

December 4, 2024

City of Palm Coast

160 Lake Ave

Palm Coast, Florida 32164

Cc: Mike Norris – Mayor of Palm Coast

Cc: Theresa Carli Pontieri – Vice Mayor

Cc: Ty Miller – Councilmember District One

Cc: Ray Stevens – Councilmember District Three

Cc: Charles A. Gambaro Jr. – Councilmember District Four

Cc: Marcus Duffy – City Attorney

Cc: Kaley Cook – City Clerk

Dear Mayor and City Council,

Pursuant to Florida Statue 112.3187, I am formally filing my complaint and asking you to provide the appropriate government authority to whom I will be submitting it in the matters stated below.

Introduction

Approximately two to four weeks after my employment began, in a meeting scheduled by my boss, Acting City Manager Lauren Johnston, I was told she wanted top management fired in Utility. The employees she listed were Stephen Flanagan, Peter Roussell, and Danny Ashburn. She also stated that Stefanie Plummer was promoted outside her capabilities, and I would need to demote her. She mentioned that Mike Hughes was also a problematic employee; he had the title of Utility Supervisor. However, Lauren did not tell me why he was a problematic employee; he directly reported to Stefanie Plummer. Lauren blamed the utility issues on Stephen Flanagan and Peter Roussell's failed leadership; however, she did not provide any reasons except that they were promoted outside their capabilities. I asked what documentation the Administration had regarding these employees and asked her for the information. She instructed me to speak to the Director of HR, Renina Fuller, about their discipline and potential demotions. Lauren's idea was to offer the employees lesser positions in the Utility or allow them to resign. Lauren had participated in Stephen Flanagan's demotion from Utility Director to Utility Development Manager before my arrival; however, she never described why, except that he had failed to lead. When I spoke to Renina Fuller, the HR Director at Lauren Johnston's Acting City Manager's request, she stated she did not know of any paperwork or written documentation for Mr. Stephen Flanagan. Renina told me she would talk to Lauren about it.

Amanda's Discovery

Very soon after my start date on June 17, 2024, I identified that the City of Palm Coast overpromised water and sewer capacity. With Wastewater Treatment Plant 1 at capacity, I set out to present to the City Council a resolution to have the City stop signing new Utility Agreements that were sending flow to WWTP1. I started working with staff to identify the bottlenecks in the system and identify how to properly communicate the permitted capacity of the water and wastewater treatment facilities, identify projects in the form of new wells, prepare a timeline for expansions, and identify the required planning we needed to execute to gain additional capacity for both water and wastewater. Additionally, I worked with a consultant to design a growth projection for Palm Coast based on its historical growth for the past five years compared with its signed promised water and sewer capacity, which are close to 4.0 MGD for water and 3.2 MGD for sewer. These numbers reflect the new development signed and the remaining ITT lots that still need to be built. During the meeting with Peter Roussell and Stephen Flanagan, I discovered that wells were listed on the sale documents that transferred ownership from the private corporation to the City when the City purchased the Utility. These Otis Stone Wells are listed as assets that the City owned; however, the document did not clearly state the land transfer for the Otis Stone Wells. In discovery with our geologist firm, David, our consultant, prepared documentation on these wells for our review. At one time, they were on the City's consumptive use permit but had fallen off over the years, sometime in the late 80s or early 90s. The City's consumptive use permit comes from St. John's River Authority and limits how much raw water the City can pump from the ground. I planned to ask St. John's River Authority to revise our current permit to pump more water from the ground with the utility team and our geologist, David. We would schedule these meetings in January of 2025 with St. John's River Authority. The wells that we determined would be the quickest way for Palm Coast to secure more water capacity are on Rayonier property but listed as an asset of the City on the sale of the Utility paperwork. I instructed Peter Rousell to set a meeting with Paul Rice the Director of Real Estate Development for Raydient LLC. and our Utility department to discuss the Otis Stone Wells. These meetings took place sometime in August. All the records are in my city emails.

Council Meeting July 23rd 2024 & Comprehensive Plan Discussions

During the Council Meeting on July 23, 2024, Carl Cote, the Director of Stormwater and Engineering, sent me an email saying that the information on the Comprehensive Plan Presentation conflicted with our Capital Plan and the numbers we had started to discuss in meetings as we worked to identify our capacity needs. I immediately texted Jason DeLorenzo, Chief of Staff, the following message, " I am just seeing the Utility Capital Projects section of the Comprehensive Plan – it is not reflective of what we are experiencing. It is in conflict with our capacity needs. Just wanted you to know." To my reflection Lauren Johnston was not present at that meeting and Jason was sitting in for her that day in the council meeting. Jason did not answer that text message. When I talked to Jason in the Council room before the meeting started, I discussed the inaccuracy in the presentation and information given to the City Council. I told him the information needed to be corrected. Jason DeLorenzo, Chief of Staff, told me to be careful about what I was saying. He instructed an employee to pull the slide from the public presentation that day, however the inaccurate information was still in the Councilmembers packets. I perceived Jason DeLorenzo's comments as being careful about telling the truth as a threat.

After this meeting, I spoke to many staff members in the organization in Microsoft Teams meetings and by email about the comprehensive plan and the numbers stated in this document. The numbers came from the utility department; however, the development staff were drawing inaccurate conclusions because these departments were not communicating effectively. In the meetings to discuss the Comprehensive Plan, we talked with the Utility, Engineering, and Development teams, and there were many disagreements on the growth projections. In emails back and forth between staff members, I identified where I believed there were inaccuracies in the Comprehensive Plan and asked city staff members to address them. I questioned Peter Roussell about the communication between himself and the development team and asked him multiple times to present the facts from the Utility to me first. I wanted to review the numbers before somebody sent them outside the Utility.

All this communication between Peter and the Development team occurred before I started my employment with the City of Palm Coast. I emailed him and requested that he run communications and numbers by me before reporting information from the Utility to rectify the problem. Peter admitted to me that he had copied the information from the past comprehensive plan submitted many years ago. He did not do this maliciously, but it was a failure on his part not to address the past five years of historical growth and to create a new projection that was reflective of the resources for water and sewer that the City would need in the future. I questioned him on many things and asked him why the Utility was still signing agreements for the capacity they did not have; his answer was, "I guess that was a mistake." In the end, Jason DeLorenzo verbally communicated to me the minor adjustments they would make to the Comprehensive Plan, if any. He stated that when we received the formal document on water and sewer capacity that was required to be submitted to St. Johns and other regulatory agencies from our consultant CPH, who was completing this paperwork, we could adjust the Comprehensive Plan at that time.

Consent Decree Overview and Conversations

When we received the Consent Decree from FDEP, I reviewed the document. I had concerns about signing two clauses in the document because it threatened my imprisonment for what I could understand was stating that the City of Palm Coast did not in the past or would not in the duration of the consent decree use sewer rates to pay for any other projects that were not capacity related. Since I had been made aware in budget meetings that the council had approved a loan that transferred money from the Utility Enterprise fund to the General fund to pay for a road, I was concerned about signing the document. In an email to Marcus Duffy, City Attorney; Lauren Johnston, Acting City Manager; Jason DeLorenzo, Chief of Staff; and Helena Alves, Director of Finance, I sent a copy of the Consent Decree. I proposed that Helena should be signing the financial portion of the sworn paragraphs surrounding the finances. Helena responded to me in an email and asked if that was a new addition to the consent decree because she had yet to see that in other past agreements. Lauren's response to that email was that she had discussed it with Marcus and instructed me to talk with him about my signing. I called Lauren Johnston, Acting City Manager, on the phone to discuss this series of emails. In our phone call, Lauren said, "Helena, the Director of Finance, did not want to sign that portion." I told her that it gave me pause as she is the Finance Director. Lauren said, "Are you sure it shouldn't be me that signs, she told me she understood my concerns as I had just walked into this mess. " " My answer was, "I had reservations because I did not have the authority to transfer monies outside the Utility, and I believed

that whoever had that authority should be signing the document." After this conversation, Lauren and I never discussed who should sign the document again. In meetings with Marcus Duffy, the city attorney, I told him my concerns about signing the document, and he said if they did transfer money outside of the Utility, he would need to talk to Lauren because then, potentially, no one would be able to sign. I worked with Marcus again to modify the language in the agreement that I believed would be more reasonable and, to my knowledge, not incriminating. I sent email messages to request FDEP to modify the clauses of concern the morning I was terminated by the City of Palm Coast.

Discussions on Water Wells Leading to Scheduling of Meetings with Paul Rice – Director of Real Estate Development from Raydient LLC

The first meeting that Peter Roussell, Deputy Director, scheduled with the Utility team and Paul Rice, the Director of Real Estate from Raydient LLC had to be canceled because our Council Meeting ran over, and we had to cancel with him. Jason DeLorenzo called me sometime after this and said that Paul Rice had called him to schedule a meeting with me before we met with the rest of the staff. Jason DeLorenzo scheduled this meeting so that we could meet with Paul Rice.

Meeting with Paul Rice Director of Real Estate for Raydient LLC and Jason DeLorenzo, Chief of Staff – scheduled by Jason DeLorenzo

In the meeting with Paul Rice of Raydient LLC and Jason DeLorenzo, Chief of Staff, he showed me a map of the proposed Westward expansion plan. It showed a preliminary development design that included a sports complex/stadium, which Paul Rice commented was of particular interest to the City. He told me that he knew that serving the West Expansion would need water and sewer capacity. He said he had a proposal. I am guessing that his team at Rayonier had created a Master Services Agreement between the City of Palm Coast and his proposed development. I asked if I could see this agreement and Paul Rice responded that I may view it at another time. I never saw this proposed Utility agreement.

FGUA Meetings and Conversations

In a meeting scheduled with me, Lauren Johnston, Jason DeLorenzo, and Stephen Flanagan soon after the start of my employment, I started to discuss the FGUA service area and the potential project to extend water and sewer services outside of the Palm Coast service area. I told Lauren I did not think proceeding with that project was a good idea as the sewer flow was going to WWTP1. Lauren got frustrated with Steve and Jason in that meeting; she raised her voice, used a severe tone, and said, "Why have you been continuing to discuss this with the involved parties for the past 2 years." "She stated they both knew at that time they had been nearing capacity at WWTP1." She questioned them, both Jason and Stephen, but they did not answer the question. After the meeting, she said, "You understand why I am frustrated right?" And I said, "Yes, I do understand." Then Lauren told me, "To prepare to proceed with that project anyway." Then, we both walked into another meeting, and the conversation ended. Steve and I both presented in many of the FGUA meetings that we had minimal capacity, and we communicated that we should delay this project until we could adequately supply it; we discussed it

would be better use of the city money, approximately 10 million dollars in total to spend on other capacity-related projects in the short term. Previous agreements committed the City to extend this infrastructure, but we believed there were out-clauses in those agreements to consider making alternative decisions.

Weekly Meetings with Lauren Johnston – Acting City Manager of Palm Coast

In my weekly meetings with Lauren Johnston, I discussed the capacity issues and the need to stop signing agreements. Lauren told me to focus on customer service. With the Utility facing many more immediate challenging problems, I told her that I had not spent most of my time working with staff on customer service – because I assessed that the City did not have a customer service issue that took priority over the ability to serve our customers. I had problems getting her support to move forward with the plan to stop development agreements. She warned me in one meeting that she did not want to have the same meeting with me repeatedly each week in a frustrated, stern tone. " In that meeting, she finally gave me the go-ahead to start exploring how we would proceed with not signing new development agreements for development that would flow to WWTP1; this was approximately three weeks before my termination.

Scheduled Meeting by Lauren Johnston with City Councilwoman Theresa Pontieri

In a meeting we had with Councilwoman Theresa Pontieri, Lauren Johnston, Carl Cote, and Jason DeLorenzo to discuss Utility issues, I presented an idea to have new developers/owners pay for the PEP tanks for those homes, saving the City of Palm Coast over thirty million dollars in the next five years. Jason DeLorenzo was opposed to that, and so were other staff present in that meeting. For various reasons, they presented to her, and she was led to believe that, somehow, this was not an action the City could take. This was one of my ideas to help the City with the rapid growth they were experiencing. After this meeting, my boss, Lauren Johnston, Acting City Manager, told me they had worked very hard to gain Councilwoman Theresa Pontieri's trust over the years and implied that I was threatening it, by proposing solution to problems. This idea was quickly silenced, and we never discussed it again.

Scheduled Meeting by Lauren Johnston with City Councilwoman Theresa Pontieri

Before my presentation on the Utility Action Plan, I attended a meeting scheduled by my boss, Lauren Johnston, Acting City Manager; Councilwoman Theresa Pontieri and her small child were present in that meeting. We reviewed the presentation I was to give on October 3. This covered the consent decree and the Utility Action Plan. In this meeting, we reviewed the presentation I was to provide, and I suggested that changing the " Growth pays for Growth" line of thinking may be helpful because, in my review of the Utility financials, this was not the conclusion I drew from the numbers. I had heard this phrasing echoed from the council podium, and my advice was that based on the financials and cost of new expansions, this needed to be more accurate to the public. I left this meeting thinking that we talked over serious, tough topics, but I was surprised to find out that it was a negative or bad interaction.

Scheduled Meeting by Acting City Manager Lauren Johnston - Write-Up Discussion

On September 30, 2024, promptly after I met with Lauren Johnston and Councilwoman Pontieri, I was issued a write-up by Renina Fuller, Director of HR, Jason DeLorenzo, Chief of Staff, and Lauren Johnston, acting City Manager. The write-up informed me that I had addressed utility staff aggressively or inappropriately on multiple occasions. In this meeting, they would not tell me who reported these claims or give any context for these charges against me. I told them they were untrue, and then I provided them context for the two conversations I had with employees that I knew they were unhappy about, below I have added additional context for your review to provide better understanding of the problems in the organization. I refused to sign the document because it is false.

Employee Conversations Amanda Rees had with members of the Utility.

Cynthia Schweers, the Customer Service Manager, had a habit of going outside the chain of command and moving forward with ideas or potential plans without getting approval from her direct supervisor. I was warned about this early on verbally by multiple staff members: Brittany Kershaw, Director of Communications; Jason DeLorenzo, Chief of Staff; and my boss, Acting City Manager Lauren Johnston. All of them told me Cynthia had a habit of doing this and to be aware of this issue.

Cynthia Schweers is a very talented employee and an asset to the City of Palm Coast. She has done a great job in innovating her department. On multiple occasions, she went around me to discuss items I should be deciding before taking those requests to other Directors and the City Manager. I asked her numerous times verbally to stop this practice, and it went on deaf ears. I do not recall the day, but after she had gone around me related to proposed changes for the 6-7 times I did call her on the phone after she sent an email without presenting it to me before sending it to Finance, I called her. In a more direct tone of voice and with seriousness, I asked her to please stop going around me to solve problems. This phone call happened on a Friday, and on Monday morning, Cynthia came to my office to discuss it with me. She said, "You yelled at me; I said I did not yell at you, Cynthia; I told you in a direct tone of voice and with seriousness to stop your behavior. Cynthia was used to operating this way because she desperately needed leadership and wanted to make improvements. Her environment trained her to ask anyone she could to get a yes or agreement. I told Cynthia I will support you; you have to trust me. There is a strategic approach you need to take to get buy-in for projects and resources. In our discussion I asked Cynthia to give me an opportunity as her leader and let me prove myself and that she would have my support. I told her we would have a great relationship, and just because I was firm with her in my tone and requests to stop the insubordinate behavior did not mean our relationship was tarnished in any way; I told her we would work together to get things done, and I would support her. Cynthia is a great employee.

I had other meetings with Jim Melley, Peter Roussel, and Stefanie Plummer. I was instructed by my boss, Lauren Johnston, Acting City Manager, that there were issues in that section, so I asked more of these staff members questions to understand the problems that exist in the Water Distribution section.

In a separate meeting with Stefanie Plummer and myself, I spoke to Stefanie about her department and asked her how things were going and what we could do to reorganize Water Distribution to set it up for success. She was new to her role in this leadership position and had problematic employees with human resource issues, which prevented her from changing that culture. Specifically, that individual was Mike Hughes; some problems were presented to Human Resources when Jim Melley was his direct supervisor,

and Jim Melley tried to solve the issues and create a strong, trusting team. Those problems are recorded in human resource documentation. Even though I was never told exactly what those were other than Lauren Johnston's verbal account, it was not entirely descriptive. All the corrective action in this department had taken place before my employment with the City of Palm Coast. Lauren Johnston had spoken to Jim Melley about the situation, and they moved direct reports around to stop employee disagreements. Stefanie had issues keeping staff accountable in her department because of the fear of Mike Hughes running to Human Resources to tell stories about his mistreatment. I instructed Stefanie to hold him accountable by requiring him to send weekly reports and adding any additional tasks she required of other supervisors to ensure equal accountability. It was reported that Mike would shape up for a while, complete his tasks briefly, and then revert to previous behaviors.

Stefanie got offended in our meetings; she felt that I was questioning her because she thought I was implying that she wasn't doing her job well. She did cry on more than one occasion in meetings. I tried to soothe her and let her know I was there to help. I thought she was doing her best, but I was here to help make changes and improvements. When I talked to Peter Roussel Deputy Director and Jim Melley Wastewater Collections Manager about helping mentor Stefanie, they agreed that we would work as a team to do this, and Peter told me Stefanie had a history of being emotional at times and that she needed to work on that.

In another meeting with Stephanie Plummer, Travis Sabatari told me his account of why there were reports of a toxic work environment in the Water Distribution section. Travis told me that he moved from the construction side of Water Distribution, led by Mike Hughes, to the Metering section of Water Distribution because of the negativity in that group. I asked Travis how we could bring the collective team together in Water Distribution because there was conflict with that team. Travis is a supervisor in that section and part of the management team. Travis was not the only employee to report on this toxic work environment; a new water operator who moved out of that section also noted that to me in meetings; it should be in my meeting minutes from that Culture of Excellence discussion. The meeting with Travis and Stefanie was an effort to help identify ways to correct their department and understand how to solve the problems. I did not speak to Travis about Stefanie's performance; we discussed the collective department. These were the context of the only conversations I knew with staff that could have been offended by directives and proposed solutions intended to correct organizational problems.

Human Resources at the City of Palm Coast lacks policies to hold people accountable professionally; this leads to letting ineffective leadership sit in positions where they should be terminated for creating toxic work environments. The Human Resources department must support the utility department in achieving this goal.

Continued Formal Write-Up Meeting Conversation September 30, 2024

In my formal meeting for my written warning given by Director of HR Renina Fuller, Chief of Staff DeLorenzo, and my boss, Acting City Manager Lauren Johnston, I was told that Councilwoman Theresa Pontieri did not like my tone in the meeting we had a few days prior (it is referenced above). I refused to sign the write-up because it was not valid. After this meeting, I met with Renina in the HR conference room; when I asked her what was going on, she stated, " If Councilwoman Pontieri had not made comments about my tone, we would just be having a verbal discussion about the comments made by employees, and it would be a verbal conversation – not a written warning. Renina also stated in that meeting, "Palm Coast is a very political city, and when the new city manager was appointed, the new city

council would instruct that individual to fire directors, and whether right, wrong, or indifferent, it would happen.” The write-up issued to me by City Administration essentially made it difficult for me to lead my department. It set the environment where any employee could say whatever they wanted about me, and they would accept it as the ultimate truth without giving me a chance to defend myself. It formally prevented me from effectively managing staff members and set me up to fail.

I emailed Lauren Johnston, the Acting City Manager, following my write-up. I told her that I was there to support both herself and Theresa Pontieri, and if the councilwoman was offended by my tone, I would like to apologize to her personally. Lauren Johnston, the Acting City Manager, has yet to respond to this email. In-person, Lauren told me it was unnecessary to apologize to Theresa Pontieri, and I followed her directive and did not talk with Councilwoman Pontieri about it.

Amanda Rees Leadership – Hurricane Milton

When I led our Utility through the Hurricane, everyone saw my capabilities and the strong leader that I am. My leadership was on display for all Directors and Assistant Directors of the organization, as well as my staff and the citizens of Palm Coast. I led our staff from City Hall and was on-call for 48 hours. After Hurricane Milton, Lauren Johnston texted me on my city-issued cell phone, thanked me for my leadership, and praised my leadership and told me I did a great job. She also texted me with some items that she needed assistance with. She sent me the text in October, directly after Hurricane Milton passed.

Amanda Rees Statement

In the last five months, I have worked diligently and with great purpose to help the Palm Coast Utility get on the right track. I have solved many miscommunications and led the staff to understand how to evaluate, identify, and communicate the resources they need to protect our water and wastewater system.

Meetings to Discuss with Legal Counsel a Resolution to Stop Signing Agreements for Capacity Going to Wastewater Treatment Plant 1

Approx two weeks before my dismissal, I met with Marcus Duffy, City Attorney; Patrick Marcus's colleague; Jason DeLorenzo, Chief of Staff; and Lauren Johnston, Acting City Manager, who walked in for a few short minutes at the end of this meeting. We discussed overpromised capacity and how to address it by proposing a resolution to the Council and the Mayor for the approval to stop signing new development agreements for any areas that would flow to Wastewater Treatment Plant One until the expansion of WWTP1 was completed. Marcus's team stated in an email that they would have this ready for review on Friday, November 15. I was fired the day before this, on November 14, 2024.

Dismissal Meeting November 14, 2024

In my dismissal meeting at approximately 4 pm on November 14, Renina Fuller, the Director of HR, came to my office to speak to me. The first thing she asked me was how things were going. I responded that everything was great, and she replied, "No, it's not." I then asked her, "What was wrong?" She replied that the City of Palm Coast had decided I was not the right fit for the position, and they were terminating my employment effective immediately." I was not given any reasons for my dismissal. She stated, "I was not the right fit for the position, and that is all she could tell me." I asked why Lauren Johnston, Acting City Manager, was not present at this meeting, which Renina did not comment on. I then told Renina it was very unprofessional that Lauren Johnston, the Acting City Manager, was not in my dismissal or that they could offer me no reason for it except that I was not the right fit. Renina did not bring any paperwork to the meeting except a copy of a Non-Disclosure Confidentiality Agreement that I was asked to sign, which I declined. Then Renina stated, "She was ok with me resigning so I could protect my reputation/record." I responded I would need to think it over. The following day, Renina called my cell phone and left a voice recording on my personal cell phone asking me if I had made my decision yet to resign so she could complete my termination paperwork. I never returned that phone call, and Renina sent me a copy of the termination paperwork by email later that afternoon.

Retaliation Against Amanda Rees Description

I was retaliated against by Lauren Johnston, Acting City Manager, and Jason DeLorenzo, Chief of Staff for the following reasons: I did not want to sign agreements that threatened my imprisonment, I wanted to present to council and the Mayor's office a resolution to stop any new developments sending flows to wastewater treatment plant one until the expansion of WWTP1. The perception was I threatened the trust they had built with sitting City Council member Theresa Pontieri. Lauren Johnston and Jason DeLorenzo did not like the transparency I was willing to provide to city council members and the public.

People making decisions that are motivated by fear are always choosing poorly. The environment created by firing the previous city manager has the executive team paralyzed with fear, and this is evident in my wrongful termination. The working environment created by top leadership made it difficult to solve problems, which is not helping to increase the quality of life for Palm Coast citizens. I made a significant financial investment in my move to Palm Coast to take the Utility Director position. I was hired to protect the infrastructure and the citizens of Palm Coast and was set up to fail. All of my decisions, suggestions to solve problems, and requests to make changes were to protect the citizens of Palm Coast. I was fired for doing my job that would provide transparency to its citizens.

I am looking forward to hearing your response on this issue and instructing me to the appropriate agency to file this complaint.

Thanks,

Amanda Rees

618-795-8174