

II

R. O. No. 119 - 22 - 23. By CITY CLERK. March 6, 2023.

Submitting a notice of claim and claim on behalf of Alexandra Guevara, by her attorneys, Diane M. Welsh and Eduardo E. Castro of Pines Bach LLP, for alleged damages.

FAP

CITY CLERK

NOTICE OF CLAIM & CLAIM PURSUANT TO WIS. STAT. § 893.80

TO: City of Sheboygan
c/o Charles C. Adams, City Attorney
City Hall
828 Center Avenue
Sheboygan, WI 53081

Todd Wolf, Former City Administrator
c/o Charles C. Adams, City Attorney
City Hall, Suite 210
828 Center Avenue
Sheboygan, WI 53081

CLAIMANT:

Alexandra Guevara
4020 Lakeshore Road
Sheboygan, WI 53083

Process Server *PMM*
Date: 3/2/23 Time: 2:40 am/pm ☒
☐ Personal ☐ Substitute
☐ Posted ☒ Corporate

NATURE OF CLAIM:

This is a Notice of Claim and Claims made on behalf of Alexandra Guevara, by her attorneys, Diane M. Welsh and Eduardo E. Castro of Pines Bach LLP, pursuant to Wis. Stats. § 893.80(1d) (a) & (b). Ms. Guevara has claims for damages against the City of Sheboygan and former City Administrator Todd Wolf, who at all times relevant to Ms. Guevara's claims, acted in his official capacity as City Administrator for the City of Sheboygan. Ms. Guevara has been repeatedly defamed by Mr. Wolf. Ms. Guevara has authorized Pines Bach to file and serve the Notice of Claim and Claim on her behalf.

Alexandra Guevara is a resident of the City of Sheboygan, a community activist, and member of the Sheboygan Diversity, Equity, Inclusion, and Belonging group

("Sheboygan DEIB"). On or about October 5, 2022, at former City Administrator Todd Wolf's invitation, Ms. Guevara attended a lunch meeting with Wolf to discuss diversity, equity, and inclusion efforts at the City of Sheboygan (the "City"). At no point during their October 5 lunch meeting did Ms. Guevara 1) represent that she or any other member of Sheboygan DEIB could offer DEI training or consultation to City officials or employees; 2) request that the City of Sheboygan pay her, Sheboygan DEIB, or any person affiliated with Sheboygan DEIB; or 3) threaten or insinuate that she or Sheboygan DEIB would publicly "oppose" Mr. Wolf in any way.

On or about November 7, 2022, Mr. Wolf sent correspondence to members of the City of Sheboygan Common Council. (Exhibit A, attached hereto). In this correspondence, Mr. Wolf accused Ms. Guevara and fellow member of Sheboygan DEIB Jamie Haack of "threats, bribery, and potential extortion." (Exh. A at 1). Further, Mr. Wolf accused Ms. Haack and Ms. Guevara of:

- Demanding to know "how much money [the city/Mr. Wolf] had to spend on them," and that they needed money "up front"
- Threatening that, "if you do not pay us, we will publicly oppose you...we will oppose any expert or group regarding DEIB initiatives that you try to institute or support unless you pay us now for us to give you the groups"
- Claiming that Ms. Guevara and Ms. Haack demanded to be paid \$70,000.00 by the City of Sheboygan

Exh. A at 2.

Mr. Wolf sent this correspondence on City of Sheboygan letterhead and from the Office of the City Administrator. (Exh. A at 1.). Since November 7, 2022, Mr. Wolf and others have repeated these allegations widely, including on local radio, in the press, on

fundraising platforms, and at local political events. Mr. Wolf began spreading these allegations in his official capacity as the City Administrator for the City.¹

These allegations are undeniably false and constitute defamation. As an internal investigation conducted at the behest of the City revealed, "there was evidence that Todd Wolf had a fictional manifestation of blackmail (not credible)." (Exhibit B at 5, attached hereto). The City Common Council has also acknowledged the harm that Mr. Wolf's has caused to the "reputation of [Ms. Haack] and [Ms. Guevara]." (Exh. B at 5).

As a result of Mr. Wolf's defamatory statements, Ms. Guevara has suffered damage. Of particular concern are the allegations, by a public official, accusing her of committing criminal acts. The reckless, defamatory statements have forced Ms. Guevara to retain and expend resources on legal counsel. Further, her reputation has been tarnished by these false and defamatory allegations.

Accordingly, Ms. Guevara claims \$20,000.00 for her damages from the defamatory statements made by Mr. Wolf. Ms. Guevara also seeks a public retraction of Mr. Wolf's allegations and an apology from the City.

¹ The defamatory statements have not ceased. Since Mr. Wolf was terminated from his position as City Administrator, he has now repeated these allegations in a publicly available filing in the Eastern District of Wisconsin, Case No. 23-cv-149, *Wolf v. City of Sheboygan, et. al.* The focus of this claim, however, is only on remarks Mr. Wolf made while Administrator.

Dated this 2nd day of March, 2023

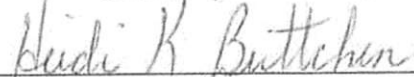
PINES BACH LLP



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Facsimile: 608-251-2883
dwelsh@pinesbach.com
ecastro@pinesbach.com

Attorneys for Claimant

Subscribed and sworn to before
me this 2nd day of March, 2023.



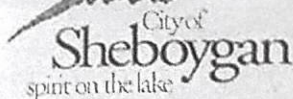
Notary Public, State of Wisconsin

My Commission Expires: 9/9/25



cc: Attorney Charles C. Adams, City Attorney
City Hall, Suite 210
828 Center Avenue
Sheboygan, WI 53081

November 7, 2022



RE: CONFIDENTIAL: NOTICE TO COMMON COUNCIL OF CONCERNS RELATED TO THREATS AND POLITICAL INFLUENCE AT CITY HALL

Dear Honorable Common Council Members for the City of Sheboygan,

I know that I have briefly mentioned some of these troubling issues to you in other forums as well as to other officials within the City, but I wanted to provide this Notice to each of you with factual details for your convenience. I believe this information is vitally important for the City, and it goes directly to the safety and security of the City of Sheboygan, the citizens and taxpayers, and to the City's employees, staff, and personnel.

I was appointed and hired to this position in July of 2020 and have been honored and privileged to serve in this important role under the oversight and leadership of Sheboygan's Common Council. As you know, the position of City Administrator was created and passed into law in 2011 for this wonderful City because of the lawful measures taken by its Alderpersons to ensure that political influence or facets of corruption would be a minor threat to taxpayer dollars, contracts, partnerships, employment decisions or City business. I was honored to be selected for this position based on my extensive qualifications in previous multi-million-dollar business management roles, project oversight, compliance and the utmost of integrity, honesty, and business acumen.

Since I started as Sheboygan's City Administrator just over two years ago, with your support and the help of my excellent staff and the employees of the City, we have accomplished immeasurable tasks—all of which has exponentially helped the City by saving millions of taxpayer dollars, ensuring vast processes of oversight over City contracts and partnerships, building and creating an environment of trust and investment in the development of City employees, bringing in diversity training, and overseeing guidelines to aid the community and our strategic partnerships therein; as well as instituting processes and plans that protect the City from any litigation pursuant to local, state, or federal law. While it is impossible to avoid any litigation, the job of the City Administrator is to ensure the processes, systems, reports, and guidelines best protect the City from such actions.

For the convenience of yourselves and the Common Council as a body, I have drafted a list of my main accomplishments as City Administrator to date and I can provide that to the Common Council upon request.

As part of my duties in reporting directly to the Common Council on matters within the duties and guidelines of the City Administrator to date, there are a few highly crucial issues that I am bringing to your attention in this letter. Please note, that while I have previously shared with some of you and the Mayor much of the information in this letter within compliance of applicable policies, for your benefit and convenience, I felt it necessary to outline my main concerns so that Council, in their exclusive authority, may have the resources and information to act in the best interests of the citizens and the City:

1. **Threats, bribery and potential extortion from politically tied activists that affect the City, citizens, and employees specifically from August 2022 – November 2022.**

**OFFICE OF THE
CITY ADMINISTRATOR**

CITY HALL
828 CENTER AVENUE
SUITE 300
SHEBOYGAN, WI 53081

920-459-3315
todd.wolf@sheboyganwi.gov

www.sheboyganwi.gov

As you know, on August 16, 2022, an unknown citizen came to a neighborhood meeting and made a racial slur at the public forum. The meeting took place under the Department of Planning & Development, but Director Pelishek was not in attendance per his duties and employee protocol. Director Pelishek's employee that was present informed him of her concerns in seeking guidance on how to handle these situations and Director Pelishek immediately emailed myself and Mayor Ryan Sorenson to ask for guidance and advice on how our City employees could handle such a meeting. Mayor Sorenson never replied to Director Pelishek, and I allowed him to raise the issue at our closed management meeting on August 22, 2022 based on the Mayor's failure to respond to him. Director Pelishek never repeated the racial slur at that meeting until another Director demanded that he explain what was stated—which he did in response to the other director's request.

It came to my attention that this other Director immediately left the 8/22 meeting to contact multiple persons outside of City government to inform them that a "racial slur" was used by Director Pelishek—something that this Director has now admitted to on multiple occasions and has been documented. ALL of this occurred between August 22 – 23, 2022. The article published by Maya Hilty of the Sheboygan Press came out on October 11, 2022. Maya Hilty implied that her "source" for the information from this meeting did not come forward to her until roughly 1 week prior to the publication of her article.

In late August and September 2022, I made several calls with DEIB leaders in the community and was referred to the "Sheboygan DEIB" group, where a City employee set up a meeting with "Sheboygan DEIB" reps Jamie Haack and Ale Guevara. Director Pelishek came with me as the officer charged with grant proposals and development. I expected at this meeting to be provided with solutions, a business proposal, strategies or a list of trusted experts to retain for DEIB training. Such paperwork is mandatory when dealing with paying out taxpayer dollars to consultants or other vendors. However, at the October 5 meeting, Ms. Guevara and Haack immediately asked me to tell them "how much money [the city] I had to spend on them" and that they needed that up front to provide me any list and would not provide details related to oversight. They did not give me any number but stated I / City needed to pay them just to provide a list of their approved partners or experts. I told them that I could not write them a check without any oversight or information on any groups they would hire with City money that we had no say over or knowledge of.

Finally, the women stated, "if you do not pay us, we will publicly oppose you....we will oppose any expert or group regarding DEIB initiatives that you try to institute or support unless you pay us now for us to give you the groups." The threats continued briefly, but I politely reiterated that I would not write a check with taxpayer money under such circumstances because there needed to be oversight, and I left the October 5, 2022 meeting with the two Sheboygan DEIB representatives. At the time, I was unsure how they would "oppose me publicly," but I was focused on doing my job for the City rather than worrying about political threats for money from the City. Upon further inspection, I discovered that the "Sheboygan DEIB" has never been a legitimate registered entity in the State of Wisconsin under the Dept of Financial Institutions or in any other legitimate entity fashion. As such, I am uncertain whether they were demanding upfront checks payable to themselves and still unsure any details in how they wanted to use the money. I have since learned that the amount Ms. Guevara and Ms. Haack are requesting on behalf of the Sheboygan DEIB group to be paid by the City is \$70,000.00.

Now, in no way am I saying this issue applies to all persons connected to the Sheboygan DEIB group, and I have many friendly communications with other connected individuals to DEIB initiatives that are unaware of what I am stating herein.

Had I written a check to the two women on October 5, that would have been an egregious violation of the taxpayer and City's trust in the mismanagement of its taxes, finances, and City budgetary concerns—especially since there would have been zero oversight or accountability for the funds or how they used the City's funds. I did contact several other DEIB-connected experts after that meeting to obtain their feedback and nearly all of the other experts, I contacted stated that Ms. Haack and Ms. Guevara were out of line and wrong to demand money up front without providing any assurances or information on their process.

After I left that October 5 meeting with Director Pelishek following the threats from Ms. Guevara and Ms. Haack, Sheboygan Press's Maya Hilty immediately was informed of the August 22 meeting involving Director Pelishek responding to Director Rendall-Araujo's request that he tell her what was said ("racial slur"). Featured prominently in Ms. Hilty's article was Ale Guevara, who called out both myself and Director

Pelishek fervently. This came out less than 1 week after the meeting where I was threatened along with Director Pelishek to write this 'Sheboygan DEIB' group a blank check.

Then, at the Open Session of Council's October 17 meeting, Jamie Haack—the other person at the October 5 meeting—spoke to Council and stated, "I urge the Council to seriously evaluate the personnel placements of Mr. Pelishek and Mr. Wolf and their current and future abilities to serve in their roles with the knowledge, transparency and values of equity and respect that are so needed in their positions."

Clearly, both the initial article (and the follow ups) as well as the speech before council by the two women who threatened me to write them a check with taxpayer money were them making good on their threats and following through because I refused to pay them a blank check without any information—knowing now that had I done so, neither of them would have publicly been involved in the Hilty article or spoken to demand my termination before Council.

At this time, I am uncertain of further measures that certain representatives with the Sheboygan DEIB group have done in continuing to follow through with their threats; but I wanted to inform the Council that I do not regret my decision on October 5 in any way.

I will never cave to political threats, bribes, or extortion efforts from political activists when it comes to City partnerships and City money because I am tasked with ensuring the fullest transparency, accountability, and lawful actions with managing the budget, vendors, and hiring decisions for the City.

I am asking that Council support me in my decision on October 5 and support my statements, even if a young journalist took those out of context. I have been informed that larger media networks in Sheboygan intentionally chose to ignore Ms. Hilty's article because it seemed like an unsubstantiated "smear piece."

Next, related to some of the false accusations against me in the press or publicly, I wanted to address one faction of the October 11 article in the Sheboygan press that was misconstrued and falsely characterized. During my my time as City Administrator, I have instituted training and guidance for the staff and offices of the City that comply with law while building a positive team environment. The approved experts that have aided in these seminars use the term "safe space" to connote positive work environments, but this term also relates to laws involving sharing of confidential government matters that are not subject to public disclosure—namely personnel information.

Breaching such confidential government protocols that are meant to protect internal audits, investigations and mainly personnel information is a violation of law and City policies; especially when done for the purpose of providing false confidential personnel information about another employee for a political purpose. Specifically, one of the key justifications for instituting confidentiality within personnel meetings and communications is to protect the City, the employees, and the taxpayers from the high potential of such information to be "intentionally distorted" for political reasons that can lead to a chain-of-events—which I believe has happened in this matter. All of this has led to severe health and stress on myself, many City employees and Director Pelishek in something that should have been completely avoided. I was rightfully concerned by this breach because (1) it incited a false story by a politically-motivated groups without any factual justification; (2) it led to punishing the one Director (Pelishek) who was actually requesting more diversity and legal guidance for his staff from the Mayor and others, which the City should not punish; and (3) it opened the door to political blackmail and threats including the October 5 meeting, despite the fact that it all started because Mr. Pelishek was concerned about racism and wanted to report that and help City staff deal with it and address it.

Because of some of the statements, threats, and attacks against myself and my reputation over the previous few months with false accusations, I have not yet written up the other director responsible for demanding that Mr. Pelishek repeat the statement and who leaked that statement in a false light after that; but I have every justification to still do so at this time. I would like Council's support in doing this without my fear of further action against me or my position. As of now, because of the "political pressure" on me and recent threats and directives that I "not speak to this matter at all," we have now sent the proverbial "message" to City personnel that leaking any confidential information such as personnel records, confidential closed

meeting information, and especially lies about confidential meetings is acceptable to the City; and those who oppose it (myself, etc) will be punished or defamed. I would like the Council's help in avoiding that messaging to our City personnel and the City as whole.

AS the day-to-day manager over most City employees, I am very aware of their health issues, concerns, and stress related specifically to how items are being addressed by political factions. These political matters do not involve my role; and should never be a threat to our employees who work so hard. Because my hands have been tied in some of these political situations, the employees feel as though I am powerless to support them as City Administrator given the attacks and now introduced legislation to reduce some of my duties and ability to speak directly to government matters.

2. Respectful Request for the City Administrator to have regular meetings with the Common Council with regular weekly or monthly written updates (from the City Administrator) on any general issues, personnel matters, or political concerns known to the City Administrator that only the Common Council in their exclusive authority should be handling.

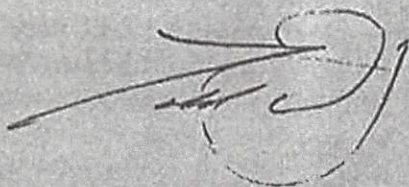
I do believe that it would benefit the Council and the City to allow me regular meetings with the Council or written updates with any confidential concerns of a political nature (such as those referenced herein) to help you, the Council, and the City, in doing my job to the best of my ability; and allowing the Council to handle all politically-motivated issues that are or may affect the City or my duties—all of which are not part of my job duties since I am not a political player nor a politician, and I defer to your oversight on all such matters.

Although I have kept detailed confidential records related to the prior Director of Human Resources, I do have more information on that situation that I believe Council should be apprised of and I am respectfully requesting the opportunity to do that with Council in a confidential meeting to protect the individual wherein I can provide detailed information to Council and explain fully my positions on the current role and vacancy. In general, not only must the city comply with laws related to the use, distribution and management of public monies ("taxpayer dollars"), but also to how employees, officers, and other roles within the City are filled.

I have been denied the opportunity to speak to you, the media, or many others; and I wanted to ensure that the Council has more information related to my duties in my role as City Administrator, the current situation, and other concerning information that I believe Council should be made aware of. Again, I have further details, documentation, and records available to you upon request related to this communication and reporting to you; as well as details of other matters that I would like the opportunity to raise with Council.

I do thank all of you fervently for your time and careful consideration of this important notice and communication.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Todd Wolf', with a large, sweeping flourish extending from the end of the signature.

Todd Wolf
City Administrator

Closed session 10-17-22 called to order at 7:06 p.m.

Alderspersons present: Felde, Ackley, Salazar, Perrella, Filicky-Peneski, Rust Dekker, Mitchell, Heidemann, Ramey – 10.

Present: Mayor Ryan Sorenson, City Attorney Chuck Adams, and City Clerk Meredith DeBruin

Council President and Vice President in City Hall on Thursday and Friday of previous week talking to employees and Mayor and City Administrator.

Council presented timeline of events. Discussion on why the City has an Administrator. Review of Municipal Code with regards to duties of City Administrator.

Discussed options:

Reprimand – public vs private

Direct to get training and/or mentor

Performance Improvement plan

There was not a sense if there should be a public reprimand (not in agreement).

Sense of council that the following should happen:

1. Mayor should talk to Todd and tell him he is responsible for any reprimands associated with Chad.
2. Mayor should talk to Chad that Todd is his boss and the council will not be acting on anything regarding Chad (they only oversee Todd).
3. Direct City Attorney office to draft Resolution that Todd should not participate in the hiring of the HR Director (all ayes, Mitchell indifferent) – with this to be submitted next Monday.
4. Direct Todd officially not to participate in any more PR

Adjourn at 9:15 p.m. in closed session Rust/Dekker

10/24/22

Called to order at 6:08 p.m.

Present:

Mayor Ryan Sorenson, Asst City Attorney Liz, City Clerk Meredith DeBruin and 10 Alders (Felde, Filicky-Peneski, Salazar, Ackley, Ramey, Dekker, Perrella, Rust, Mitchell, Heidemann).

Several job descriptions from the City Administrators position were distributed (one updated in 2020 removed Council and Mayor from some wording – did not have council approval).

Council address 3 things –

- 1- What is correct job description?
- 2- Performance review (not related to current situation – just needs to be completed)
- 3- Performance Improvement plan for City Administrator

Questions to be addressed:

Who is decider of action taken if Todd presses back?

See if comments re: Library was in Todd's file?

Review contract with Alonzo to see if report was to be given/taken.

Reviewed that if disciplinary action is not public – need to have common message.

Review retaliation policy from the City Handbook.


Assistant City Attorney Liz took notes regarding the description of the events and questions to ask Todd for his part of the performance review.

Adjourn at 8:42 p.m.

Notes from Closed Session 11-7-22

Start: 6:18pm

25.MOTION TO CONVENE IN CLOSED SESSION pursuant to Wis. Stat. § 19.85(1)(e) for deliberating or negotiating the investing of public funds or conducting other specified public business whenever competitive or bargaining reasons require a closed session; to wit: discussions regarding possible development incentives for affordable housing projects currently known as the former Koepsell property redevelopment and the S. 14th and Illinois Avenue projects



AND under the exemption provided in Wis. Stat. § 19.85(1)(f) for preliminary consideration of specific personnel problems which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of the person involved in such problems or investigations.

PRESENT: Mayor Ryan Sorenson, Attorney Charles Adams, Attorney Liz Majerus, Alderperson Dean Dekker, Alderperson Joe Heidemann, Alderperson Amanda Salazar, Alderperson Angela Ramey, Alderperson Zach Rust, Alderperson Trey Mitchell, Alderperson Grazia Perrella, Alderperson Betty Ackley, Alderperson Barb Felde, Alderperson Roberta Filicky-Peneski (appeared remotely)

Alderperson Heidemann requests to make a motion, Mayor states that he is not accepting motions at this time. Chuck explains that most motions need to be made in open session. Mayor said he would open it up to motion discussion once he introduced a few things.

Mayor Sorenson: All should have received the letter from Administrator Wolf via email and I believe it was placed on your chair. Mayor is concerned about City employees and morale at City Hall. There is a continued strain of public records requests being placed on various offices and that there is a question of trust in City leadership.

Attorney Adams: If there are any questions, we are here to answer them. There is a performance improvement plan placed in your binders if you wish to consider that. We're not here to direct you in any certain way or decision but to act as a guide for decisions you are considering but know that our liability concerns have changed.

Mayor Sorenson: the issues are starting to spiral and that is based on an administrative issue.

Alderperson Heidemann: wants to make a motion to give Administrator Wolf a verbal warning and place in his personnel file. If he is good for 6 months, we remove it from his personnel file.

Attorney Adams: that's a motion for open session as it's an act of discipline which needs to be made in open session.

Discussion is had about possible courses of action regarding Administrator Wolf. Attorney Adams explained that there are 3 levels to which that the council can/should act tonight.

- 1) Performance Improvement Plan
- 2) Vote of No Confidence
- 3) Actual Action being Suspension/Termination

More discussion is had between council on which course of action to take.

Consensus of council: place on 6-month Administrative leave.

Motion to Reconvene in Open session made by Alderperson Dekker, 2nd by Alderperson Ackley

All Aye, Motion Passed 8:25pm

Closed Session 1-4-23

6:24 p.m.

Finance Director Krueger, Fire Chief Montellano, Director of Public Works Biebel, City Engineer Sazama, IT Director Bushman, Assistant City Attorney Majerus, Director of Planning and Development Pelishek, City Attorney Adams, City Clerk DeBruin, Mayor Sorenson, Ald. Mitchell, Heidemann, Ackley, Salazar, Ramey, Rust, Filicky-Peneski, Felde, Dekker, Perrella.

Began 2nd half:

City Attorney Adams, Assistant City Attorney Majerus, City Clerk DeBruin, Mayor Sorenson, Ald. Mitchell, Heidemann, Ackley, Salazar, Ramey, Rust, Filicky-Peneski, Felde, Dekker, Perrella, Jim and Jill (attorneys)

Jim gave brief overview of what should/should not be discussed – advised council that this was not a decision on what outcome there should be. Also advised that this is a high liability situation and told everyone not to discuss outside of room.

Jill gave brief synopsis of the investigation, stating that there was significant evidence that Todd Wolf violated policies and the law and failed to comply with council directives. Also, stated there was evidence that Todd Wolf had a fictional manifestation of blackmail (not credible). Todd Wolf stated there were “different levels of law”. Also, there was significant evidence of communications belittling the mayor and assertions against female council members. Significant evidence for a hearing.

Council 3 options:

1. Hearing? City draft allegations and evidence and witnesses and Todd would do the same (determine cause). Usually in closed session, however Todd can request it be in open session.
2. Terminate with no cause – 6 months pay and benefits
3. Do not pursue and bring Todd back

Discussion occurred, not limited to the impact on employees, the cost to the City, Todd's rights, asking Todd to follow a nondisclosure, City's reputation, reputation of Jamie and Ali (cease and desist from their lawyers).

Council

Mitchell and Heidemann for number 1

Other 8 – for number 2

Decision to hold Special council meeting where all council members could be present. Monday, January 9 immediately following Finance and Personnel.

Attorney's office will draft Resolution and agenda will be posted by Friday.

Adjourn at 9:06 Ackley/Filicky-Peneski. All ayes.