are public servants who are expected to perform their duties in the best interests of the Town. They may, however, encounter a situation in which what is best for the Town may be different from their own personal best interest. In such a case, there is a “conflict of interest.”

Annotated 4-10-23

2. New York State’s General Municipal Law, Article 18 contains provisions prohibiting certain conflicts of interest of municipal officers and employees. The rules of that law apply to all Town employees, which include officers or employees, paid or unpaid. In brief:

§ 801 prohibits conflicts of interest in the context of contracts between the Town and one of its employees. Contracts that violate the statute may be void (§ 804), and the offending employee may be charged with a misdemeanor. Exceptions exist (§ 802) and the term “employee” is broadly defined to include family members and certain related private organizations.

§ 803 requires potential conflicts of interest to be disclosed.

§ 805-a also prohibits Town employees from:

- Soliciting gifts in connection with their Town employment.
- Disclosing confidential information acquired in connection with their Town employment.
- Entering into certain compensation agreements that may create a conflict of interest.

Town employees should familiarize themselves with Article 18. The law itself is posted in Town Hall, and the law and the Comptroller’s description of it can be found on the Town’s website under the Board of Ethics.

3. Article 18 is not a comprehensive statute. Section 806 leaves to each municipality the task of adopting a code of ethics “setting forth for the guidance of its officers and employees the standards of conduct reasonably expected of them.” These codes cannot limit the reach of Article 18, but they may increase it. Section 806 requires that the Town’s Code specifically address certain issues, including disclosure of interests that an employee may have in legislation, holding certain investments or undertaking certain employment. It also authorizes the Town to address other potential ethical issues beyond those included in Article 18. It also authorizes the Town to establish a board of ethics, consisting of members who receive no compensation and serve at the pleasure of the Board.

4. The Town of Shelter Island currently has a Code of Ethics that was adopted in 1970, which is implemented through the Town’s Board of Ethics. The current Code, however, does not fully comply with Article 18 and is in need of an update. The Shelter Island Town Board has asked the Board of Ethics to revise and clarify the Code, in the interest of protecting the Town from unethical activity and providing its employees with clear guidance in performing their duties.

RESOLVED, that the Town of Shelter Island hereby adopts a code of ethics to read as follows:

Chapter 8

Code of Ethics

ARTICLE 1 Standards of Conduct

§ 8-1. Purpose.

Officers and employees of the Town of Shelter Island hold their positions to serve and benefit the public, and not for obtaining unwarranted personal or private gain in the exercise and performance of their official powers and duties. The Town recognizes that, in furtherance of this fundamental principle, there is a need for clear and reasonable standards of ethical conduct. Clear standards will also protect ethical public officials and rebut unfair allegations. This Code of ethics establishes those standards.

§ 8-2. Definitions.

ARTICLE 18- New York State’s General Municipal Law, Article 18.

BOARD- The Town Board and any other administrative board, committee, or other agency or body comprised of two or more Town officers or employees.

CODE- This Code of Ethics.

FINANCIAL BENEFIT- Anything of value, whether in the form of money, property, services, loan, travel, entertainment, hospitality, or promise, or any other form. The benefit can be direct or indirect but does not include any benefit arising from the provision or receipt of any services generally available to the residents or taxpayers of the Town or an area of the Town, or a lawful class of such residents or taxpayers.

HOUSEHOLD- Those persons residing within the same dwelling unit.

INTEREST IN A CONTRACT- A Town officer or employee has an interest in a contract when they, their spouse, minor child, dependent, or corporation in which the Town employee is an owner, officer or employee, would secure a financial benefit under the contract.

INTEREST IN A PRIVATE ORGANIZATION- A Town officer or employee is deemed to have an interest in any private organization when they, their spouse, or a relative, is an owner, partner, member, director, officer, employee, or directly or, in the case of a corporation, indirectly owns or controls more than 5% of the corporation’s outstanding stock.

OFFICER or EMPLOYEE- Any Town employee whether paid or unpaid, whether serving full-time, part-time or in an advisory capacity.

RELATIVE- A spouse, brother, sister, parent, child, grandchild, or the spouse of any of them, or a household member of an officer or employee.

TOWN- The Town of Shelter Island.

§ 8-3. Applicability

This Code applies to the officers and employees of the Town and shall supersede any prior Town code of ethics. The provisions of this Code shall apply in addition to all applicable State and local laws relating to conflicts of interest and ethics including, but not limited to, Article 18 and all rules, regulations, policies and procedures of the Town.

§ 8-4. Prohibition on use of Town position for personal or private gain.

Annotated to source
in Article 18 GML

§800-3-9

§800-2-9

§800-5

No officer or employee shall use their Town position or official powers and duties to secure a financial benefit for themselves, a relative, or any private organization in which the employee is deemed to have an interest.

§806-1a

§ 8-5. Disclosure of interest in legislation and other matters where discretion is used.

A. Whenever a matter requiring the exercise of discretion, including proposed legislation, comes before an officer or employee, either individually or as a member of a board or committee, and disposition of the matter could result in a financial benefit to the officer or employee, a relative of theirs, or any private organization in which they are deemed to have an interest, the officer or employee shall disclose in writing the nature of the financial benefit.

B. The disclosure shall be made when the matter requiring disclosure first comes before the officer or employee, or when the officer or employee first acquires knowledge of the benefit requiring disclosure, whichever is earlier.

C. In the case of a person serving in an elective office, the disclosure shall be filed with the Town Board and the Board of Ethics. In all other cases, the disclosure shall be filed with the Board of Ethics and that person's supervisor or, if the person does not have a supervisor, the disclosure shall be filed with the officer, employee or board having the power to appoint the person's position. In addition, in the case of a person serving on a board, a copy of the disclosure shall be filed with said board and included in the minutes of the board's meeting.

Comptroller Model
Code §806

§ 8-6. Recusal and abstention.

No officer or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including proposed legislation, when they know or have reason to know that the action could confer a financial benefit on the employee, a relative, or any private organization in which the employee is deemed to have an interest. Further, once recused, that person may not be in the room (or appear via videoconferencing) when the matter is being discussed, voted on, nor participate in any discussions or communications including e-mail or text regarding it.

§ 8-7. Prohibition inapplicable; disclosure, recusal and abstention not required.

This Code's prohibition on use of a Town position (§ 8-4), disclosure requirements (§ 8-5), and requirements relating to recusal and abstention (§ 8-6), shall not apply with respect to the following matters:

A. adoption of the Town's annual budget;

B. any matter requiring the exercise of discretion that directly affects any of the following groups of people or a lawful class of such groups:

- (1) all officers or employees;
- (2) all residents or taxpayers of the Town; or
- (3) the general public; or

C. any matter that does not require the exercise of discretion.

§806-1a

§ 8-8. Investments in conflict with official duties.

§806-1a A. No officer or employee may acquire the following investments:

- (1) investments that can be reasonably expected to require more than sporadic recusal and abstention under section 8-6 of the Code; or
- (2) investments that would otherwise impair the person's independence of judgment in the exercise or performance of their official powers and duties.

B. This section does not prohibit a Town officer or employee from acquiring any other investments or the following assets:

- (1) less than five percent of the stock of a publicly traded corporation, or
- (2) bonds or notes issued by the Town and acquired more than one year after the date on which they were originally issued.

§806-1a **§ 8-9. Private employment in conflict with official duties.**

A. No officer or employee, during their tenure as an officer or employee, may engage in any private employment that may be in substantial conflict with the proper discharge of their duties, when:

- (1) it can be reasonably expected to require more than sporadic recusal and abstention pursuant to § 8-6 of the Code, or
- (2) it can be expected to require disclosure or use of confidential information gained by reason of serving as an officer or employee, or
- (3) it requires representation of a person or organization other than the Town in connection with litigation, negotiations, or any other matter to which the Town is a party.

§805-a1(c) B. No officer or employee shall receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any board of which the officer or employee is a member, or has the power to appoint any member, nor for compensation for services to be rendered in relation to any matter before any agency of the Town whereby compensation is to be dependent or contingent upon any action by such agency with respect to such matter.

§805-a1(d) C. No officer or employee shall receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any board, if the compensation is dependent or contingent upon any action by such board or committee with respect to such matter. This paragraph shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.

§806-1a **§ 8-10. Future employment.**

A. No officer or employee may ask for, pursue or accept a private post-government employment opportunity with any person or organization that has a matter requiring the exercise of discretion pending before the officer or employee, either individually or as a member of a board, while the matter is pending or within the 30 days following final disposition of the matter.

B. No officer or employee, for the one-year period after serving as an officer or employee, may represent or render services to a private person or organization in connection with any matter involving the exercise of discretion before the Town office, board, department or comparable organizational unit for which they served.

C. No Town officer or employee, at any time after serving as an officer or employee, may represent or render services to a private person or organization in connection with any particular transaction in which the employee personally and substantially participated while serving as a Town officer or employee.

§ 8-11. Personal representations and claims permitted.

The Code shall not be construed as prohibiting an officer or employee from representing themselves, or their spouse or minor children before the Town; or asserting a claim against the Town on their own behalf, or on behalf of their spouse or minor children.

§ 8-12. Use of Town resources.

Town resources shall be used for lawful Town purposes.

A. No officer or employee may use or permit the use of Town resources for personal or private purposes. Town resources include, but are not limited to, Town personnel, and the Town's money, vehicles, equipment, materials, supplies or other property. Provided, this provision shall not be construed as prohibiting:

- (1) any use of Town resources authorized by law or Town policy;
- (2) the use of Town resources for personal or private purposes when provided to a Town officer or employee as part of their compensation; or
- (3) the occasional and incidental use during the business day of Town telephones and computers for necessary personal matters such as family care and changes in work schedule.

B. No officer or employee shall cause the Town to spend more than is reasonably necessary for transportation, meals or lodging in connection with official travel.

§801, §803

§ 8-13. Interests in Contracts.

A. Article 18 requires no officer or employee may have an interest in a contract with the Town when such officer or employee, individually or as a member of a board, has the power or duty to:

- (1) negotiate, prepare, authorize or approve the contract or authorize or approve payment thereunder;
- (2) audit bills or claims under the contracts, or
- (3) appoint an officer or employee who has any of the powers or duties set forth above.

§802

B. Exceptions to this prohibition are detailed in Article 18, Section 802. These include an exception for contracts entered into prior to the time a Town employee was elected or appointed, and an exception for contracts which in the aggregate do not exceed \$750 in a fiscal year

§803, §800-3-9

C. Every officer and employee shall disclose interests in contracts with the Town at the time and in the manner as follows: Any Town officer or employee or their spouse, minor child or dependent, who has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement or other agreement, including oral agreements, with the Town, shall publicly disclose the nature and extent of such interest in writing to their immediate supervisor, or if a member of a Board to said board, and to the Board of Ethics as soon as the employee has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such body. Disclosure and recusal do not cure a prohibited interest.

§ 8-14. Political Solicitations.

A. No officer or employee shall directly or indirectly compel or induce a subordinate Town officer or employee to make, or promise to make, any political contribution, whether by gift of money, service or other thing of value.

B. No officer or employee may act or decline to act in relation to appointing, hiring or promoting, discharging, disciplining, or in any manner changing the official rank, status or compensation of any Town officer or employee, or an applicant for a position as a Town officer or employee, on the basis of the giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

§805-a2

§ 8-15. Confidential Information.

No officer or employee who acquires confidential information in the course of exercising or performing their official powers or duties may disclose or use such information unless the disclosure or use is required by law or in the course of exercising or performing their official powers and duties.

§805-a1

§ 8-16. Gifts.

No Town officer or employee shall directly or indirectly, solicit any gift, or accept or receive any gift having a value of seventy-five dollars or more, whether in the form of money, property, service, loan, travel, entertainment, hospitality, or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence them, or could reasonably be expected to influence them, in the performance of their official duties or was intended as a reward for any official action on his their part;

§809-1

§ 8-17. Disclosure in certain applications.

A. Section 809 of Article 18 imposes strict disclosure requirements on persons applying for variances, exemptions, and other approvals from local planning and zoning regulations. In general, it provides that the applicant must identify any local officer or employee who has an interest in the application. As applied to Shelter Island, every applicant for a variance, land-use amendment, change of zoning, or approval of subdivision map from the Town Board, Zoning Board of Appeals, Planning Board, Town Clerk or Building Department must disclose information pertaining to any interest that a Town officer or employee, their spouse, parents, siblings, children, grandchildren (or the spouses of any of them) may have in the application.

B. Section 809 (5) provides that one who knowingly and intentionally violates this disclosure requirement shall be guilty of a misdemeanor.

ARTICLE 2 Administration

§808

§ 8-18. Board of Ethics.

A. Article 18, § 808 permits the creation of a Town Board of Ethics (also referred to as “Ethics Board”). This Code hereby authorizes the creation of such a board. The Town Board believes that an independent Ethics Board will assure the public interest in applying this Code without bias or favoritism.

B. The Board of Ethics shall consist of five members, all of whom reside in the Town of Shelter Island and who shall serve without compensation, to be appointed by the Town Board for staggered five-year terms. A majority of such members shall be persons other than Town employees, but the Board shall include at least one member who is a Town employee.

C. Conditions of Board of Ethics membership.

(1) No person may be appointed as a member of the Ethics Board who is a current elected Town officer; or an officer of any local, county or state political party, association, club or independent political committee subject to regulations of the state election law; or a campaign manager, consultant or treasurer for a political party committee or individual election campaign committee or has served in such political capacity during the past twenty-four months.

(2) An Ethics Board member shall promptly resign if entering a campaign race as a candidate for public office; or as a campaign manager, consultant, or treasurer for a political party committee or individual election campaign committee; or when recusal has become prevalent for such individual for matters before the Board of Ethics.

(3) An Ethics Board member may be removed for cause by the Town Board upon any of the following grounds:

- a. Failure to meet the qualifications set forth in § 8-19 of this chapter; or
- b. Substantial neglect of duty; or
- c. Gross misconduct in office; or
- d. Inability to discharge the powers or duties of office; or
- e. A violation of this chapter.

D. The Ethics Board shall have the following substantive authority:

(1) Town officers and employees may request advice from the Ethics Board concerning their personal compliance with this Code of Ethics. In response to such a request, and after due consideration, the Ethics Board shall issue a confidential advisory opinion to the requesting party.

(2) In the event any person believes in good faith that a Town employee or officer is engaged in activity that violates this Code, they may file a complaint with the Board of Ethics. The Board of Ethics will investigate such a complaint and issue an opinion on the complaint if it believes there is probable cause of a Code violation. In the absence of such, it will dismiss the complaint.

Southampton
SH 23-19(c)

SH 23-21

SH 23-27

SH 23-23(b)4

(3) The Board of Ethics may act on its own motion to initiate an investigation into an employee's alleged violation of this Code.

§804

(4) Upon the written request of the Town Board, of a Town officer or employee, or of any contracting party, the Ethics Board shall investigate and provide to the Town Board a written report and recommendation concerning any Town contract or agreement that may be void pursuant to Article 18, Section 804. Additionally, the Ethics Board may, in its discretion, undertake such an investigation upon its own initiative, in which case it may present a report and recommendation to the Town Board.

§ 8-19. Investigations.

SH 23-25(A)

A. Upon receipt of a written complaint alleging a violation of this Code or upon determining on its own initiative that a violation of the Code may exist, the Ethics Board shall have the power and duty to conduct with reasonable promptness any investigation necessary to carry out the provisions of this Code. Written complaints must include the name of the individual complainant. Upon request, the name of a complainant may be kept confidential. If the Board determines that a complaint is frivolous on its face or the alleged violation would be *de minimis*, it may dismiss it without further investigation.

SH 23-25(A)

B. In conducting any such investigation, the Ethics Board may administer oaths or affirmations, compel attendance of witnesses, and require the production of any books or records that it may deem relevant and material. The Ethics Board shall make a reasonable effort to obtain voluntary cooperation prior to exercising or enforcing their right to compel testimony. Further, the Ethics Board shall take steps to ensure that every individual's right to due process is protected.

SH 23-25(C)

C. Any person filing a complaint with the Ethics Board, and every person who is alleged in such a complaint to violate this Code, shall be notified in writing of the disposition of the complaint.

SH 23-25(E)

D. Nothing in this section shall be construed to permit the Ethics Board to conduct an investigation of itself or of any of its members or staff. If the Ethics Board receives a complaint alleging that the Ethics Board or any of its members or staff has violated any provision of this Code, or any other law, the Ethics Board shall promptly transmit to the Town Board a copy of the complaint.

§ 8-20. Administration and reporting.

The Board of Ethics shall have the following administrative duties:

SH 23-23(B)(1)

A. To prescribe and promulgate rules and regulations governing its own internal organization and procedures in a manner consistent with this Code.

SH 23-23(B)(2)

B. To review, index, maintain on file, and dispose of complaints alleging violations of this Code and to make notifications and conduct investigations. The Board of Ethics shall have the confidential advice of legal counsel employed by the Town or outside counsel and the services of a confidential clerk employed by the Town to keep minutes and files.

SH 23-23(B)(3)

C. To forward its opinions responding to complaints or opinions on its own motion to the Town Board with any recommendations for disciplinary actions and penalties.

SH 23-23(B)(11)

D. To make public on the Ethics Board website its opinions in a brief summary form that removes all personal identifying information.

E. To prepare an annual report to the Town Supervisor and Town Board, summarizing the activities of the Ethics Board. The report may also recommend changes to the text or administration of this Code. The Ethics Board shall periodically review this Code and the Board's rules, regulations, and administrative procedures to determine whether they promote integrity, public confidence, and participation in Town government and whether they set forth clear and enforceable common sense standards of conduct.

§ 8-21. Penalties.

§805, Emp.Handbook Violations of this Code may result in penalties or sanctions, including, without limitation, disciplinary action; a civil fine; monetary damages; injunctive relief; a misdemeanor filing for any Town officer or employee who intentionally violates this code; or referral to the appropriate law enforcement agency. Imposition of such penalties or sanctions shall be within the discretion of the Town Board.

§ 8-22. Posting and distribution.

§806-2 A. The Board of Ethics will ensure that a copy of (i) Article 18, (ii) this Code, and any subsequent amendments thereto, are posted publicly and conspicuously in Town Hall and any additional buildings in which Town employees and officers conduct business.

§807 B. The Town Supervisor will ensure that Article 18, this Code, and any subsequent amendments thereto, are posted on the Town's website, and all officers and employees of the Town will be notified by email that they should review the same, and shall periodically attest, upon hiring and at least every five years thereafter, that they have received and reviewed the Code of Ethics. The failure of an officer or employee to review the posted material does not affect either the applicability or enforceability the same.

§ 8-23. Effective date.

This Code takes effect upon the filing with the New York State Secretary of State.

PROPOSED
SI CODE
SECTIONS

New York State General Municipal Law, Sections 800-809: Conflicts of Interest of Municipal Officers and Employees (part 1)

§ 800. Definitions. When used in this article and unless otherwise expressly stated or unless the context otherwise requires: 1. "Chief fiscal officer" means a comptroller, commissioner of finance, director of finance or other officer possessing similar powers and duties, except that in a school district the term shall not mean a member of the board of education or a trustee thereof. 2.

"Contract" means any claim, account or demand against or agreement with a municipality, express or implied, and shall include the designation of a depository of public funds and the designation of a newspaper, including but not limited to an official newspaper, for the publication of any notice, resolution, ordinance, or other proceeding where such publication is required or authorized by law. 3. "Interest" means a direct or indirect pecuniary or material benefit accruing to a municipal officer or employee as the result of a contract with the municipality which such officer or employee serves. For the purposes of this article a municipal officer or employee shall be deemed to have an interest in the contract of (a) his spouse, minor children and dependents, except a contract of employment with the municipality which such officer or employee serves, (b) a firm, partnership or association of which such officer or employee is a member or employee, (c) a corporation of which such officer or employee is an officer, director or employee and (d) a corporation any stock of which is owned or controlled directly or indirectly by such officer or employee. 4. "Municipality" means a county, city, town, village, school district, consolidated health district, county vocational education and extension board, public library, board of cooperative educational services, urban renewal agency, a joint water works system established pursuant to chapter six hundred fifty-four of the laws of nineteen hundred twenty-seven, or a town or county improvement district, district corporation, or other district or a joint service established for the purpose of carrying on, performing or financing one or more improvements or services intended to benefit the health, welfare, safety or convenience of the inhabitants of such governmental units or to benefit the real property within such units, an industrial development agency but shall have no application to a city having a population of one million or more or to a county, school district, or other public agency or facility therein. 5. "Municipal officer or employee" means an officer or employee of a municipality, whether paid or

unpaid, including members of any administrative board, commission or other agency thereof and in the case of a county, shall be deemed to also include any officer or employee paid from county funds. No person shall be deemed to be a municipal officer or employee solely by reason of being a volunteer firefighter or civil defense volunteer, except a fire chief or assistant fire chief. 6. "Treasurer" means a county treasurer, city treasurer, town supervisor, village treasurer, school district treasurer, fire district treasurer, improvement district treasurer, president of a board of health of a consolidated health district, county vocational educational and extension board treasurer, treasurer of a board of cooperative educational services, public general hospital treasurer, or other officer possessing similar powers and duties.

§ 801. Conflicts of interest prohibited. Except as provided in section eight hundred two of this chapter, (1) no municipal officer or employee shall have an interest in any contract with the municipality of which he is an officer or employee, when such officer or employee, individually or as a member of a board, has the power or duty to (a) negotiate, prepare, authorize or approve the contract or authorize or approve payment thereunder (b) audit bills or claims under the contract, or (c) appoint an officer or employee who has any of the powers or duties set forth above and (2) no chief fiscal officer, treasurer, or his deputy or employee, shall have an interest in a bank or trust company designated as a depository, paying agent, registration agent or for investment of funds of the municipality of which he is an officer or employee. The provisions of this section shall in no event be construed to preclude the payment of lawful compensation and necessary expenses of any municipal officer or employee in one or more positions of public employment, the holding of which is not prohibited by law.

§ 802. Exceptions. The provisions of section eight hundred one of this chapter shall not apply to: 1. a. The designation of a bank or trust company as a depository, paying agent, registration agent or for investment of funds of a municipality except when the chief fiscal officer, treasurer, or his deputy or employee, has an interest in such bank or trust company; provided, however, that where designation of a bank or trust company

outside the municipality would be required because of the foregoing restriction, a bank or trust company within the municipality may nevertheless be so designated; b. A contract with a person, firm, corporation or association in which a municipal officer or employee has an interest which is prohibited solely by reason of employment as an officer or employee thereof, if the remuneration of such employment will not be directly affected as a result of such contract and the duties of such employment do not directly involve the procurement, preparation or performance of any part of such contract; c. The designation of a newspaper, including but not limited to an official newspaper, for the publication of any notice, resolution, ordinance or other proceeding where such publication is required or authorized by law; d. The purchase by a municipality of real property or an interest therein, provided the purchase and the consideration therefor is approved by order of the supreme court upon petition of the governing board; e. The acquisition of real property or an interest therein, through condemnation proceedings according to law; f. A contract with a membership corporation or other voluntary non-profit corporation or association including, but not limited to, rural electric cooperatives. For purposes of this paragraph, the term "rural electric cooperative" shall have the same meaning as the term "cooperative" as defined in subdivision (a) of section two of the rural electric cooperative law; g. The sale of bonds and notes pursuant to section 60.10 of the local finance law; h. A contract in which a municipal officer or employee has an interest if such contract was entered into prior to the time he was elected or appointed as such officer or employee, but this paragraph shall in no event authorize a renewal of any such contract; i. Employment of a duly licensed physician as school physician for a school district upon authorization by a two-thirds vote of the board of education of such school district, notwithstanding the fact that such physician shall have an interest, as defined in section eight hundred one of this chapter, in such employment. j. Purchases or public work by a municipality, other than a county, located wholly or partly within a county with a population of two hundred thousand or less pursuant to a contract in which a member of the governing body or board has a prohibited interest, where: (1) the member of the governing body or board is elected and serves without salary; (2) the purchases, in the

aggregate, are less than five thousand dollars in one fiscal year and the governing body or board has followed its procurement policies and procedures adopted in accordance with the provisions of section one hundred four-b of this chapter and the procurement process indicates that the contract is with the lowest dollar offer; (3) the contract for the purchases or public work is approved by resolution of the body or board by the affirmative vote of each member of the body or board except the interested member who shall abstain. 2. a. A contract with a corporation in which a municipal officer or employee has an interest by reason of stockholdings when less than five per centum of the outstanding stock of the corporation is owned or controlled directly or indirectly by such officer or employee; b. A contract for the furnishing of public utility services when the rates or charges therefor are fixed or regulated by the public service commission; c. A contract for the payment of a reasonable rental of a room or rooms owned or leased by an officer or employee when the same are used in the performance of his official duties and are so designated as an office or chamber; d. A contract for the payment of a portion of the compensation of a private employee of an officer when such employee performs part time service in the official duties of the officer; e. A contract in which a municipal officer or employee has an interest if the total consideration payable thereunder, when added to the aggregate amount of all consideration payable under contracts in which such person had an interest during the fiscal year, does not exceed the sum of seven hundred fifty dollars. f. A contract with a member of a private industry council established in accordance with the federal job training partnership act or any firm, corporation or association in which such member holds an interest, provided the member discloses such interest to the council and the member does not vote on the contract.

§ 803. Disclosure of interest. 1. Any municipal officer or employee who has, will have, or later acquires an interest in or whose spouse has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement or other agreement, including oral agreements, with the municipality of which he or she is an officer or employee, shall publicly disclose the nature and extent of such interest in writing to his or her immediate supervisor and to the

governing body thereof as soon as he or she has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such body. 2. Notwithstanding the provisions of subdivision one of this section, disclosure shall not be required in the case of an interest in a contract described in subdivision two of section eight hundred two hereof.

§ 804. Contracts void. Any contract willfully entered into by or with a municipality in which there is an interest prohibited by this article shall be null, void and wholly unenforceable.

§ 804-a. Certain interests prohibited. No member of the governing board, of a municipality shall have any interest in the development or operation of any real property located within Nassau County and developed or operated by any membership corporation originally formed for purposes among which are the following: 1. to plan for, advise, recommend, promote and in all ways encourage, alone or in concert with public officials and bodies and interested local associations, the development and establishment of any lands in Nassau County publically owned with particular emphasis on industrial, business, commercial, residential and public uses, the augmentation of public revenues and furtherance of the public interest of the citizens of Nassau County; 2. to conduct studies to ascertain the needs of Nassau County as pertains to such publically owned lands and supporting facilities and in Nassau County generally for the purpose of aiding the County of Nassau in attracting new business, commerce and industry to it and in encouraging the development and retention of business, commerce and industry; 3. to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities and instruct or train individuals to improve or develop their capabilities for such jobs; 4. to implement and engage itself in plans of development of such publically owned lands and other areas in connection with private companies and citizens and with public bodies and officials, and to participate in such operations, leaseholds, loans, ownerships with respect to land, buildings or public facilities or interest therein as may be lawful and desirable to effectuate its corporate purposes and the best interests of the people of Nassau County.

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Presented by:
New York State Office of the State Comptroller
Division of Local Government and School Accountability
and the Division of Legal Services
110 State Street
Albany, New York 12236

Thomas P. DiNapoli



State Comptroller

This information is required to be posted in a conspicuous place for the benefit of municipal officers and employees. Questions can be directed to your municipal attorney, or to the State Comptroller's Division of Legal Services at (518) 474-5386.

New York State General Municipal Law, Sections 800–809: Conflicts of Interest of Municipal Officers and Employees (part 2)

§ 805. Violations. Any municipal officer or employee who willfully and knowingly violates the foregoing provisions of this article shall be guilty of a misdemeanor.

§ 805-a. Certain action prohibited. 1. No municipal officer or employee shall: a. directly or indirectly, solicit any gift, or accept or receive any gift having a value of seventy-five dollars or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him, or could reasonably be expected to influence him, in the performance of his official duties or was intended as a reward for any official action on his part; b. disclose confidential information acquired by him in the course of his official duties or use such information to further his personal interests; c. receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any municipal agency of which he is an officer, member or employee or of any municipal agency over which he has jurisdiction or to which he has the power to appoint any member, officer or employee; or d. receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any agency of his municipality, whereby his compensation is to be dependent or contingent upon any action by such agency with respect to such matter, provided that this paragraph shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered. 2. In addition to any penalty contained in any other provision of law, any person who shall knowingly and intentionally violate this section may be fined, suspended or removed from office or employment in the manner provided by law.

§ 805-b. Solemnization of marriages. Notwithstanding any statute, law or rule to the contrary, no public officer listed in section eleven of the domestic relations law shall be prohibited from accepting any fee or compensation having a value of one hundred dollars or less, whether in the form of money, property, services or entertainment, for the solemnization of a marriage by such public officer at a time and place other than the public officer's normal public place of

business, during normal hours of business. For the purpose of this section, a town or village judge's normal hours of business shall mean those hours only which are officially scheduled by the court for the performing of the judicial function.

§ 806. Code of ethics. 1. (a) The governing body of each county, city, town, village, school district and fire district shall and the governing body of any other municipality may by local law, ordinance or resolution adopt a code of ethics setting forth for the guidance of its officers and employees the standards of conduct reasonably expected of them. Notwithstanding any other provision of this article to the contrary, a fire district code of ethics shall also apply to the volunteer members of the fire district fire department. Codes of ethics shall provide standards for officers and employees with respect to disclosure of interest in legislation before the local governing body, holding of investments in conflict with official duties, private employment in conflict with official duties, future employment and such other standards relating to the conduct of officers and employees as may be deemed advisable. Such codes may regulate or prescribe conduct which is not expressly prohibited by this article but may not authorize conduct otherwise prohibited. Such codes may provide for the prohibition of conduct or disclosure of information and the classification of employees or officers. (b) Effective on and after January first, nineteen hundred ninety-one, such codes of political subdivisions, as defined in section eight hundred ten of this article, may contain provisions which require the filing of completed annual statements of financial disclosure with the appropriate body, as defined in section eight hundred ten of this article. Nothing herein shall be construed to restrict any political subdivision or any other municipality from requiring such a filing prior to January first, nineteen hundred ninety-one. Other than as required by subdivision two of section eight hundred eleven of this article, the governing body of any such political subdivision or other municipality may at any time subsequent to the effective date of this paragraph, adopt a local law, ordinance or resolution pursuant to subdivision one of section eight hundred eleven of this article and any such political subdivision or municipality, acting by its governing body, may

take such other action as is authorized in such subdivision. Any political subdivision or other municipality to which all of the provisions of section eight hundred twelve of this article apply may elect to remove itself from the ambit of all (but not some) provisions of such section in the manner authorized in subdivision three of such section eight hundred twelve. In such event any such political subdivision or municipality shall be subject to certain conditions and limitations set forth in paragraphs (a), (b) and (c) of such subdivision three which shall include, but not be limited to, the promulgation of a form of an annual statement of financial disclosure described in subdivision one of such section eight hundred eleven. 2. The chief executive officer of a municipality adopting a code of ethics shall cause a copy thereof to be distributed to every officer and employee of his municipality. The fire district commissioners shall cause a copy of the fire district's code of ethics to be posted publicly and conspicuously in each building under such district's control. Failure to distribute any such copy or failure of any officer or employee to receive such copy shall have no effect on the duty of compliance with such code, nor the enforcement of provisions thereof.

§ 807. Posting of statute. The chief executive officer of each municipality shall cause a copy of sections eight hundred through eight hundred nine of this article to be kept posted in each public building under the jurisdiction of his or her municipality in a place conspicuous to its officers and employees. Failure to post any such copy shall have no effect on the duty of compliance with this article, nor with the enforcement of the provisions thereof.

§ 808. Boards of ethics. 1. The governing body of any county may establish a county board of ethics and appropriate moneys for maintenance and personal services in connection therewith. The members of such board of ethics shall be appointed by such governing body except in the case of a county operating under an optional or alternative form of county government or county charter, in which case the members shall be appointed by the county executive or county manager, as the case may be, subject to confirmation by such governing body. Such board

of ethics shall consist of at least three members, a majority of whom shall not be officers or employees of such county or municipalities wholly or partially located in such county and at least one of whom shall be an elected or appointed officer or employee of the county or a municipality located within such county. The members of such board shall receive no salary or compensation for their services as members of such board and shall serve at the pleasure of the appointing authority. 2. The board shall render advisory opinions to officers and employees of municipalities wholly or partly within the county with respect to this article and any code of ethics adopted pursuant hereto. Such advisory opinions shall be rendered pursuant to the written request of any such officer or employee under such rules and regulations as the board may prescribe and shall have the advice of counsel employed by the board, or if none, the county attorney. In addition, it may make recommendations with respect to the drafting and adoption of a code of ethics or amendments thereto upon the request of the governing body of any municipality in the county. 3. The governing body of any municipality other than a county may establish a local board of ethics and, where such governing body is so authorized, appropriate moneys for maintenance and personal services in connection therewith. A local board shall have all the powers and duties of and shall be governed by the same conditions as a county board of ethics, except that it shall act only with respect to officers and employees of the municipality that has established such board or of its agencies. The members of a local board shall be appointed by such person or body as may be designated by the governing body of the municipality to serve at the pleasure of the appointing authority and such board shall consist of at least three members, a majority of whom are not otherwise officers or employees of such municipality. Such board shall include at least one member who is an elected or appointed municipal officer or employee. 4. The county board of ethics shall not act with respect to the officers and employees of any municipality located within such county or agency thereof, where such municipality has established its own board of ethics, except that the local board may at its option refer matters to the county board. 5. A board of ethics of a political subdivision (as defined in section eight hundred ten of this article)

and of any other municipality, which is required by local law, ordinance or resolution to be, or which pursuant to legal authority, in practice is, the repository for completed annual statements of financial disclosure shall file a statement with the clerk of its municipality, that it is the authorized repository for completed annual statements of financial disclosure.

§ 809. Disclosure in certain applications. 1. Every application, petition or request submitted for a variance, amendment, change of zoning, approval of a plat, exemption from a plat or official map, license or permit, pursuant to the provisions of any ordinance, local law, rule or regulation constituting the zoning and planning regulations of a municipality shall state the name, residence and the nature and extent of the interest of any state officer or any officer or employee of such municipality or of a municipality of which such municipality is a part, in the person, partnership or association making such application, petition or request (hereinafter called the applicant) to the extent known to such applicant. 2. For the purpose of this section an officer or employee shall be deemed to have an interest in the applicant when he, his spouse, or their brothers, sisters, parents, children, grandchildren, or the spouse of any of them (a) is the applicant, or (b) is an officer, director, partner or employee of the applicant, or (c) legally or beneficially owns or controls stock of a corporate applicant or is a member of a partnership or association applicant, or (d) is a party to an agreement with such applicant, express or implied, whereby he may receive any payment or other benefit, whether or not for services rendered, dependent or contingent upon the favorable approval of such application, petition or request. 3. In the county of Nassau the provisions of subdivisions one and two of this section shall also apply to a party officer. "Party officer" shall mean any person holding any position or office, whether by election, appointment or otherwise, in any party as defined by subdivision four of section two of the election law. 4. Ownership of less than five per cent of the stock of a corporation whose stock is listed on the New York or American Stock Exchanges shall not constitute an interest for the purposes of this section. 5. A person who knowingly and intentionally violates this section shall be guilty of a misdemeanor.

Presented by:

New York State Office of the State Comptroller
Division of Local Government and School Accountability
and the Division of Legal Services
110 State Street
Albany, New York 12236

Thomas P. DiNapoli



State Comptroller

This information is required to be posted in a conspicuous place for the benefit of municipal officers and employees. Questions can be directed to your municipal attorney, or to the State Comptroller's Division of Legal Services at (518) 474-5886.

Financial interest in Town contracts -- Flowchart of requirements SI Code §8-13 / NYGML§801-803

| 1. Employee? | 2. Contract? | 3. Financial interest? | 4. Control? | 5. Exception? | Required action | | | | | |
|---|--|--|--|---|-----------------|-----|------|-----|------|--|
| Is the individual a Town officer or employee? | Is there a "contract" with the Town? (includes any "claim, account or demand") | Does the employee have a financial "interest" in the contract? (includes spouse, minor children, dependents, or affiliated business) | Does the employee have the requisite power or duty over the contract under SI §8-13 / NYGML§801? | Is the employee covered by any exception in SI §8-13 / NYGML§802? | | | | | | |
| Yes | ---> | Yes | ---> | No | ---> | N/A | ---> | N/A | ---> | None - interest not prohibited |
| Yes | ---> | Yes | ---> | Yes | ---> | No | ---> | N/A | ---> | Disclosure required. Interest not prohibited |
| Yes | ---> | Yes | ---> | Yes | ---> | Yes | ---> | Yes | ---> | Disclosure required. Interest not prohibited |
| Yes | ---> | Yes | ---> | Yes | ---> | Yes | ---> | No | ---> | Interest prohibited and disclosure required |

§ 8-13. Interests in Contracts.

A. Article 18 requires no officer or employee may have an interest in a contract with the Town when such officer or employee, individually or as a member of a board, has the power or duty to:

- (1) negotiate, prepare, authorize or approve the contract or authorize or approve payment thereunder;
- (2) audit bills or claims under the contracts, or
- (3) appoint an officer or employee who has any of the powers or duties set forth above.

B. Exceptions to this prohibition are detailed in Article 18, Section 802. These include an exception for contracts entered into prior to the time a Town employee was elected or appointed, and an exception for contracts which in the aggregate do not exceed \$750 in a fiscal year

C. Every officer and employee shall disclose interests in contracts with the Town at the time and in the manner as follows: Any Town officer or employee or their spouse, minor child or dependent, who has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement or other agreement, including oral agreements, with the Town, shall publicly disclose the nature and extent of such interest in writing to their immediate supervisor, or if a member of a Board to said board, and to the Board of Ethics as soon as the employee has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such body. Disclosure and recusal do not cure a prohibited interest.

Financial interest in Legislation and Discretionary Decisions-- Flowchart of requirements SI Code §8-5 / NYGML§806

| Who must act | Code §8-5 | Who this covers | IF so, THEN | Exceptions |
|--------------------------|--|--|---|---|
| Town officer or employee | Whenever "disposition of the matter could result in a financial benefit to the officer or employee, a relative of theirs, a member of their household or any private organization in which they are deemed to have an interest..." | Direct or indirect financial benefits to employees, immediate relatives, household members, related private organizations. Immediate relatives are a spouse, brother, sister, parent, child, or the spouse of any of them. | must disclose (§ 8-5), recuse and abstain. (§ 8-6) | Decisions in annual budget, or decisions affecting all employees, all residents or the general public |

§ 8-5. Disclosure of interest in legislation and other matters where discretion is used.

A. Whenever a matter requiring the exercise of discretion, including proposed legislation, comes before an officer or employee, either individually or as a member of a board or committee, and disposition of the matter could result in a financial benefit to the officer or employee, a relative of theirs, or any private organization in which they are deemed to have an interest, the officer or employee shall disclose in writing the nature of the financial benefit.

B. The disclosure shall be made when the matter requiring disclosure first comes before the officer or employee, or when the officer or employee first acquires knowledge of the benefit requiring disclosure, whichever is earlier.

C. In the case of a person serving in an elective office, the disclosure shall be filed with the Town Board and the Board of Ethics. In all other cases, the disclosure shall be filed with the Board of Ethics and that person's supervisor or, if the person does not have a supervisor, the disclosure shall be filed with the officer, employee or board having the power to appoint the person's position. In addition, in the case of a person serving on a board, a copy of the disclosure shall be filed with said board and included in the minutes of the board's meeting.

§ 8-6. Recusal and abstention.

No officer or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including proposed legislation, when they know or have reason to know that the action could confer a financial benefit on the employee, a relative, or any private organization in which the employee is deemed to have an interest. Further, once recused, that person may not be in the room (or appear via videoconferencing) when the matter is being discussed, voted on, nor participate in any discussions or communications including e-mail or text regarding it.

§ 8-7. Prohibition inapplicable; disclosure, recusal and abstention not required.

This Code's prohibition on use of a Town position (§ 8-4), disclosure requirements (§ 8-5), and requirements relating to recusal and abstention (§ 8-6), shall not apply with respect to the following matters:

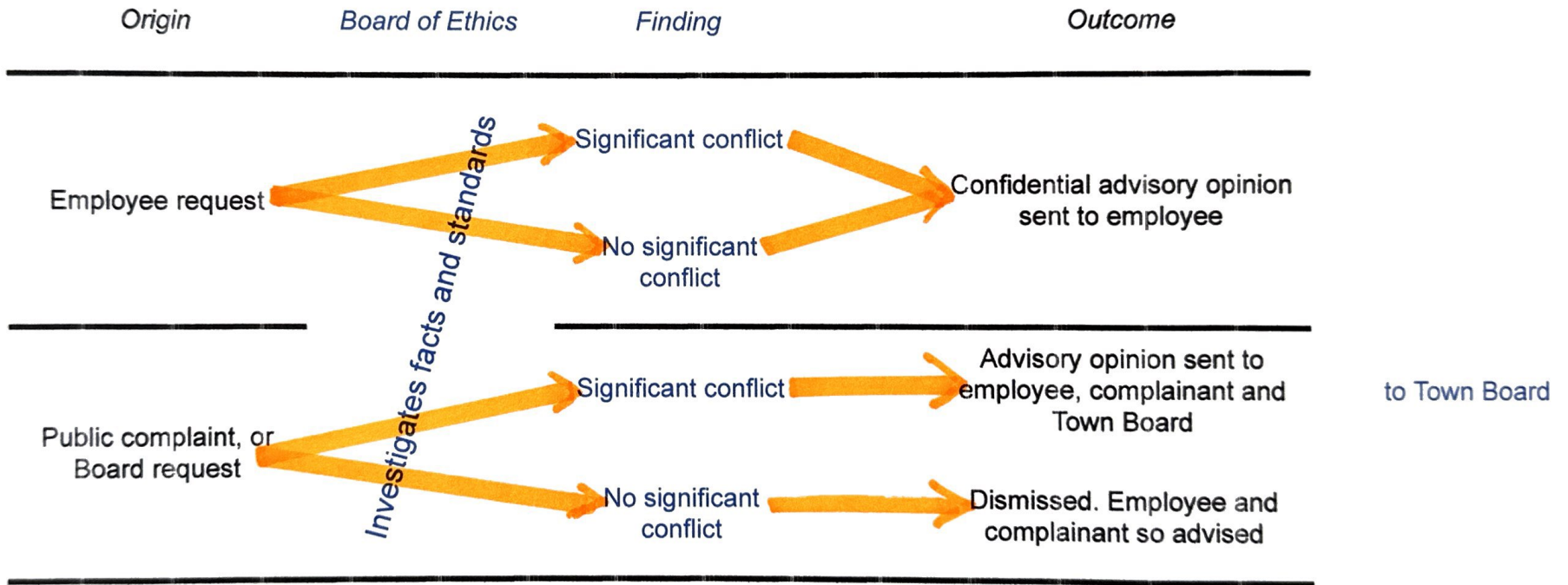
A. adoption of the Town's annual budget;

B. any matter requiring the exercise of discretion that directly affects any of the following groups of people or a lawful class of such groups:

- (1) all officers or employees;
- (2) all residents or taxpayers of the Town; or
- (3) the general public; or

C. any matter that does not require the exercise of discretion.

Flowchart on Ethics Board review process



Who is included as a related party to the employee or officer in proposed and *current* Shelter Island policies

| | Legislation/Discretionary Acts (SI 8-4, 8-5, 8-6 and NY 18-806) Disclose/Recuse if employee or relative has a \$ interest | Contracts/Spending (SI 8-13 and NY 18-800.2) Disclose / Recuse /Prohibited if they have certain powers | Acquiring investment in conflict with official duties. (SI 8-8, NY 18-806) Prohibited | Nepotism policy. (SI Employee Handbook) may not directly supervise | Land Use disclosures by Applicant (SI code and NY 18-809) | Comptroller Model Ethics Code definition of "relatives" |
|--|--|---|--|--|--|--|
| employee or officer | <i>employee</i> | <i>employee</i> | <i>employee</i> | | <i>employee</i> | |
| spouse | spouse | spouse | | <i>spouse</i> | <i>spouse</i> | spouse |
| parent | parent | | | <i>parent</i> | <i>parent</i> | parent |
| step-parent | parent's spouse | | | | | step-parent |
| sibling | sibling | | | <i>sibling</i> | <i>sibling</i> | sibling |
| step-sibling | | | | | | step-sibling |
| sibling's spouse | sibling's spouse | | | | <i>sibling's spouse</i> | sibling's spouse |
| child | child | minor child | | <i>child</i> | <i>child</i> | child |
| child's spouse | child's spouse | | | <i>child's spouse</i> | <i>child's spouse</i> | |
| step-child | | | | <i>step-child</i> | | step-child |
| dependents | | dependents | | | | |
| uncle | | | | | | uncle |
| aunt | | | | | | aunt |
| nephew | | | | | | nephew |
| niece | | | | | | niece |
| first cousin | | | | | | first cousin |
| household member | household member | | | <i>household member</i> | | household member |
| father-in-law | | | | <i>father-in-law</i> | | father-in-law |
| mother-in-law | | | | <i>mother-in-law</i> | | mother-in-law |
| sister-in-law | | | | <i>sister-in-law</i> | <i>sister-in-law</i> | sister-in-law |
| brother-in-law | | | | <i>brother-in-law</i> | <i>brother-in-law</i> | brother-in-law |
| grandchild | | | | | <i>grandchild</i> | |
| grandchild's spouse | | | | | <i>grandchild's spouse</i> | |
| private organization in which employee is deemed to have an interest | related private organization | related private organization | | | | |
| Notes | exceptions for Town's annual budget and for acts affecting all employees or all residents | Disclose/recuse does not cure a prohibited interest. Note there are 17 exemptions in GML802. | Employee may hold pre-existing investments in potential conflict with duties, with disclosure & recusal, but not acquire new ones while employed by town | | he, his spouse, or their brothers, sisters, parents, children, grandchildren, or the spouse of any of them | also, anyone with the same relationship to employee's spouse |

Who the Town ethics code applies to:

- 9 elected officials
- ~60 full-time employees
- ~90-100 committee and board members
- ~70 seasonal, part-time or volunteers