

Wilmington City Council president: Discretionary fund has 'highest standards'

Christina Jedra, The News Journal Published July 20, 2017



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(Photo: Saquan Stimpson, SAQUAN STIMPSON/SPECIAL TO THE NEWS JOURNAL)
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Wilmington City Council President Hanifa Shabazz on Wednesday responded to criticism of the council discretionary fund by saying the body will continue "to operate with the highest standards of accountability and transparency."

Shabazz was reacting to a News Journal review that found the \$450,000 council discretionary fund lacks checks and balances used by other governments.

The council does not limit how much money an organization can receive, does not vote on which organizations get grants and is not obligated to share grant information with council members or the public. And although there are internal guidelines that specify "inappropriate" use of funds, few steps are taken to ensure dollars are spent properly.

These conditions allowed former Council President Theo Gregory to grant nearly \$600,000 over four years to Education Voices Inc. – a nonprofit he founded the month he took office. Unbeknownst to the public, taxpayer dollars were also spent on tickets for council members to attend black-tie charity dinners and a wrestling match.

The whole system has few internal controls to ensure money is being spent properly. Questions about conflicts of interest directed to the council president can be shrugged off and the city auditor does not routinely review grants.

City residents have expressed outrage about the expenditures, which one government expert called "political lubrication," and the fact that the awards were never publicized.

"Giving to charities is supposed to be done out of the kindness of your heart, not the pockets of taxpayers," said Ed Osborne, a city business owner and ally of former Mayor Dennis P. Williams.

Council "takes its fiduciary responsibilities very seriously," Shabazz said.

"We reject the notion that the taxpayer dollars managed by Council – and allocated in support of worthy organizations with meritorious history of providing critical services to Wilmington residents and especially children – lack accountability or transparency," she said. **"REALLY" The working volunteers of NPC's and Civic Associations are not worthy?"**

Shabazz claimed the fund is transparent because grants are available through a Freedom of Information Act request. **See again if one does not know where and how to look; how would they know? They don't and the city council person has not shared that information and I have represented the Vandever Ave CA since 2008 and not one of the 4 city council persons of the 3rd District or the council At-Large has shared that information. It is my guess that you would have to be in the circle or favored. All of which from where I sit has been the picture.**

That argument is bogus, said Devin Fletcher, who runs a youth music program in the city.

"The average person don't know that," he said. "Who's gonna go through all of that? Because they work for us, the constituents, that should be public information that is easy to get to, that is posted publicly."

STORY: Little oversight for Wilmington City Council discretionary fund

STORY: Wilmington police chief: 'Give me a chance

City Council staff did not respond to questions about how often in the last four years, if ever, someone has requested discretionary fund spending data. **Again this is where mandatory open transparency is needed, without that this will likely be the response.**

Discretionary fund grants are not discussed in public finance committee meetings. In an interview last week, Shabazz said she sees nothing wrong with that. **She is serious too!**

"I don't know that it has ever been a question for us to do so," she said in an interview last week. "Any questions asked have been answered so far."

Shabazz did not respond to a request for comment on Thursday.

Unlike other city departments, City Council, the mayor's office and the city treasurer do not have budget hearings. Shabazz said last week that a hearing for council would be unnecessary.

"Everything is all transparent," she said. "It's all right there. If we had a budget hearing, we'd be presenting a budget to ourselves."

Shabazz said how the money will be spent this session will be based on council's "strategic plan" which it [has worked on in meetings since February](#). She said it will be presented as a resolution when council comes back from recess in late August.

As for how the discretionary funds were spent in the past, Shabazz has no qualms.

If Gregory funneling hundreds of thousands of dollars to a nonprofit he founded is a conflict of interest, Shabazz doesn't see it.



Then Wilmington City Council President Theo Gregory (Photo: KYLE GRANTHAM/THE NEWS JOURNAL)

"I'm glad to see that he kept a good eye on it," she said. "I would not see that as anything strange but to be good oversight as president."

Shabazz continues to support Gregory's work. She granted \$40,000 to the Police Athletic League to support a program led by Gregory's new nonprofit, Student Disabilities Advocate Inc.

Some \$20,000 of that grant is budgeted for a program manager/advocate. Shabazz said last week that she was "not sure" if that money was going to Gregory. City Council staff did not respond to questions on Thursday about who will hold that position.

Shabazz defended other council expenditures last week. She said there is nothing wrong with taxpayer dollars sending council members to the Gridiron, an elite black-tie dinner and show that [The News Journal found earlier this year](#) spends more money on the event itself than it raises for charity.

"From my understanding, how people support it is by buying a table and that goes toward the program and the scholarships," she said. "We're just responding to their request."

She added: "A lot of times, organizations like that want the presence of their elected officials in the room."

On spending \$1,500 to sponsor [a wrestling match at the Riverfront](#) — that included VIP tickets for Shabazz and Councilwoman Zanthia Oliver, a banner, a shout-out from the ring announcer, 10 "commemorative" T-shirts and 10 general admission tickets for Wilmington youth — Shabazz said it was a smart investment in a "new economic engine" for the city.

"I would do it again," she said.

Fletcher is the executive director of the Imperial Dynasty Arts Program, a drumline and drill team for about 40 city youth. He said he contacted City Council several times in recent years for funding and rarely got a response.

After seeing that Gregory directed most of the grant funding to his own venture, Fletcher said he feels council members are "out for themselves."

"I feel as though once they get in office, they pick and choose who they want help because it helps them," he said. "I get no love from the city." **My, My, My do not feel like the lone ranger Fletcher, You are not alone, I have asked and made suggestion and got no response for that very same reason; if you are outspoken then you are ostracized and yes the favorites are given and made aware of opportunites.**



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File photo: Susan Wiley and Wilmington Fire union president Kevin Turner gather in November 2016 opposite the Louis L. Redding City County Building to protest the city's decision to resume a payroll savings plan by reducing the number of on-duty firefighters. (Photo: William Bretzger, *The News Journal*)

City firefighters were "extremely upset" to learn how the discretionary fund was spent, said union leader Kevin Turner.

"How do they justify spending money like this when they don't even support their own fire department?" Turner said, referring to the cut of 16 positions from the budget by the mayor and council.

Turner wants to see a city council budget hearing.

"They hold every other department accountable on what they spend, however the city council can pretty much write their own blank check," he said, adding that public meetings before dollars are allocated should be required.

"If they're going to hand out funds, they should have some kind of financial hearing as to 'These are the nonprofits we feel need assistance' prior to anything being awarded. I don't think that's too much to ask for."

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