

Unraveling the S. Lake Tahoe city manager debacle

By Kathryn Reed

Rumors are rampant, while facts are few when it comes to why South Lake Tahoe's city manager is not at work.

On the March 6 agenda is a closed session item stating: Public employee discipline/dismissal/release. This is the third meeting with this same agenda item.

An attorney other than Nira Doherty with Burke, Williams & Sorensen, the law firm that does most of the city's legal work, has been negotiating with City Manager Nancy Kerry's attorney for a resolution.

However, what isn't known is how the council has been able to give direction when a meeting has not taken place in the last two weeks.

If an email is sent out by the attorney to the council, it can be classified as confidential under client-attorney privilege. However, if the mayor or another council member were to issue an update to the rest of the council, that would be a serial meeting. That is illegal and violates state open meeting laws.

It would just add to the list of illegal maneuvers this council has been engaged in behind closed doors and out of public view since at least last fall. It would be up the district attorney to go after the council for Brown Act violations.

Lake Tahoe News asked Mayor Wendy David and acting City Manager Jeff Meston:

Who on the council is/are the point person/people in discussing a resolution with Nancy Kerry?

- *Who is the attorney at the law firm representing the city?*
- *What is the time line to get this resolved?*
- *Apparently she didn't do anything so egregious since she's still getting paid and has the title, so how can the city justify this expense? It seems like a waste of taxpayer dollars – can you defend how it isn't?*
- *Does the new pending litigation on the next agenda have to do with Nancy Kerry? If not, what is it about?*

Neither David nor Meston responded to the email.

“Separation between a city manager and city council is a normal part of the municipal government world. The city and Ms. Kerry have been diligently working toward an amicable resolution to the current situation, and we are hopeful for a resolution soon,” Jacqueline Mittelstadt, Kerry’s attorney, told *Lake Tahoe News*. Mittelstadt was once city attorney for South Lake Tahoe and is well versed in dealing with the machinations of this city.

No one is officially saying why Kerry is leaving or whose idea it was, though her relationship with Councilman Austin Sass has been precarious at best. Per her contract, she is owed nine month’s severance if she were to be let go without cause. Normally when a city manager leaves on her own volition at least one month’s notice is given.

The settlement is likely to be a compromise based on clearly nothing criminal having occurred because that would have been handled differently, the fact that Kerry didn’t initiate the departure, and that what *Lake Tahoe News* has been told by sources inside the city is that Kerry’s biggest no-no’s were being emotional (which appears to be more gender bashing than anything else), yelling (which every city manager has been known to do) and talking about someone being in rehab (even

this reporter knew about this person and her drinking issue was well known in the community for years).

Still, not a single employee ever filed a complaint against Kerry, so some speculate the negativity now being voiced is political in nature. This is an election year with the council seats of David, Sass and Tom Davis being up.

People inside and outside the city are saying they don't understand what is so egregious to have seemed to wipe out the good that Kerry has done for the city in her more than five years as city manager. That includes among other things saving the city more than \$40 million, bringing development to town and helping the city look better.

Internally, Kerry changed the culture in a way many say was a positive. People were given flexible schedules and she started an awards program for employees.

That good vibe has since been eroded with the back stabbing and distrust that now permeates the walls of city hall since the City Council chose to go down this path. Even department heads are jockeying for position. Not one of the five electeds has come forward to say what changed.

There has been zero leadership from the council – just silence. After all, Kerry was given a glowing review in June 2017 and a 5 percent raise. Now these electeds are ready to show her the door.

Once Kerry is officially relieved of her duties, the city is likely to hire a firm to find the next city manager. A request for proposal for a consultant to do that work would be the first step. That can cost upward of \$30,000. If the city opts to find a city attorney as well, it's possible for some expenses to be lessened if the consultant were to handle both positions.

The future of the city attorney could be decided March 20

based on interim City Attorney Doherty asking to have a discussion in open session.

It could be the end of the year before a permanent city manager is on board, same with city attorney.

It's possible the city would bring in an interim city manager to be a bridge. Retired city managers do this on a regular basis.

For now, Fire Chief Meston is the acting city manager. He was given the title after the closed session on the **Feb. 6 meeting**.