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January 15, 2024

Mayor Joe Meek and Council
City of Crystal River, Florida
123 NW Hwy 19
Crystal River, FL 34429

Dear City of Crystal River Mayor and Council,

I am writing this letter to express my continued concerns for our current City Manager, Douglas Baber whom began employment with the City of Crystal River on July 24, 2023. As your Director of Budget and Financial Services, his current style of leadership has become an on-going detriment to all directors as well as the other staff. I have great concerns for his stability for our little City of Crystal River. We have come a long way over the last ten years both with growth and development as well as financially. I do not want to see this be destroyed by one individual.

Mr. Baber believes under the City charter he has a lot more power than he has. He consistently has told me Council per the charter put the trust with him to run the City and I do not have to run everything by them. First that comes to mind, I repeatedly have advised him he should put certain items on the consent agenda just so he is informing you, the Council; he has not chosen to do so. Or, the item may be placed on the agenda, but funding is vague. One that quickly comes to mind, is the recent CRA parking lot project that really was funded from reserves. The over \$1million of ARPA funds was initially intended for the WWTP rebuild. We are now receiving grant funds for the project so Doug and Michael decided they wanted to do some reallocation of funding and use \$500,000 within the CRA for the parking lot project. When I discussed with him the importance of keeping Council informed, he agreed and said he would be sure to let them know. I feel this was not clearly presented within the writeup and he definitely never mentioned within the discussion. Another item that comes to mind where he made it very clear of his power, was with regards to the FY2024 Executive Session. While I do understand, each manager has different theories or ways of presentation of which I do respect, but he chose to not provide any of the normal position and employee wage data. "They do not need to know; they hired me to do a job and that is what I am doing". All Council received was a memo I compiled reflecting the status of the proposed general fund FY24 budget and union items. There were positions added and a few increases of which was not shared. Details can be provided if requested. He also requested full administration access to all banking outlets. When I inquired as to clarification, he informed me to "get him a super user login and password to all banking that day". I was very uneasy about this request. No City Manager has every had access to the

bank accounts; they are a signer, but the Finance Department is the one who has access to the online banking. There are controls in place to protect the Finance staff. The access was changed per his request, but within the week some of the controls were removed from him following additional discussion with him. This is just three examples that come to mind quickly of numerous.

When it comes to the finances of the City, he most definitely believes he can utilize the funds as he sees fit along with not sharing the City financials with Council nor the community. During one of our initial discussions about the Finance Department, he explained the structure in the City of Mexico Beach was different and he was not accustomed to having an individual handle the accounting and budget. City of Mexico Beach finances were run by him. They had a part-time individual that basically worked in the evenings and he told her what to do and she just did it. As for the City of Crystal River, he demanded several transfers within the first few months of the new year utilizing other funding to enable expenditures of his preference. First, he has transferred almost all of the \$10,000 budgeted under his department for website/consultant to cover the BAM sponsorship of an annual cost of \$6,000 for starters. There was another sponsorship of \$2,500 for the Chamber of Commerce. Both of these were within October, the very first month of the new year. When I expressed concern of spending almost of these funds so early in the year, he said he was not worried about it; we will find the funds later. He had actually suggested to use payroll funds for these sponsorship funds because there were so many vacancies and we can replenish it later. I advised you can't use payroll funds for these type of expenditures. Second, he recently required staff to transfer a total of \$800 from various departments' training budgets to fund additional training for the Assistant City Manager. He wanted to do the same with NextSite contract of \$15,000 – use funds from other departments' budget. When I explained to Mr. Baber we do not just transfer funds out of other departments' budgets; they have budgeted for various items/projects and if you use their funds, then they will not be available for their purpose. He said they will just have to find the funding elsewhere. I was once again informed “the charter gives him the authority to transfer funds as he deems necessary. Other departments will need to adjust as deemed required”. This belief of transferring funds as he deems necessary falls in line with an article/deposition from City of Mexico Beach I am aware of. He advised Finance staff to post transfers for report presentation and then afterwards they were to reverse. This is falsifying financial data. I can tell you this such situation has not occurred within Crystal River; all financial data is accurate. The situation is that transfers have been made for his benefit and departments may not have available funding when they are ready to proceed with their project.

Financial reports for the City have not been presented to Council or the public since July, prior to his employment. He had requested staff to reduce our report to a few bullet items and the financials were to be one page. The directors issued reports for July and August to Mr. Baber. The financials were in a one-page format as requested. I provided restricted and unrestricted cash, reserves, and fund balance – all by fund. He chose not to disburse the reports to Council or the public because he did not like that some directors completed for one month and others combined the two months. Then for the following months, he informed me I gave too much detail that I also just needed to list a few bullet items – projects the Finance Department was

working on. "They do not need to see the detail; they do not look at it and if they want it then I will give it to them". I guess I am now going to provide financials to you on a quarterly basis; however, I am not sure he will accept the format I was previously providing. He informed me we would discuss later. This past week Michael has requested various reports from Finance – monthly budget status by line item citywide, report for each check run featuring vendor, amount, etc., report on each payroll run, employee name and amount, report on credit card purchases every time they bill. I am unclear as to the purpose for this request. While the budget to actual is what I always would provide the other detailed reports would not be normal. I am a little concerned they may be trying to create some of their own financial reports.

There was something about Mr. Baber I have not liked from the beginning – a sense of uneasiness and lack of trust, especially when it comes to spending. My first one on one meeting with him he brought his three administration staff (Executive Assistant, Clerk and Special Events Director) into the meeting and began to tell me how purchase orders and buying would be handled going forward as to this area of the City. It was very evident; they had all spoken and processes were going to change. There have been rules and controls in place for years due accounting standards and internal controls - funds must be available and should be encumbered at the time of the known intended expense. There have been instances some staff have tried to skirt around them, but for the majority, rules were adhered. He just wanted them to make purchases when and how he wanted them as well as a credit card solely for his use with a credit limit of \$20,000. Yes, over the years there has been differences of opinion of the convenience of staff having their own credit card, but Finance has consistently had problems receiving all of the required documentation to process the credit cards efficiently. Doug wanted to use his credit card to charge his main moving expense. I informed him he could not do so; he would have to pay up front, provide the receipt and then the City would reimburse. He was not real happy because he really did not want it to run through his personal account. In my opinion, Doug Baber prefers to not necessarily follow good accounting practices when it comes to spending.

Mr. Baber choose not to be transparent with the FY2024 budget adoption. Our Executive Session was scheduled for August 10 of which he initially cancelled because he did not feel he needed to discuss any of the payroll information with Council. Prior to me going on vacation in August (8/19/23 – 8/29/23), I had completed the budget in preparation for the upcoming budget hearings set for September 6 and September 20. I knew there would be little time when I returned so I wanted to be assured everything was complete and all I had to do was finalize the cover letter and print the books. Unfortunately, Hurricane Idalia hit the day I was coming back from my Alaska vacation. I returned to a flooded City and was told we could not go back to the City Hall. I had to finish my budget and be ready for our hearing in one week. He did not want the full budget book I always compile; he only wanted the summary. He did not want it posted on the website until it was adopted. I explained the budget is always provided to the public. It was posted, but not in detail. After the budget had already been compiled for adoption, I was provided several Personnel Action Forms reflecting raises for several employees prior to 9-30-23; he processed these while I was on vacation. They should have all been included within the proposed budget data. When I presented to him, he advised he did not want a budget transfer to be processed now; it can be completed later in the year. I processed anyway as I knew this

would be falsifying the budget and I needed to make the necessary transfer from reserves to cover the additional expense of approximately \$22,500. There have been some more positions added since then, plus new operating expenses as mentioned under the finances section. When I try to discuss my concerns with him, the response is there is all kinds of money in this budget. He is not taking into consideration all of the projects of which funds have not been encumbered yet. Staff has been consumed due to the hurricane and relocation and just now getting started to look at some of the budgeted items. Please understand some of this might not sound like a lot right now, but when you add it all up and it is for a full year, we will definitely see an increase for the FY2025 proposed budget. It was difficult to balance the current year budget: I am concerned what the FY2025 budget will bring – hopefully not an increase in millage.

The management style of Doug Baber in my opinion does not display experience as a leader, is unprofessional, and is not one of liking by the majority of the City employees – directors and general staff alike. He has a lack of respect for the directors – demanding and talks down. He has in many instances told me certain items “are not up for debate” or “not a debate, but my directive”. He is a micro-manager leaving us of the opinion none of us know how to do our job. I know if I would be left to perform the job I was hired to perform, I would be much more efficient and productive. Instead, Doug and Michael consistently are requesting more and there just are not enough hours in the day. In addition, everything is a priority and I find myself in the middle of five fires and not sure which to finish first leaving my regular day to day tasks unaccomplished. During our first department head meeting of the new year, he told all directors, “you think I worked you hard last year well I have big plans for the new year and plan to work you even harder”. He advised us that if we didn’t think we are up for it we might as well think about leaving now”. At the same time, he advised us to be careful who we talk to. It is a small town and rumors spread. We all need to remember confidentiality. I have to say I have never had a boss speak to me in such a manner – he came across threatening and degrading. I know I am a dedicated employee and work hard for the City. This lack of respect is not well liked and makes me think about why I should be so dedicated to an employer of this type. Doug Baber has created a very stressful environment in which we work, employee morale has greatly declined these last six months. The City continues to loose employees under the current management style.

The current leadership style also appears to no longer follow the chain of command. Our City Manager directs staff what to do versus discussing with the department head first. I feel the Department Heads understand their staff and department functions better than anyone else. While I was gone on vacation in August Doug Baber ordered my Sr. Accountant to instruct the Finance staff they would now be responsible for the mail and postage machine. Previously this was handled by the Executive Assistant and Clerk/Administration. The Sr. Accountant advised she would prefer to wait until I returned from vacation to discuss; he informed her he had already spoke with me. This was not accurate as he never mentioned this to me other than he had told me there would be many changes in the near future. He stated he has always seen Finance responsible for this area and that the majority of the mail belonged to Finance so why not have Finance responsible for sorting the mail. I know Finance is not the only department that has experienced this lack of chain of command. There is a great deal of this going on within the

Public Works Department as I have been told as well as some within Human Resource. The details will need to come from the Public Works Director and Human Resource Director. How can we expect our employees to follow chain of command if our current leader does not perform this act of professionalism.

As for Hurricane Idalia, I have had concerns and reservations for many of Doug Baber's actions and choices for the City of Crystal River. This was not my first hurricane with the City. I was acting City Manager following Hurricane Hermine as the City Manager, Dave Burnell was out of the country. Due to the familiarity of steps necessary following such an event, I began the same process the morning following this hurricane.

1. I reached out to several restoration vendors to provide us quotes as soon as possible; they all would do so as soon as it was safe to travel and they could get into the City. The next morning Service Master was the first to respond; Doug informed me to go with them and that I did not need to get three quotes in an emergency. I was uncomfortable with this, but did as I was told.
2. I also had coordinated with our insurance agent whom put me in contact with a Northstar agent, a vendor contracted through our insurance company that perform a review/analysis of all damages and assist with filing all claims. This is the same service the City used for Hermine at no cost to the City. During the first post hurricane meeting with staff, I became aware Doug appeared to have already chosen Atkins for disaster relief. The NorthStar agent was enroute from Tampa. I pulled Doug out of the meeting to inform him of the situation and he told me I need to tell the guy to go back home – we don't need him and that Atkins would be handling all of this. Obviously, the man was very disgruntled with me and voiced as such.
3. Service Master provided us a quote. The original quote presented was a little over \$50,000 for remediation of the City Hall, Police Station, Fire Station, PW Shop and Pump House. Doug informed the vendor representative this quote was unacceptable and it needed to be more; he then advised me to delete the email. I told him I do not delete such emails. Doug and Michael then proceeded to obtain revised bids from Service Master while the buildings were being remediated; those final quotes neared \$300,000 with the repairs coming in over \$900,000.
4. There have been numerous conversations between Atkins, insurance representatives, FEMA and Doug and Michael regarding the bids. Atkins told him numerous times, they didn't believe some of the expenditures would be reimbursable. He argued with them and said they would be. He did not like what Ann, one of their consultants told them so he asked for her to be removed from the Crystal River team. In my opinion, she is very knowledgeable to FEMA requirements to the extent I know a few of them reach out to her for the answers, she writes the responses, but they send them. I feel he just didn't like what she said because it was right and he didn't want to hear it. One of the Atkins' consultants mentioned to me in conversation they were not happy with a lot of his ways and for their best interest they were considering ending the contract.
5. Doug initially wanted me to order 20 laptops for the employees. I went to discuss with him in front of Atkins, expressing none of our computers were lost. He made it very

clear to me this was his decision and that I should not have said that. He told me it was his decision, not mine and he would be the one fired. The consultants did inform him the purchase may not be fully reimbursed. Doug had me change the order to 10 laptops - almost \$20,000, plus almost another \$10,000 for Citrus Networking to setup and relocate the systems.

6. Some employees have been moved multiple times from one location to another. We are all professionals and trying to perform our jobs. The down time spent moving from one location to another creates inefficiency along with stress. He does not look at the entire picture and put forethought into something before jumping.
7. This area I am a little gray on, but as for the large vendor contracts, I feel he has not provided you with all of the details. If I recall correctly when the debris contractors and EPCI were presented, there were not clear dollar amounts within the contracts. I know Atkins spoke with him to a great extent about the fact these must go before Council for approval. He felt because they were emergency contracts, Council did not have to approve them. I would recommend review of the items presented before Council. The contract fresh in my mind is the Atkins that was on this last Council meeting. I know the amount listed on the agenda item was around \$440,000; there are two contracts for them – one for not to exceed \$1.7 million and one not to exceed \$700,000. I believe the \$440,00 amount is just for two invoices we have received, not for their full contract amounts.
8. Doug had Atkins apply for a \$5 million loan from the Florida Commerce. He has discussed this during one of the Council meetings emphasizing this is a no interest loan. Please know this is no interest for two years only; after the City will be charged interest. Also, there are rules for this loan and they must be followed as to allowable expenditures or the City will be liable for any disallowed expenditures. Doug has said repeatedly this is for operating expenses. Please understand these must truly be related to the hurricane and not just because he believes it was a necessary purchase. We just received the full \$5m this week into our checking account. I have placed in a separate non-interest-bearing account. If we earn interest, the funds would have to be returned to the State. I have concern now that we have these funds there will be more requests that may not be allowable. He truly likes to spend money.
9. I am sure all of you saw the pile of the City assets thrown out in front of the City Hall. I truly feel there were items tossed that were clearly salvageable. The copiers were one of them – why was the copier in Three Sisters okay, but the other three in City Hall were not. The disposal of these “leased items” created a lot of additional work on staff to order new ones. They wanted the copiers back and they were long gone. The City had to be a fee because the leases were broken.
10. Our current working conditions are not the best, but staff has learned to adjust. He has been discussing moving again. Should there be a more permanent temporary location for all staff to be together in the near future, I feel it would be more productive and efficient to wait until such a location becomes available versus relocating some staff now and then moving them again in six months. Staff has been working this way for six months already, what is another six.

In summary, Mr. Baber continues to show lack of professionalism and constant micro-managing of staff whom has been employed with the City longer than himself. While we may need some advice at times, we are professionals and do not need constant direction and supervision. We knew there would be changes, but not changes that would jeopardize the stability of our staff.nor the financial well-being of the City. He feels he has total control of everything when it comes to running the City; he does not feel Council needs to know everything. The current leadership of our City is driving away numerous members of the labor force, and soon will be directors if action is not taken soon to remove Mr. Baber and Michael Manning from our management team.

Sincerely,

Michelle K Russell-Maynard
Director of Budget and Financial Services
City of Crystal River, Florida