



Legislation Text

File #: 16-0477R, **Version:** 1

RESOLUTION DISCLOSING A POTENTIAL CONFLICT OF INTEREST BETWEEN A COMMUNITY PLANNING DIVISION STAFF MEMBER AND CHURCHES UNITED IN MINISTRY, SUB-GRANTEE OF THE CITY.

CITY PROPOSAL:

RESOLVED, that the city of Duluth is a recipient of U.S. Department of Housing and Urban Development (HUD) funds under the Emergency Solutions Grant (ESG) and Community Development Block Grant (CDBG) programs. The city employs Catherine K. Van Daele as a Planner I in the Community Planning Division of the Planning and Construction Services Department.

FURTHER RESOLVED, that Churches United In Ministry (CHUM) is a sub-recipient of the city of Duluth under the ESG and CDBG programs. CHUM employs Scott L. Van Daele, husband of Catherine K. Van Daele, as Director of Distributive Services.

FURTHER RESOLVED, HUD has determined that there may be a perceived or actual conflict of interest arising from the employment of Catherine K. Van Daele by the city and Scott L. Van Daele by CHUM. The city is publicly disclosing such a conflict in connection with a request the city has made to HUD for an exception to the conflict.

STATEMENT OF PURPOSE: This resolution publicly discloses a perceived or actual conflict of interest between the Van Daeles. HUD regulations for the ESG and CDBG programs state:

ESG regulations at 24 CFR 576.404 provides that no person, who is an employee, agent, consultant, officer or elected official or appointed official of the recipient or subrecipient who exercises or has exercised any functions or responsibilities with respect to activities assisted under the ESG program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure.

The duties of Catherine K. Van Daele, who oversees elements of the ESG program for the city, will be segregated from any ESG or CDBG CHUM contracts. Safeguards will be put in place to ensure transparency in this situation and to avoid perceived or actual conflicts. Catherine K. Van Daele will at no time oversee contracts or review payment requests that come from CHUM. Both Catherine and

Scott Van Daele will be required to sign Conflict of Interest statements related to the matter. The city is requesting an exception from HUD rules. The City Attorney's office has reviewed the potential conflict and found that the request for an exception does not violate Minnesota or local law.