

REPORT OF INVESTIGATION

EXECUTIVE SUMMARY

The undersigned was engaged by Ann Holden Kendell and Benjamin Merrill of the BrownWinick Law Firm to investigate concerns expressed by some members of the City of Denison, Iowa Council, and Mayor, regarding the performance of City Manager Terry Crawford, City Clerk Lisa Koch, and Fire Chief Cory Snowgren. The matters of concern can be generally described as issues regarding administrative decisions made in the context of City planning and budgeting, contracting with City vendors, hiring of City employees, establishing the salary and wages of City employees and documenting the work time and leave time of exempt employees. Not all issues raised involved each employee.

Interviews were conducted of current and former members of the City Council, current and former City employees and the three City administrators whose performance was the subject of the investigation. As part of the investigation, I reviewed city ordinances, Council minutes, Council resolutions, personnel files and budget files. While I did not do what might be described as a “forensic” review or audit of any budget or contracting issues and limited my review of those issues to the documents and interviews listed above, there is no piece of information that I requested to review that I did not receive. Also, I have determined that none of the individuals deleted or destroyed any items relevant to the investigation.

I did not find any evidence that any of the administrative decisions I reviewed as part of my investigation were the product of bad faith, personal profit or constituted criminal conduct. Instead, the decisions were made for reasons the administrators believed were in the best interest of the City. However, the decisions were made in an environment where the Council was exercising less than full oversight and control over administration decisions and the administrators, taking advantage of that lack of Council control, usurped the Council’s policy-making authority.

I believe that this environment was a product of the Council decision in 2012, at the time the current City Manager was hired, to restructure the City functions in such a way that the City Clerk was the primary administrator for budget and fiscal control and removed the City Manager from such responsibilities. A contributing factor to this environment was a tendency for prior City Councils to defer to the City administrators for not only day-to-day administrative action but also policy matters. In this environment, City administrators developed a habit of under-informing Council of their actions and becoming defensive when the Council asked legitimate questions.

I did not find any evidence that the City Council’s concerns regarding the performance of City administrators was motivated by illegal or improper motive, but instead was a product of genuine concern to re-assert control over City policy. That motive is borne out by actions the current Council took to document concerns regarding administrators’ performance and improving the same well before this investigation began.

The City administrators serve at the pleasure of the Council. Should the City Council decide to continue their employment, each of the administrators interviewed agreed that communication with the Council could be improved and that each could work to improve control and accountability for their respective functions to the Council and become better managers of their departments and better City employees.

I believe the Council would be well-served to consider the following recommendations to improve accountability for City functions and to improve the working relationship between the Council and administrators:

- 1 – Return overall administrative budget authority and responsibility to the City Manager.
- 2 – Create a City Council subcommittee for budget issues.
- 3 – Assign a Council member to each department as a liaison.
- 4 – Develop policies and standards for City bidding and contracting.
- 5 – Create a City Council subcommittee for personnel issues.
- 6 – Require up-to-date job descriptions and performance standards and use those to monitor and improve employee performance.
- 7 – Review and develop City policies regarding salary reviews, time-keeping standards, hiring procedures, and conflicts-of-interest.

Prior to issuing this Executive Summary in final form, counsel for all parties were provided the opportunity to comment or otherwise provide their input to the final product. However, this Executive Summary does not constitute their agreement or stipulation to any of the findings and conclusions herein.

James H. Gilliam

Law Office of James H. Gilliam, P.C.