

Date: April 3, 2019
From: Ron Peltier, Bainbridge Island City Council Member at Large
To: City of Bainbridge Island Ethics Board
Subject: Response to 2019-05 Schulze Request for Advisory Opinion

Members of the Ethics Board,

These are my comments in response to #2019-05 request for advisory opinion, submitted by Lisa Schulze on 2/25/19.

Complainant is concerned about my communications with a member of the Banning City Council. In her complaint Lisa Schulze states that she is “extremely concerned about the involvement of Councilmember Ron Peltier with a member of the Banning City Council, which is clearly motivated by Mr. Peltier's disdain for Doug and me.”

My response

My communications with Don Peterson started in late November of 2018 when his friend and editor of the Banning Informer, Philipp Goebels, called me after they read an 8/8/18 Kitsap Sun article in which Doug Schulze refers to me as a “bully”. They were having their own issues in Banning with Doug Schulze, and wanted to meet the person who had earned Doug’s ire at the last city where he’d been employed as city manager. Using the contact information provided by Philipp, I sent an email to Don and he responded with a phone call.

Don described to me a police chief hiring process in Banning that was being unethically manipulated by Doug Schulze for the sole purpose of hiring his friend and police chief from Bainbridge Island, Matt Hamner. Philipp had also mentioned this and it was the primary reason I was interested in talking to Don. The possibility of Bainbridge Island’s police chief, Matt Hamner, leaving for Banning was a bit of a bombshell, unexpected, and difficult to grasp considering the efforts made to keep Hamner on Bainbridge Island just a few months earlier.

Allegations of cronyism involving Hamner in Banning. According to Don Peterson, when Doug Schulze arrived in Banning a police chief hiring process had narrowed the applicants down to three finalists. All three were highly qualified and had gone through a lengthy process of interviews prior to being selected as finalists. Right after assuming the job of city manager, Doug Schulze expedited an application for Matt Hamner, disqualified one of the finalists, and inserted Hamner. The process then continued with everyone knowing that Schulze had already made up his mind

and would be selecting Matt Hamner, which is exactly what happened. This angered Don and others who felt Schulze had disrespected the other applicants, who had invested their time and effort in what they expected would be a fair process. Schulze then agreed to pay Hamner \$16k over the advertised yearly salary, awarding him a salary of \$190k per year.

Hamner's possible departure seemed like a big deal to me. Just a few months prior to these events in Banning, Chief Hamner had been given a generous new contract with the City of Bainbridge Island that made him the highest paid police chief for a city our size in Western Washington. The negotiations had been complicated, with Hamner turning down an initial offer that was approved by the City Council in May of 2018 and then travelling to Boulder Colorado for a police chief interview there. Determined to keep him on Bainbridge Island, a member of the City Council met with Hamner and negotiated a higher salary, which the Chief was amenable to. The increased salary was then approved by the City Council. There was general relief on the Island that Chief Hamner now appeared to be staying for the long term. For his part Hamner expressed gratitude for the new contract and to the community for their support.

Negotiating a new contract for Matt Hamner had involved a considerable amount of time on the part of Doug Schulze, City staff, and the City Council. Hamner was credited with reforming Bainbridge Island's police department and was considered to be the most popular public figure on the Island. Doug Schulze wrote to the Bainbridge Island City Council on May 18, 2018 about the importance of retaining Hamner as Bainbridge Island's police chief and about the possible consequences of losing him:

"The total search cost would be in the range of \$160,000 to \$200,000 and the impact on morale within the Police Department if Chief Hamner were to leave could result in the loss of other personnel" (the full email included as Exhibit E)

Maybe I'm naïve but I was really surprised when I heard that Doug Schulze, now the city manager for Banning, was trying to lure Matt Hamner away from Bainbridge Island just a few months after writing this email. It just seemed so bizarre. Would Hamner really leave the Island, for Banning? Why? I wasn't thinking about a possible ICMA Code of Ethics violation, however, until Don Peterson mentioned comments by Doug Schulze to Banning officials regarding Chief Hamner while Schulze was still under contract with the City of Bainbridge Island.

Schulze's interview comments about bringing Bainbridge Island's Police Chief to Banning. According to Don Peterson, Doug Schulze expressed a desire to bring Chief Hamner from Bainbridge Island to Banning during his two interviews for the Banning city manager position in the Summer of 2018. Don told me this was also discussed by Schulze outside of executive session during at least one social event attended by Don and his wife. This took place when Doug Schulze was still under contract with the City of Bainbridge Island. Schulze's COBI contract included a clause requiring him to abide by the ICMA Code of Ethics. Expressing a desire to bring our police chief to Banning as part of his job interviews, after all the effort put into keeping Hamner on the Island just a month earlier, struck me as a clear violation of the ICMA code. Doug Schulze's interview comments regarding Bainbridge Island's police chief would be reported in the Kitsap Sun on January 9, 2019.

On January 19, 2019 I filed an ICMA ethics complaint related to the interview comments in which Schulze's discussed bringing Bainbridge Island's police chief to Banning. I believe Doug Schulze violated three tenets of the ICMA code of ethics:

***Tenet 2.** Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward local government affairs and a deep sense of social responsibility as a trusted public servant.*

***Tenet 3.** Demonstrate by word and action the highest standards of ethical conduct and integrity in all public, professional, and personal relationships in order that the member may merit the trust and respect of the elected and appointed officials, employees, and the public.*

***Tenet 4.** Serve the best interests of the people*

To support my complaint I cited the 1/9/19 Kitsap Sun article reporting Doug Schulze's interview comments about bringing Chief Hamner to Banning. Don Peterson had been interviewed by the Sun and was the source of the information regarding Doug Schulze's interview comments. The 1/19/19 complaint is included as Exhibit A. There is an error in paragraph 7. I state that Chief Hamner's new contract with COBI paid him \$190k per year. The correct number is \$170K. \$190K was the amount that Hamner asked for and eventually received in Banning.

The primary reasons for my communications with Don Peterson

My primary reasons for communicating with Don Peterson were: 1) my interest in the possible departure of Bainbridge Island's police chief, and; 2) Doug Schulze's comments to Banning officials about bringing our police chief to Banning while Schulze was under contract with the City of Bainbridge Island. Anything else was

secondary and would not have motivated me to initiate communications with persons in Banning, CA.

ALLEGED INVOLVEMENT IN DISPARAGING FACEBOOK POSTS

Complainant writes the following:

“Approximately one month ago, I was notified by a friend on Bainbridge Island that Councilmember Ron Peltier was sharing with community members that he had become friends with a Councilmember from Banning, California. Shortly thereafter, a member of the Banning community shared with me that Doug and I were being attacked on local social media pages (Facebook pages named: Sun Lakes/Banning Tattler and Banning Informer). Upon review of the social media pages, I was appalled by the juvenile posts directed not only toward Doug and members of the Banning City Council, but also toward me. It was clear that someone from Bainbridge Island had shared information to those involved with the social media pages, including Banning Councilmember Don Peterson.”

My response: I have not provided personal information about the Schulzes to anyone in Banning or elsewhere, including anyone who has posted on social media pages. Nor have I posted, or asked anyone else to post, demeaning and personal comments about the Schulzes on social media pages.

Complainant continues: “I filed a request for public records involving communications between Mr. Ron Peltier and Mr. Don Peterson. While the City Clerk has closed the request and communicated that all responsive records have been provided, upon review of the records, it appears that some communications have not been provided. However, those that have been provided confirm that Mr. Peltier has communicated with Mr. Don Peterson for the sole purpose of causing harm and embarrassment to Doug and me.”

My response: I have not withheld any email or other communications that are responsive to the complainant’s public records requests (15 requests so far this year). The emails included in the complainant’s request for an advisory opinion are included at the end of this document as Appendix C. They are organized chronologically with added notes.

My communications with Don Peterson have mainly been focused on two issues: 1) the possible departure of Bainbridge Island’s police chief, and; 2) Doug Schulze’s comments about bringing Bainbridge Island’s police chief to Banning while Schulze was still under contract with The City of Bainbridge Island. I have not

communicated with Don Peterson for the purpose of causing harm and embarrassment to the Schulzes.

Alleged Article I, Section B- Core Values Violations

The complainant continues: “Subsection 1, Service, Helpfulness, Innovation-

The email communication Mr. Peltier shared with Mr. Peterson are public records because they are related to City business. Mr. Peltier is acting in his capacity as an elected official of the City of Bainbridge Island. On January 11, 2019, Mr. Peltier's communications are discourteous and certainly do not reflect a core value of continuous improvement.”

My response: The email comments that the complainant objects to were addressed to Don Peterson and were only publicized because she chose to make public records requests and then include emails between Don Peterson and myself in her request for an Article I opinion. Those email communications are organized chronologically in Exhibit C.

Complainant continues: “Subsection 2, Integrity- The information Mr. Peltier communicated to ICMA in his second ethics complaint filed against Doug is information provided from a closed session held by the Banning City Council. While the disclosure of this information violates the California Brown Act, Mr. Peltier is not held to that standard. However, Mr. Peltier is an elected official and has a clear understanding of the confidentiality of closed or executive sessions. Furthermore, Mr. Peltier would have no knowledge or proof of any conversation between the Banning City Council and Doug that occurred in closed session. Communicating this information through an ethics complaint to ICMA lacked integrity and was dishonest.”

My response:

Information cited in my second ICMA complaint is not confidential. The complainant alleges that I violated confidentiality by disclosing in my second ICMA complaint Doug Schulze's comments during two interviews with Banning officials his desire to bring Bainbridge Island's police chief to Banning. This information was not privileged or confidential primarily because it was published in the Kitsap Sun on January 9th of this year. A link to that article is included as part of Exhibit A.

There is no reasonable rationale to support the contention by the complainant that citing information from a newspaper article as the basis for an ICMA ethics complaint is dishonest or lacks integrity. The information was public knowledge

and directly related to Doug Schulze's contractual obligation to abide by the ICMA code of ethics while employed by the City of Bainbridge Island. According to Don Peterson, Doug's comments about bringing Chief Hamner to Banning were also discussed outside of executive session during at least one social event. If the Schulzes believe there was a breach of confidentiality they need to take that up with Don Peterson. I have every right to cite what is published in a reputable newspaper.

Complainant continues

"Subsection 3, Equity, Fairness, Mutual Respect-The email communications express childish satisfaction in the fact that Doug and I are being attacked. Furthermore, Mr. Peltier shared information (ethics complaints) with Mr. Peterson that is considered confidential."

My response

Appreciation of political satire: A couple of my email communications with Don expressed appreciation for the political satire in one particular Facebook post, included as Exhibit D. That posting, on the Sun Lakes/Banning Tattler on January 23, 2019, mocks Doug Schulze by quoting his own interview comments from an August 8, 2018 Kitsap Sun article about Schulze's departure from the City of Bainbridge Island. In that article Doug Schulze refers to me as a "bully", and someone who makes everything "a second guess and a battle". The 1/23/19 Facebook post was mocking but it was related to his performance as a city manager, used no profanity, and did not mention Doug Schulze's family. I found one Facebook post on 1/25/19 to be inappropriate and simply replied, "OMG".

Supposed confidentiality of ICMA complaints: The two ICMA complaints I filed against Doug, which I shared with a small number of people, including Don Peterson, are not confidential. I am the creator of those documents, did not intend for them to be confidential, and did not disclose what I believed to be privileged information in them. Furthermore, in order to transmit the complaints to the ICMA I was required by the City to either send them as non privileged email attachments or to have them recorded by the COBI City Clerk prior to being mailed to the ICMA.

To underscore that the ICMA complaints were not confidential, Doug Schulze and a local newspaper editor both obtained copies of my first ICMA complaint last Fall through public records requests. In addition the following public records requests captured one or more of my ICMA complaints:

- 8/20/18, PRR 18-697 captured a draft of my first ICMA complaint.
- 9/10/18, PRR 18-760 captured my first ICMA complaint.

- 1/28/19, PRR 19-93 captured both ICMA complaints.
- 1/28/19, PRR 19-88 captured the 2nd ICMA complaint.
- 2/25/19, PRR19-165 captured both ICMA complaints.
- 2/26/19, PRR19-172 captured both ICMA complaints.
- 2/26/19, PRR19-174 captured both ICMA complaints.

The complainant concludes:

“Section C, Obligations to Others

Subsection 2 (b) -This section requires all those associated with the City of Bainbridge Island government, in all their interactions, to conduct themselves in a manner that demonstrates civility and respect for others. The email communication is completely unprofessional, lacks civility, and are extremely disrespectful.”

My Response

The email communications between Don Peterson and myself, while not confidential, were not addressed to the Schulzes and were not intended for general distribution. They related primarily to a hiring process likely to impact the City of Bainbridge Island and to what I believe was a violation of Doug Schulze’s contract with the City of Bainbridge Island related to his obligation to abide by the ICMA Code of Ethics.

Doug Schulze’s obligation to respect and uphold the ICMA Code of Ethics

Doug Schulze’s contracts, with both Bainbridge and Banning, contain a clause requiring him to abide by the tenets of the ICMA Code of Ethics. Believing that Doug Schulze has not lived up to those tenets, I have filed two ICMA Ethics Complaints against him pertaining to his performance while employed by the City of Bainbridge Island. Those complaints are included as Exhibits A and B. The ICMA notified me last December that they had made a determination regarding the first complaint, which the ICMA is keeping confidential. I think it’s fair to conclude, however, that the ICMA did not exonerate Schulze or they would likely have made that public. As far as I know, there has been no determination to date in regards to my second complaint.

The ethical thing for Schulze to do would have been

When Doug Schulze decided to leave the City of Bainbridge Island, and bring “his” chief of police with him to another city, he should have resigned from his city manager position on Bainbridge Island before discussing those plans with city officials elsewhere. Instead, Doug Schulze continued to draw his generous salary

from the City of Bainbridge Island while travelling to Banning, CA where he discussed bringing Chief Hamner with him if hired. Had the Bainbridge Island City Council been aware of this at the time, I believe we would have fired Schulze with cause for clearly unethical conduct and breach of contract. By Doug Schulze's own words it was in the best interest of the City of Bainbridge Island to retain Chief Hamner. On 5/18/18 Schulze wrote to the city council:

"The total search cost would be in the range of \$160,000 to \$200,000 and the impact on morale within the Police Department if Chief Hamner were to leave could result in the loss of other personnel."

A month later, still under contract with the City of Bainbridge Island, Doug Schulze would be discussing with Banning city official his desire to bring Bainbridge Island's police chief to Banning if hired as their new city manager.

Respectfully Submitted,
Ron Peltier

EXHIBITS

Exhibit A: ICMA complaint filed on 1/19/19

Exhibit B: ICMA complaint filed on 8/27/18

Exhibit C: Compilation of emails included in Lisa Schulze complaint

Exhibit D: Sun Lakes/Banning Tattler Facebook post from 1/23/19

Exhibit E: Email to the Bainbridge Island City Council from Doug Schulze on 5/18/18 regarding the importance of retaining Chief Hamner.

EXHIBIT A

ICMA Ethics Complaint, filed on 1/19/2019

To: The International City Managers Association
Att: Martha Perego, MPEREGO@ICMA.org , and;
Jessica Cowles: jcowles@icma.org

CC: Don Peterson, City of Banning City Council Member
1022 So. 22nd St., Banning, CA 92220

From: Ron Peltier, Bainbridge Island City Council member, elected in 2015
11186 Valley Heights Circle NE
Bainbridge Island, WA 98110 206 842-3601

Subject: ICMA Code of Ethics Complaint regarding former Bainbridge Island City Manager, Doug Schulze.

To the ICMA,

This is the second ICMA ethics complaint I have filed against our former Bainbridge Island City Manager, Doug Schulze, who is now the city manager of Banning CA. To make this concise, please refer to my first complaint filed on 8/27/18 for additional background material.

The documentation for this complaint is in the form of newspaper article published in the Kitsap Sun on January 9, 2019. I wish to be on the record filing this complaint.

Selected ICMA Code of Ethics Tenets:

***Tenet 2.** Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward local government affairs and a deep sense of social responsibility as a trusted public servant.*

***Tenet 3.** Demonstrate by word and action the highest standards of ethical conduct and integrity in all public, professional, and personal relationships in order that the member may merit the trust and respect of the elected and appointed officials, employees, and the public.*

***Tenet 4.** Serve the best interests of the people.*

Specific Complaint

Doug Schulze was the City Manager for the City of Bainbridge Island up until the end of September, 2018. He then assumed the position of city manager for the City of Banning, CA. in early October. At issue are two interviews that Mr. Schulze participated in with City of Banning officials in June of 2018. According to a Kitsap Sun newspaper article published on January 9, and according to Banning City Council member Don Peterson (who was part of the Banning interview team), our former city manager discussed the possibility of bringing Bainbridge Island's police chief to Banning during those interviews. In effect, Mr. Schulze was laying the groundwork for poaching our chief of police during those interviews while still under contract with the City of Bainbridge Island. Here is a link to the article (paragraph 10):

<https://www.kitsapsun.com/story/news/local/communities/bainbridge-islander/2019/01/08/bainbridge-police-chief-leaving-new-job-california/2515769002/>

Only a month earlier, in May of 2018, City Manager Doug Schulze had been part of a process to negotiate a new contract between Chief Hamner and the City of Bainbridge Island. That process involved Mr. Schulze's time, as well as the time of staff members, the City Attorney, and members of the City Council. During the negotiation process Mr. Hamner interviewed for a chief of police position in Boulder Colorado. In a 5/18/18 email message to the city council Mr. Schulze wrote about the importance of keeping Chief Hamner on Bainbridge Island and what it might take:

"The total search cost would be in the range of \$160,000 to \$200,000 and the impact on morale within the Police Department if Chief Hamner were to leave could result in the loss of other personnel."

The first attempt to reach agreement with Chief Hamner involved a pay raise from \$144,192 to about \$154,000. At that point there seemed to be an impasse and speculation that the Chief would be going to Boulder. After the intervention of a city council member, who spoke directly to Chief Hamner, agreement on a new contract paying him \$190,000/year, plus benefits, was reached. At that time Chief Hamner expressed his intention to remain on the Island for an extended period of time.

By his own words, Doug Schulze acknowledged the importance of keeping Chief Hamner on Bainbridge Island yet while still under contract with the City of Bainbridge Island was offering to bring our Chief to Banning, CA, apparently as a way to sweeten the pot for his own hiring as Banning's new city manager.

I believe that Mr. Schulze's actions while still under contract with the City of Bainbridge Island, in laying the groundwork for later recruiting Bainbridge Island's police chief, makes a mockery of tenets 2, 3, and 4 of the ICMA Code of Ethics.

Respectfully Submitted,
Ron Peltier
Bainbridge Island City Council

EXHIBIT B

ICMA Ethics Complaint, filed on 8/27/18

To: The International City Managers Association
Att: Martha Perego

From: Ron Peltier, Bainbridge Island City Council member elected in 2015
11186 Valley Heights Circle NE
Bainbridge Island, WA 98110 206 842-3601

Subject: ICMA Code of Ethics Complaint regarding Bainbridge Island City Manager, Doug Schulze.

To the ICMA,

I'm a current member of the Bainbridge Island City Council, elected in 2015. Our city manager Doug Schulze was hired in 2012. On August 3rd Mr. Schulze resigned from our city to accept the city manager position in Banning, California. On August 8, 2018 the Kitsap Sun newspaper published an interview in which Mr. Schulze was critical of our city council and of me, in particular. I believe that Mr. Schulze's comments, and the circumstances leading up to his resignation violate the ICMA Code of Ethics. I'm asking you to review this official complaint, carry out whatever process you deem appropriate, and make a determination.

I understand that ethics complaints to the ICMA are required to include documentation. For now, that documentation is in the form of my comments and Mr. Schulze's newspaper interview. I wish to be on the record filing this complaint.

Complaint:

Tenet 1 Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective.

I believe that Mr. Schulze violated Tenet 1 by failing to communicate professionally and appropriately with the city council regarding various city council actions and decisions he felt were not in the best interests of the City, choosing instead to communicate those concerns in a newspaper interview after he had resigned. I believe it was his responsibility to share his concerns as part of a constructive dialogue with the council as a whole rather than to express them as a parting shot before leaving for his new position in Banning, California.

Tenet 5 Submit policy proposals to elected officials; provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals; and uphold and implement local government policies adopted by elected officials.

***Tenet 6** Recognize that elected representatives of the people are entitled to the credit for the establishment of local government policies; responsibility for policy execution rests with the members.*

I believe that Mr. Schulze violated Tenet 5 & 6 by criticizing decisions by the city council in his August 8th Kitsap Sun interview. In the interview, particularly in his references to a controversial bridge project, Mr. Schulze describes council members as “volunteers” who should rely on the City’s professionals to make important decisions.

***Tenet 7** Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.*

I believe that Mr. Schulze violated Tenet 7 by taking sides in a highly politicized city council decision, cancellation of the STO Bridge Project, which had been the leading issue in the 2017 election, and by reserving his harshest criticism for one council member who was identified with strong political opposition to the project.

***Tenet 10** Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.*

I believe that Mr. Schulze violated Tent 7 by failing to initiate a constructive dialogue with the city council for the purpose of resolving what he regarded as encroachment on his professional responsibilities, choosing instead to publicly call out and criticize one member of the city council after his resignation, someone who he claims had interfered with and made his job as city manager difficult. Mr. Schulze, in the newspaper interview, indicated it was one of the reasons for his departure.

RECENT EVENTS LEADING UP TO DOUG SCHULZE’S RESIGNATION

New contract for Chief of Police

In May of this year the City Council approved a new contract for Police Chief Matt Hamner, giving him a raise about \$26k to \$170k per year, approximately the same as Mr. Schulze. With benefits, severance pay and deferred compensation the Chief’s new contract now makes him more highly compensated than Mr. Schulze.

The negotiations for the Chief’s new contract were unusual (he was at the end of a term contract). CM Schulze negotiated an approximately \$14k raise for the Chief, and assured the City Council that the Chief would accept that amount and stay on Bainbridge Island. The Chief, who had interviewed for a job in Boulder, Colorado,

and became a finalist there, subsequently indicated the approximately \$158k per year offered was not enough to keep him with the City of Bainbridge Island. Only after a member of the city council contacted the Chief to negotiate additional compensation was a contract for \$170k per year approved by the city council and later accepted by Chief Hamner.

Chief Hamner is probably the most popular public official on Bainbridge Island and highly regarded by the public and **all** the members of the city council. Interest in Chief Hamner by another city, and the very real possibility that he would be leaving, was a key factor motivating the city council to offer him a generous new contract.

Doug Schulze emails announcing his possible departure

On June 15, about three weeks after the Chief received his new contract, our city council received the first in a series of four emails from city manager Schulze regarding his possible departure from the City of Bainbridge Island. The first message simply informed us that he had accepted an interview elsewhere, with no mention of where. Here is the sequence and dates of the messages:

- 1) June 15th, informing us he had accepted an interview with another city;
- 2) June 29th, reporting that he was one of three finalist for the city manager position in Banning California;
- 3) July 16th, letting us know the Banning city council had offered him the CM job there contingent upon negotiating a contract;
- 4) August 8th, his notice and letter of resignation from his position as city manager for the City of Bainbridge Island

During the span of time over which these emails were sent to the city council, between June 15th and August 8th, there was only one meeting at which the city manager and the majority of city council were present and during which the subject of Mr. Schulze possibly taking another CM job was mentioned. It was not, however, a substantive discussion. Some council members met with Mr. Schulze individually but the council as a whole never discussed with Mr. Schulze why he had accepted an interview elsewhere, and might be leaving the City of Bainbridge Island.

I am not aware of any effort by city council members to facilitate negotiating a new contract Mr. Schulze during this time period, as had been done for the police chief. Moreover, it was my distinct impression that a majority of the city council was not in favor of negotiating a new contract for Mr. Schulze.

Kitsap Sun Interview, August 8, 2018

On August 8th an interview was published in the Kitsap Sun, just a few days after Mr. Schulze had submitted his resignation letter. It appeared under a couple of headlines including, *“Bainbridge’s City Manager Has Had Enough”*. In the article Mr. Schulze is critical of the city council, as a whole, and particularly critical of me, calling me as a “bully”. Here is a link to view the article online:

<https://www.kitsapsun.com/story/news/local/communities/bainbridge-islander/2018/08/08/bainbridge-city-manager-leaving-new-job-california/935942002/>

BACKGROUND INFORMATION PER SUN INTERVIEW

Sound to Olympics Pedestrian Bridge

Referred to in the interview, the “STO” Bridge was a highly controversial project that became the major campaign issue during the 2017 elections for three city council positions. Prior to the election 3 out of 7 members of our city council had voted against the bridge project, contributing to its controversial status and helping to make it a campaign issue. Out of 6 candidates who filed, four came out against the STO bridge project during the course of the campaign. All three open seats were subsequently won by candidates who opposed the bridge project, all of them winning by a wide margin. The bridge issue was widely recognized as a key factor in the election.

When the three new members took their seats in early 2018 there were a number of votes leading up to the project being cancelled and removed from the Capital Improvements Plan. The votes were close with two returning council members actually changing their previous positions and voting for the bridge.

FALLOUT FROM SUN INTERVIEW

Divisiveness on city council

Mr. Schulze’s comments in the Sun interview have contributed to a considerable amount tension on the city council, particularly between me and other council members. This has in turn resulted in the community taking sides.

Has exacerbated existing tensions in the community

Mr. Schulze’s comments in the newspaper interview, along with his wife Lisa’s comments on FaceBook, have been divisive and inflammatory. Encouraged by the Schulze’s comments, a citizen came up during the public comment period at our August 14th city council meeting to launch a personal attack on me personally. The individual is bitterly opposed to the City’s current building moratorium, which I proposed and was approved by the city council in January, got up to make serious accusations of ethical

misconduct regarding my behavior as a member of the city council. The comments included accusations that I had recently instructed city advisory committees to tighten development regulations and that I had used the City's Design Review Board to arbitrarily impose conditions on the commenter's development project and on others. The comments specifically cited above were mean-spirited and completely untrue. I have no authority to do these things and did none of them. I believe that such an open and blatant attack would not likely have occurred if not for the city manager's newspaper comments, as the speaker referenced the city manager's newspaper interview comments and used the false accusations above as examples of me being a "bully".

Adding to the acrimony, Mr. Schulze's wife, Lisa Schulze has been a frequent FaceBook poster ever since the Schulze's first arrived on the Island in 2012, and she has been in the habit of commenting regularly on City related issues. Her most recent FaceBook posts have repeated the City Manager's claim that I'm a "bully" multiple times. The person who attacked me at the August 8th meeting is one of Lisa Schulze's frequent FaceBook "friends".

FINAL STATEMENTS

The real reason why Mr. Schulze resigned

I want to be clear that I don't believe for a second that Mr. Schulze resigned from the City of Bainbridge Island for the reasons stated in the newspaper article. His frustrations are real but they are not what ultimately led him to accept and interview with the City of Banning, California, eventually deciding to accept a job offer there. First of all, the city manager's negative assessment of the city council in the newspaper interview doesn't jibe with the actual positive and collaborative interactions between Mr. Schulze and city council members that occurred over the two months leading up to his resignation and interview. Those positive interactions contradict Mr. Schulze's contention that he was fed up with a council going in the wrong direction and adding items willy-nilly to the city's already "ridiculously long work plan". Examples include:

"For the Love of Bainbridge" Event

In early June of 2018 I attended a special event Doug arranged called "For the Love of Bainbridge". It was about special things in communities referred to as "Love Notes". About half the people who signed up to attend actually showed up. I was one of only two council members who attended and participated in what was an interactive event. Doug's wife, Lisa, thanked me for participating and I told her I came to support Doug's event. About 6 weeks later, right after the city manager's resignation and newspaper interview, she would be attacking me on FaceBook, repeatedly referring to me as a "bully". I don't know what happened between early June and early August to warrant going from being welcomed and thanked and then to being vilified. The Schulzes have not been specific

about their general complaint that I'm a "bully" but they have worked in tandem for almost a month to blame their departure on me.

Saving the Large Tree at Miller and Arrow Point Roads

Soon after the "For the Love of Bainbridge" event the city manager collaborated with me and two other council members to find a solution for saving a large Douglas fir tree that was scheduled to be cut down to make way for a bike path. We actually met at the tree with city manager Schulze and public works staff to identify a way to save it while still being able to construct the bike path. Council concern for the tree had certainly been an inconvenience to Doug and our public works staff, but the extra work and creative collaboration seemed like one of those "Love Notes" from the *For the Love of Bainbridge* event that Doug had put on the week before. The collaboration between council members and city manager Schulze resulted in the City saving the tree and resulted in many appreciative citizens.

The Landmark Tree Ordinance

Capping off about a month of very positive interactions between the city manager and the city council was the development of a new Landmark Tree Ordinance. Doug, who basically wrote the entire ordinance, asked both the mayor and me for input, which we provided. I publicly complimented his efforts, including at the city council meeting in early July where we approved the ordinance. It felt at the time as if city manager Schulze was starting to embrace the environmentalist leanings of the city council.

Frustrations

There were definite frustrations for city manager Schulze. Those included the aforementioned cancellation of the STO bridge project, the imposition of a building moratorium and our new critical areas ordinance, which created significant protections for native vegetation. Over the past three years I personally challenged the city manager over code enforcement issues and requests for information. However annoying that might have been, it doesn't seem reasonable to conclude that this was the cause of his resignation. Had Mr. Schulze gotten his new desired new contract (just like Chief Hamner), I believe we wouldn't be hearing about his frustrations with the city council, that were so publicly aired in the newspaper interview, or about my supposed role in his resignation.

Why not just be "up front"

If the city manager's reasons for leaving were really those stated in the interview why not just say so right up front, back in June, when he first notified the city council he had accepted an interview elsewhere? Instead, he just hung the Banning, California interview out there and waited to see what the city council's reaction would be. As it turned out, the city council was content to just let the city manager's job interview process in Banning play out. And why work so hard to show he was in tune with the

environmentalist leanings of the city council right around the time he first notified us about the interview? It was very odd and seemed extremely unprofessional.

Either the city manager or our council elected mayor should have initiated a dialogue between the city manager and the council as a whole to talk openly about the city manager's frustrations and his desire for a new contract. That fact that this didn't happen only reinforces my belief that a majority of the city council was not interested in giving the city manager a new contract and eventually city manager Schulze realized that fact. There's a saying here: "everyone at city hall knows how to count to four".

The IMCA Code calls for a positive and proactive city manager

Taking Mr. Schulze's newspaper comments at face value, along with the circumstances leading up to them, I believe his actions clearly violate the ICMA Code of Ethics. Mr. Schulze's had ample opportunity to initiate discussions with the city council regarding the concerns he expressed in the newspaper interview. All he had to do was request a meeting to initiate a constructive dialogue. Instead he chose to wait until after he was leaving our city to criticize us in a very public way, resulting in divisiveness and increased tensions in the community over already simmering issues, including the recently cancelled bridge project, the ongoing building moratorium, our new critical areas ordinance, and the Landmark Tree Ordinance that he wrote but has now distanced himself from. Everything the city council is doing is now subject to increased criticism, even initiatives in which council members closely collaborated with the city manager. Here's an example:

Landmark Tree Ordinance

What was in reality a positive collaboration between the city manager and the city council has now become the object of public criticism and is seen as validation of the city manager's criticism of the city council. Since the city manager's interview in the Sun on 8/8/18 he doesn't acknowledge that he wrote the Landmark Tree Ordinance, evidenced by denial of his true role at our August 14 city council meeting.

In late May Doug engaged in an email exchange with citizens concerned about the pending removal of a large Madrone tree on a recently approved sub division property. He showed an interest in addressing something that had eluded our ad hoc tree committee over the span of a couple of years: mandatory protections for special trees. It was suggested by the Mayor, in an email, that Doug work on a new ordinance to protect special trees like the big Madrone. City manager Schulze was only too happy to oblige.

Over the next few weeks the city manager worked on drafts of what would eventually become the Landmark Tree Ordinance. It imposed very strong protections for large

significant trees, with a \$25K fine for illegal removal. I supported the draft and complimented Doug. It felt like a very genuine and positive collaboration that he'd taken the lead on. After the city council approved the ordinance, however, it was subsequently met with considerable criticism from the public. One citizen commented to me shortly after it was approved, "You've just gone too far this time". When Doug's comments came out in the newspaper about a city council going in a direction that he wasn't comfortable with, and adding more and more items to the City's work plan, the Landmark Tree Ordinance was looked at as an example of those excesses: a city council out of control, not listening to the experts, and continuously adding things to an already "ridiculously long work plan".

The ICMA Code of Ethics is important to our city

I don't believe that all of this taken together is representative of how a city manager should perform his job; regardless of whether or not they are on their way out the door; and whether or not they agree with the decisions and direction of the city council. A city manager's job should include guidance for constructive dialogue, being open and trying to bring people together, as opposed to dividing them and choosing sides. Had Mr. Schulze expressed his concerns in a timely and appropriate manner, there could have been improvement in the overall working relationship between the city manager and city council. I would have been happy to engage in meaningful dialogue between Doug and **the city council as a whole** to help address a range of issues.

The city manager's obligation to follow and respect the ICMA Code of ethics is written into his contract, and is included in our city's Governance Manual. We are new to the city manager form of government and the tenets of the ICMA Code of Ethics played a major role in our community's decision to make that transition. Regardless of what you decide, your determination on this matter will help us better understand what is expected of city managers by the ICMA and will serve as a valuable reference for our city going forward.

Respectfully Submitted,
Ron Peltier
Bainbridge Island City Council

**EXHIBIT C: Email communications included in request for advisory opinion.
November 26, 2018 email sent to Don Peterson**

Hi Don,
Phillip Goebels called me today, told me some of what's happening in Banning, and sent me your contact information.

I am very relieved that Doug Schulze is no longer our city manager on Bainbridge . I found it difficult to ever believe anything he said unless I personally knew it to be true . Be glad to talk some time. My home number is 206 842-4798.

Best Regards, Ron Peltier

Notes: The above email was sent to Don Peterson after I received a phone call from Philipp Goebels, during which he explained what was going on with the police chief hiring process and told me Don Peterson wanted to talk to me. My comments about Doug Schulze are simply an honest impression of Doug Schulze after having worked with him for almost three years.

January 6, 2019 email sent to Bainbridge Island City Council

Subject: Banning to Vote on Contract for Matt Hamner

Council Colleagues,

A link to the agenda packet for the City of Banning's 1/8/19 City Council meeting is included below. Item VII. 1., on page 275, is a resolution approving a contract for Matt Hamner to be the next chief of police for Banning, CA. The contract would pay Mr. Hamner \$190,857.99 per year. According to the agenda bill, Chief Hamner has already signed the contract pending approval by the Banning city council.

Take Care, Ron Peltier

<https://ci.banning.ca.us/Archive.aspx?ADID=2002>

January 7, 2019, 1/6/19 email forwarded to four members of the public

January 11, 2019 email sent to Don Peterson at 12:36 AM

Subject: Draft ICMA Ethics Complaint 1.10.19.docx

Attachments: (draft ICMA Ethics Complaint was attached)

Hi Don,

I'm planning to submit an ethics complaint against Schulze for planning, while still employed by the City of Bainbridge Island, to poach our police chief. I would like to cc you on the message to the ICMA. Please take a look and let me know how it looks. Would need your address.

Thanks,

Ron Peltier

Notes: I included Don in my second ICMA complaint against Doug Schulze because a key piece of information, Schulze's comments about bringing Bainbridge Island's police chief with him to Banning while still employed by COBI, was provided by Don and quoted in the Kitsap Sun.

January 11, 2019 Email from Don Peterson at 10:12 AM

Subject: Re: Draft (ICMA complaint)

This is great. Don't send it yet, and I will forward my Grand Jury complaint to you.
Don M. Peterson, Councilman, City of Banning, CA , Sent from my iPhone

January 11, 2019 email to Don Peterson at 10:49 AM

Subject: Re: (ICMA ethics complaint)

Okay. Need your address to include on the complaint .

January 11, 2019 email from Don Peterson at 11:25 AM

Subject: Draft (ICMA ethics complaint)

1022 So. 22nd St., Banning,CA 92220

Don M. Peterson, Councilman City of Banning, CA, Sent from my iPhone

January 11, 2019 email from Don Peterson at 12:07 PM

Subject: RE: Read this!

https://www.recordgazette.net/eedition/page/page_e719ae69-f6af-5b82-ad40-1ccd5158ba7c.html

Note: this was an article in the Record Gazette about Hamner's hiring in Banning, which included Banning City Council discussion.

January 11, 2019 email to Don Peterson at 2:00 PM

Subject: RE: Read this!

Link didn't work. Wanted me to sign in.

January 11, 2019 email from Don Peterson at 4:19 PM

Subject: Read this!

Sent from my iPhone

Betting on a big investment, Banning hires police chief | Local News |
recordgazette.net

www.recordgazette.net

City Manager Doug Schulze has selected his former Bainbridge Island police chief Doug Hamner to be the next chief for the city of Banning. While he comes highly recommended, he comes with a hefty price tag for a city that is \$2 million in the hole, councilman Don Peterson pointed out: his \$190,857 ...

January 11, 2019 email sent to Don Peterson at 9:34 PM

Subject: Re: Read this!

Don,

Way to go. A lone voice in the wilderness but you're right about the process and holding the line on salaries.

RP

January 11, 2019 email sent to Don Peterson at 10:38 PM

Subject: Re: Draft (ICMA ethics complaint)

Thanks. Too bad we're not on the same city council.

Thanks,

Ron Peltier

January 20, 2019 email sent to Don Peterson at 8:06 PM

Subject: Ethics Complaints re: D. Schulze

Attachments: Schulze ICMA Ethics Complaint Final.pdf

Hi Don,

Both ICMA ethics complaints are attached.

Take Care,

Ron Peltier

Notes: I sent both of my ICMA complaints to Don because he provided information for the second and because the first, filed on 8/27/18, was pending at the time Doug Schulze signed his contract with Banning. That contract, like his contract with Bainbridge, includes a section requiring Doug Schulze to follow the ICMA Code of Ethics. In Don Peterson's view, Banning officials should have know about the pending complaint so they could have discussed it with Doug before hiring him. Not disclosing the complaint demonstrated a lack of integrity, which is contrary to the expectations set forth in the tenets of the ICMA Code of Ethics.

January 23, 2019 email to two members of the public at 6:21 PM

Subject: The Sun Lakes I Banning Tattler

Debbie, Richard,

They don't mess around in Banning, CA. D. Schulze doesn't seem too popular there.

RP

<https://www.facebook.com/sunlakeinsider2/>

SUN LAKES/Banning Tattler- Home I Facebook

ANOTHER BONEHEADED MOVE BY SUN LAKES BOARD OF DIRECTORS. FIRST SERVICE RESIDENTIAL COMPANY is the new Sun Lakes management company. Formerly Merit Property Management.

January 24, 2019 email from Don Peterson at 5:50 PM

Subject: Sunlakes/Banning Tattler

Read the latest in the Sun La kes/Banning Tattler, they are ripping Doug-eee's ass!
https://www.facebook.com/sunlakeinsidcr2/?epa=SEARCH_BOX
Don

January 24, 2019 email to Don Peterson at 9:01 PM

Subject: Re: Sunlakes/Banning Tattler

Doug, (I meant "Don")

God, hilarious. And Doug wanted to be involved in "positive community building".
Holy cow. Please tell your friends at the tattler that I'm enjoying their satire.

Ron

Note: This was in response to a Facebook post, posted to the Sun Lakes/Banning Tattler on 1/23/19. The post is a satirical takeoff on quotes from both Doug Schulze and myself that were published in the Kitsap Sun on August 8, 2018. That post is included as **Exhibit D**.

January 25, 2019 email to Don Peterson at 7:51

Subject: Re: Sunlakes/Banning Tattler

Don,

I think you should ask Doug how much "passion" he's feeling for his job about now.
RP

Notes: One of the quotes from Doug Schulze in the 8/8/18 Kitsap Sun article is that he wanted to go to a community where he could be part of positive community building because he'd lost his passion for the job on Bainbridge. That seemed ironic, given how quickly he had managed to stir up trouble in Banning by manipulating the police chief hiring process in order to hire his friend Matt Hamner from Bainbridge.

January 25, 2019 email from Don Peterson at 8:05 PM

Subject: RE: Sunlakes/Banning Tattler

LOL, we're just getting started. Don

January 25, 2019 email to Don Peterson at 9:50 PM

Subject: Re: Sunlakes/Banning Tattler

OMG

Notes: This was in response to a link for a 1/25/19 Sun Lakes/Banning Facebook post that Don Peterson sent to me. I honestly was shocked by the post and felt it was inappropriate.

EXHIBIT D

Sun Lakes/Banning Tattler Facebook Page
Posted on January 23, 2019

WHY NEW CM SCHULZE WANTS ULTIMATE CONTROL OF OUR CITY OF BANNING

Out of Bainbridge:

"Schulze also pointed to criticisms of city projects from a vocal group of "armchair quarterbacks" and conflicts with Councilman Ron Peltier as contributing reasons for his departure.

SO IN DOUG-EE'S OPINION, CONCERNED AND OUTSPOKEN CITIZENS ARE "ARMCHAIR QUARTERBACKS"? BEWARE BANNING!

"Ron has been difficult," Schulze said. "He's a bully and everything is a second-guess and a battle."

****BEWARE PEOPLE, IF YOU DON'T AGREE WITH DOUG-EE, YOU'RE A "BULLY"**

(Schulze) "The negativity is really what has weighed on me, to the point where I realized I'm losing passion for the job, because everything is so hard to do, whether it's a project like Waterfront Park or the city dock or widening shoulders on a road."

"It's just not something I want to be a part of," Schulze said. "I want to be a part of positive community building."

****MEANING, HE WANTS ULTIMATE CONTROL, NO CITIZEN OR FELLOW COUNCIL INPUT AND NO CAP ON SPENDING FOR HIMSELF AND HIS BUDDY HAMNER.**

"Peltier fired back in an interview, saying that while he wishes Schulze well, he HASN'T BEEN SATISFIED WITH HIS JOB PERFORMANCE and that he sees the split as a fresh start for both parties.

OH DANDY! BANNING IS PAYING OUT \$ 2MIL A YEAR FOR A GUY WHO DOESN'T DO HIS JOB AND DOESN'T PLAY NICE.**

"I think he's right, I think he isn't a good fit for where we want to go," Peltier said. "That sums it up, and I think it's a great opportunity to find someone who is a good fit and complement to where the community and the City Council is going."

SO DOUG-EE SOUGHT OUT THE MOST CORRUPT AND IGNORANT CITY COUNCIL 4 - KNOWN FOR HANDING OUT MILLIONS OF DOLLARS TO CMs CARPETBAGGERS AND DEVELOPERS TO HELP LINE HIS POCKETS. THEN HE'LL MOVE ONTO THE NEXT CITY WHO'LL BUY INTO HIS B.S.

DOUG-EE HAS GONE THROUGH AS MANY CITIES AND HE HAS WIVES. THERE'S A COMMON THREAD HERE FOLKS THAT SHOULDN'T BE IGNORED.

JUST SAY'N.....

kidding about those wives

EXHIBIT E: Doug Schulze 5/18/18 email to the Bainbridge Island City Council (attachment not included)

The attached document is a newspaper article from Colorado University, where Matt Hamner interviewed this past week for the Campus Police Chief position. The interview went very well and I have talked with Matt about what it will take to keep him with the City of Bainbridge Island. The proposed contract that will be in the agenda packet is what will be needed to keep him. It is slightly different than what I have shared with those of you who have talked with me about the materials I sent out last week, but not significantly different.

I think the proposed employment agreement is a good offer and recommend City Council approval. I will point out that the process of filling the Police Chief position is typically equivalent to the annual salary and it is customary for a new department director to be compensated for moving expenses. The total search cost would be in the range of \$160,000 to \$200,000 and the impact on morale within the Police Department if Chief Hamner were to leave could result in the loss of other personnel.

If you have any questions, please contact me.

Doug

