

AN ORDINANCE TO AMEND CHAPTER 2 OF THE CITY CODE TO RESTRICT ELECTED OFFICIALS' GRANT FUND USAGE IF WILMINGTON ETHICS COMMISSION SUBSTANTIATES ALLEGATIONS OF FINANCIAL ETHICS VIOLATIONS AGAINST THEM

#0468

WHEREAS, the City's annual operating budget contains discretionary funds and

Sponsor:

grant funds budgeted for the City's elected officials: the Office of the Mayor, the Office of

**Council
Member
Johnson**

the City Treasurer, and City Council; and

WHEREAS, there are internal controls in place to monitor grant expenditures; and

Co-Sponsor(s):

WHEREAS, notwithstanding these controls, there have been allegations that City

**Council
Member
Darby**

Elected Officials have committed ethical violations of a financial nature (*e.g.*, contract issues, grant funding, budget); and

WHEREAS, the Wilmington Ethics Commission, created by *Wilm. C. § 2-343*, administers the City's Code of Ethics and adjudicates alleged violations, including those of a financial nature; and

WHEREAS, Elected Officials are subject to the Commission's jurisdiction.

WHEREAS, under *Wilm. C. § 2-345(d)(2)*, the Commission is empowered to fine Elected Officials "in an amount recommended by the Commission" if an ethical complaint against an elected official is substantiated; and

WHEREAS, City Council wishes to legislate additional penalties on the use of discretionary and/or grant funds by Elected Officials who have allegations of financial ethical violations substantiated by the Commission under *Wilm. C. § 2-345*; and

WHEREAS, City Council deems it necessary to enact provisions to enhance transparency and accountability of awarding discretionary and/or grant funds, protect public funds, and further deter unethical conduct; and

WHEREAS, City Council sees such measures as an opportunity to strengthen public trust in the City's Elected Officials.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON

HEREBY ORDAINS:

SECTION 1. Chapter 2 of the City Code is hereby amended by creating a new Section 2-371 by adding the underline language to read as follows:

Sec. 2-371. – Restriction on Grant Awards.

Any Elected Official (as defined in section 2-337) who commits an ethical violation of a financial nature found to be substantiated by the Wilmington Ethics Commission shall forfeit their right to grant funding for the remainder of their term as follows:

- (a) City Councilmembers shall immediately forfeit to the President of City Council any and all community support (discretionary) and special community support dollars (“forfeited funds”) allocated to them.
 - (1) If the City Councilmember represents a specific district, the forfeited funds shall be disbursed by the President of City Council only for the Councilmember’s district; and
 - (2) If the City Councilmember is an at-large councilmember, then the forfeited funds shall be disbursed by the President of City Council for any cause in the City; and
 - (3) If the President of City Council is the violating member, then funds shall be forfeited to the City Council’s Finance and Economic Development Chair in the following manner:
 - a. Funds allocated for the President of City Council shall be disbursed for any cause in the City at large; and
 - b. any other violating City Councilmember’s funds for which the President of City Council has assumed responsibility shall be disbursed in accordance subsections (a)(1) and (a)(2) of this Section.
- (b) The Office of the Mayor and the Office of the Treasurer shall forfeit any grant funding for the duration of their term. Any grant funds not encumbered at the time shall revert to the City’s operating budget.

SECTION 2. Chapter 2 of the City Code is hereby amended by renumbering certain reserved sections thereof by deleting the stricken language and adding the underlined language to read as follows:

Secs. 2-~~371~~372 – 2-375. – Reserved.

SECTION 3. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading.....August 22, 2024
Second Reading.....August 22, 2024
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2024.

Mayor

SYNOPSIS: This Ordinance amends Chapter 2 of the City Code by creating additional penalties for Elected Officials who have allegations of financial ethical violations against them substantiated by the Wilmington Ethics Commission.

FISCAL IMPACT STATEMENT: The fiscal impact of this Ordinance will be *de minimis*.