

SPECIAL REGULAR SESSION
Thursday, May 15, 2014, 5:00 p.m.
Casper City Hall
Council Chambers

AGENDA

1. Resolution Calling for Resignation of Councilman Craig Hedquist Based on Violation of the Code of Ethics

CITY OF CASPER RESOLUTION NO. ____

A resolution calling for the resignation of Councilman Craig Hedquist for violating the Council Code of Ethics based on compelling testimony and exhibits presented at an informal hearing held April 29, 2014.

WHEREAS, Craig Hedquist is a member of the City of Casper City Council and represents the City and Council in his public activities; and

WHEREAS, it is the duty of all City Council members to not use the office for public benefit, to not engage in conflicts of interest, and to preserve the dignity of their office in a manner that reflects the stature of the office of a City Councilman; and

WHEREAS, Craig Hedquist used his position as Councilman in order to obtain labor and services from City personnel for his own personal convenience and/or profit by requesting information concerning construction works by City employees designed to gain a competitive advantage under the guise of City efficiency (even though not submitting any suggestions or feedback to the City); and

WHEREAS, City Councilman Craig Hedquist engaged and continues to engage in a conflict of interest by participating in various transactions representing himself to be a Councilman and representing Hedquist Construction Company, Inc. to gain additional work for Hedquist Construction Company, Inc.; to then complain about the scope of work when not advantageous to Hedquist Construction Company, Inc.; and, to utilize his position to conduct or participate in meetings with the Public Works Department and City Engineer Department to berate staff and attempt to control the scope of construction projects for the City of Casper for the apparent benefit of Hedquist Construction Company, Inc.; and

WHEREAS, a City Councilman is to conduct both his/her private and public affairs in a manner to maintain the confidence of the public and not to be a source of embarrassment. Despite the Code of Ethics, Councilman Hedquist has engaged in a pattern of verbally abusing staff, including condescending comments and name-calling, among other misconduct that includes threats to one City employee.

NOW, THEREFORE:

BE IT HEREBY RESOLVED by the City Council of the City of Casper that Craig Hedquist resign in order to promote the best interests of the City of Casper.

DATED this ____ day of _____, 2014.

TO THE CITY COUNCIL OF THE CITY OF CASPER, WYOMING

PRESENTATION OF FINDINGS ON CONFLICT OF INTEREST INVESTIGATION
CONCERNING COUNCILMAN CRAIG HEDQUIST

1. On December 23, 2013, Mr. Hedquist invited the press to hear a statement from him which began, "I call this press conference to speak directly to the citizens of Casper, whom I represent." In defense of his conduct, he said that he wants "to ensure that the City of Casper is spending the taxpayer's money properly ... surely a little accountability on the part of the City is not too much to ask."

We all agree with that, but the cause of the present controversy is that when Mr. Hedquist claims that as a councilman he is representing the taxpayer, he is most often advocating for the financial advantage of his own company, Hedquist Construction, Inc.

This conclusion is reached from numerous, often belligerent and belittling, confrontations by Mr. Hedquist with City representatives whose job it is to assure that the work of Hedquist Construction, Inc. is completed on time and in a good and workmanlike manner according to agreed plans and specifications.

When a City Council member, who is also the City's largest public projects contractor, describes Public Services' staff members as idiots, lectures them on their incompetence, erupts with expletives during discussions of payment and performance issues, and asks "Do you know who is talking to you?," as Mr. Hedquist has done, it is certain that he expects this intimidation to benefit his company. When the employees have been judged unworthy of their position by the Council Member, he expects them to seek his favor to protect their careers. That is an impermissible conflict of interest and a violation of the City of Casper Code of Ethics.

2. From 2006, until Mr. Hedquist was elected to the City Council, his company was awarded construction projects worth approximately \$26,000,000.

3. For work to be completed in 2013, while Mr. Hedquist was a sitting Council Member, his company had projects to complete with approved change orders valued at \$7,291,247.

4. A conflict of interest arises when a public official has an interest not shared in common with other members of the public. *Meyer v. M.W. Red Bank, LLC*, 951 A.2d 1060 (N.J. Super. 2008). We all share the common interest for governmental financial accountability and integrity which Mr. Hedquist claims to promote as a Council Member. However, we do not share his interest in promoting the profits of his company.

5. Courts throughout the history of the common law have required that public officials serve unencumbered by private concerns. This rule requires that the public official act as a trustee of the common good and always occupy that position free from the dictates of any interest that may conflict with the obligations of the trust. *City of Raymond v. Runyon*, 367 P.2d 19, 24 (Wash. 1998).

6. The Wyoming Supreme Court has ruled:

Wyoming statutes prohibit conflicts of interest by a public officer or employee on public works, contracts, or office appointments. A public officer or employee violating these statutes is subject to removal from office and criminal prosecution. Further, a violation of Wyo. Stat. Ann. § 15-1-127(a) will cause the contract to be declared null and void. For conflict of interest issues other than those arising from public works or contract and governed by statute, public policy generally prohibits identified conflicts of interest on any matter that may undermine public confidence in the integrity of public officials. We have noted that the reason for the rule is:

It is a well-established and salutary doctrine that he who is intrusted [sic] with the business of others cannot be allowed to make such business an object of pecuniary profit to himself. This rule does not depend on reasoning technical in its character, and is not local in its application. It is based upon principles of reason, of morality, and of public policy. It has its foundations in the very constitution of our nature, for it has authoritatively been declared that a man cannot serve two masters, and is recognized and enforced wherever a well-regulated system of jurisprudence prevails. The law will in no case permit persons who have undertaken a fiduciary character or a charge to change or invert that character by leaving it and acting for themselves in a business in which their character binds them to act for others. The application of the rule may in some instances appear to bear hard upon individuals who have committed no moral wrong; but it is essential to the keeping of all parties filling a fiduciary character to their duty, to preserve

the rule in its integrity, and to apply it to every case which justly falls within its principle.

Kroenlein v. Eddington, 35 P.3d 1207 (Wyo. 2001) (internal citations omitted).

7. Expressions like those above “are merely declaratory of the common law doctrine and applied to all public offices, including municipal officers” “The general rule is that there should be strict enforcement of conflict of interest statutes so as to provide a strong disincentive for officers who might be tempted to take personal advantage of their public office.” 3 Eugene McQuillin, *Municipal Corporations*, § 12:173.22.

8. Wyo. Stat. § 16-6-118 provides in applicable part:

(a) It is unlawful for any person ... holding any office, ... to become in any manner interested ... in any contract ... in the making or letting of which the officer may be called upon to *act* or vote.

...

Any contracts made or procured in violation of this subsection are null and void and the person violating this subsection shall be removed from office.

(b) Notwithstanding Subsection (a) above, if any person is interested in any public contract ... but shall disclose *the nature and extent thereof* to all the contracting parties concerned therewith and shall absent himself during the considerations and vote thereon and not attempt to influence any of the contracting parties and not act directly or indirectly for the governing body in inspection, operation, administration or performance of any contract, then the acts are not unlawful under this section.

9. Wyo. Stat. § 15-1-127 provides:

(a) No qualified member of the governing body ... may receive any monetary or other economic benefit from any contract to which the City or Town or anyone for its benefit is a party. The obligation on the part of the City or Town is void and any contract in which a monetary ... benefit will be received by a qualified member of the governing body ... who does not comply with Subsection (b) of this section. Any money paid on the contract may be recovered by the City or Town.

(b) Subsection (a) of this section does not apply to any qualified member of a governing body or any member of that qualified member's immediate family who may receive any monetary or other economic benefit from any contract made by the governing body if the qualified member complies with the following:

(i) The qualified member:

(A) Shall not participate in the consideration or discussion relating to the contract;

(B) Shall not attempt to influence the other members of the governing body in any way relating to the contract;

(C) Shall reveal the nature and extent of any monetary or other economic benefit he or any member of his immediate family may receive to the other members of the governing body prior to consideration of the contract;

(D) Shall not vote on the matter of granting the contract;

(E) Shall absent himself during the consideration, discussion and vote on the contract; and

(F) Shall not act, directly or indirectly, for the governing body in inspection, operation, administration or securing performance under the contract in which he or any member of his immediate family may receive any monetary or other economic benefit.

10. The Casper Wyoming Code of Ordinances Title 2, Chapter 2.60, Public Service Code of Ethics is attached as Exhibit 1 and incorporated herein by reference. In part, the Code provides

§ 2.60.060A:

Any councilman or other official or employee who has a substantial or controlling financial interest in any business entity, transaction or contract with the city, or in the sale of real estate, materials, supplies or services to the city, shall disclose such interest in any matter on which they may be called to act in their official capacity. They shall refrain from voting upon or otherwise participating in the transaction or the making of such contract or sale.

§ 2.60.020 requires government decisions and policy to be made in the proper channels of the governmental structure; that public office not be used

for personal gain; and that the public have confidence in and respect for the integrity of its government.

§ 2-60.030(A) recognizes that regardless of personal considerations, public interest must be the office holder's primary concern, and that their conduct in both their official and private affairs should be above reproach.

§ 2.60.030(B) provides that Council Members should not be a source of embarrassment to the city and should avoid even the appearance of both actual and potential conflict between their public duties and private interests.

THE CONDUCT OF MR. HEDQUIST WHICH VIOLATED CONFLICT OF INTEREST PROHIBITIONS.

11. Exhibits 2, 3 and 4 are the Contract Daily Diary of Associate Engineer Jason Knopp describing his contacts with Craig Hedquist on May 29, 30 and 31, 2013 concerning earthwork being done by Hedquist Construction, Inc. at the Water Treatment Plant. During the course of this work, Mr. Hedquist called Mr. Knopp an idiot and claimed that certain work required by Knopp was unnecessary.

12. On June 14, 2013, Mr. Hedquist met at City Hall with Public Services Director, Rick Harrah, City Manager John Patterson, City Engineer, Andrew Beamer, and Scott Baxter, Associate Engineer, about the 2013 Arterial/Collector Streets – West project. Mr. Hedquist was angry and upset at the amount of concrete that needed to be replaced on Indian Paintbrush. He was most unhappy with replacing small sections and not replacing large amounts of concrete, which would have increased the cost of the project. Mr. Hedquist said that he was speaking not only as a City Councilman but as a representative of his constituents in Paradise Valley. See Exhibit 5. Also see Exhibit 6, page 2 for Rick Harrah's notes on the same incident.

13. In July, 2013, Jason Knopp attended a meeting about the same project with Mr. Hedquist, at which Mr. Hedquist said, "I can do anything I want to around here."

14. On August 5, 2013, Mr. Hedquist had confrontations with various members of the Public Services Department, which resulted in preparation of the memoranda attached as Exhibits 7 through 11. It is also described on page 2 of Exhibit 6.

Mr. Hedquist was angry and upset because a contractor on a School District project was working at a location where Mr. Hedquist wanted to be working the same day. He called on the phone and asked to speak with Andrew Beamer. He was told that Mr. Beamer was on vacation. He asked to

Speak with Mr. Harrah and was told that he was not in the building. Then he asked to speak with Assistant Public Services Director, Peter Meyers, and responded that Mr. Meyers was a dumbshit. Exhibit 7. Mr. Hedquist then came to the City Hall and demanded attention. He met with Building and Code Enforcement Manager Doug Barrett, Jason Knopp and Peter Meyers.

Mr. Hedquist used the occasion to give a wide-ranging lecture to the Engineering Department about the low quality of their work, the proper relationship between an engineer, owner and contractor, about unreasonable timelines provided by the City and unreasonable claims for liquidated damages.

In all these items, he was clearly arguing the economic position of Hedquist Construction, Inc. to the detriment, or potential detriment, of the City.

Mr. Harrah concluded that "Councilman Hedquist is trying to leverage his position as a Councilman to get back at a rival contractor."

According to Mr. Knopp, who tried to pacify Mr. Hedquist, Hedquist was flaming mad, threatening to withdraw warranties, that the City was clueless and that he absolutely fed up with asking questions and getting the "deer in the headlights look" every time he demands an answer. He said it's "bullshit" he can't get hold of the City Engineer or Project Engineer without calling the office and leaving messages.

15. On August 20, 2013, Liz Becher, Director of Planning and Community Development, Andrew Beamer, City Engineer, David Hough, Special Projects Coordinator of Planning and Community Development, Scott Baxter, Rick Harrah and Pete Meyers were meeting about a striping issue on College Drive. About 30 minutes into the meeting, when a consensus had been reached, Mr. Hedquist simply walked in on the meeting. The decision of the striping design was explained to him. He described the situation as ridiculous, unprofessional and delivered a stinging criticism of many aspects of the staff's performance and claimed that the City was not treating him fairly in the administration of his contract. See Exhibits 12 and 13. See also, Exhibit 6, p.3.

16. On August 28, 2013, at a weekly progress meeting on the Casper Zone II/III Water Improvement Project, Mr. Hedquist erupted angrily at Andrew Beamer. See Exhibit 14. Mr. Beamer made a Workplace Violence Complaint against Mr. Hedquist which resulted in a finding that the complaint was substantiated after an able and extensive investigation and report by Kathleen Dixon, which is incorporated herein by reference.

In the course of the August 28, 2013 Workplace Violence event, which was tape-recorded by Mr. Beamer, just after Mr. Hedquist had challenged Mr. Beamer to stand up and fight, this exchange occurred:

Hedquist: Yeah, yeah, the only part of the contract that you even comprehend is the side that I have to ...

Beamer: That's not true, Craig.

Hedquist: Yeah.

Beamer: But you know we can have this discussion another time.

Hedquist: We will have this discussion, I promise you.

Beamer: I'm sure we will.

Hedquist: Yeah.

Beamer: I guess we may as well just have our private conversation now, if that's what you want, a private conversation.

Hedquist: Yeah, let's have it.

Beamer: Okay.

...

Hedquist: Do you know who is talking to you?

This is an obvious and overt reference to Mr. Hedquist's position on the City Council. A complete transcript and audio recording are attached as Exhibit 18.

17. In his capacity as Councilman/Contractor, Mr. Hedquist has the occasion to negotiate change orders beneficial to his company.

Exhibit 15 is a Change Order for the 2013 Arterial/Collector Streets – West providing an additional \$67,804 of work for Mr. Hedquist.

Exhibit 16 is a Change Order for the Casper Youth Baseball Project for a net increase for Mr. Hedquist's company of \$85,920.

Exhibit 17 is a Change Order negotiated by Mr. Hedquist in the Casper Youth Baseball Project for a 15 day extension in the substantial completion

and final completion dates. This Change Order constitutes a contract entered into by Mr. Hedquist's company with the City of Casper without Council approval.

18. Beginning as early as March 13, 2013, Mr. Hedquist began to request from the City confidential and proprietary cost and payment data for repair work done by City of Casper crews and equipment. This information would be particularly helpful to Mr. Hedquist on competitive bidding, and it is believed that he used City data in preparing bids for Hedquist Construction, Inc.

On August 27, 2013, Mr. Hedquist requested "job costing information for work the City of Casper performed on Aster Street this year, including but not limited to asphalt, diamonds for valve boxes and manholes, crack sealing and traffic control. Please include copies of backup documentation such as time cards, job journals that will help show a method of arriving at job costs." Responses were made to many of Mr. Hedquist's demands at considerable expense, which was not charged to him. The information would not have been provided on the same basis to any other citizen. Nevertheless, Mr. Hedquist complained in a Council meeting on or about September 26, 2013 that he hadn't received a response to any of the letters he sent requesting this information.

19. Mr. Hedquist also sought a competitive advantage by seeking and obtaining appointment in January 2013 to the Metropolitan Planning Organization, which is the primary planning group for transportation projects in Natrona County.

20. When matters affecting the financial interest of Hedquist Construction, Inc. have come on before the Council for a vote or approval, Mr. Hedquist has abstained from voting but has not disclosed the nature and extent of his interest, and has not been absent during considerations and vote on the subjects as required by Wyo. Stat. § 16-6-118 and § 15-1-127.

AVAILABLE SANCTIONS

§ 2.60.100 of the Code of Ethics, Exhibit 1, provides in part:

- A. Failure to comply with this chapter constitutes improper conduct.
- B. As it relates to city employees, upon the complaint of any person alleging facts, which, if true would constitute improper conduct under the provisions of this chapter, the employee may be disciplined up to and including termination, pursuant to the city's personnel rules and regulations and any other applicable rules, regulations or law.

- C. Violation of any provisions of this code of ethics should raise conscientious questions for the councilman or other official or employee concerned as to whether voluntary resignation or other action is indicated to promote the best interests of the city. Violation by any appointed official, employee or councilman, may result in discipline up to and including termination or constitute a reason for suspension, removal from office or employment or other disciplinary action at the discretion of the appointing authority.

RESPECTFULLY submitted this 25th day of April, 2014.



W.W. Reeves, #4-1120
Anna Reeves Olson, #6-3692
PARK STREET LAW OFFICE
242 So. Park Street
Casper, Wyoming 82601
(307) 265-3843
(307) 235-0243 *facsimile*

Attorneys for John Patterson

CERTIFICATE OF SERVICE

The undersigned does certify that a true and correct copy of the foregoing was correctly addressed and served in the following manner on this 25th day of April 2014.

Michael Lansing
Tom Valdez
Frank Chapman
125 W. Second Street
PO Box 2710
Casper, WY 82602
307-237-0357
mlansinglaw@gmail.com

- U.S. Mail
- Hand Delivered
- Facsimile
- Email

Attorneys for Respondent Hedquist

Judith Studer
Schwartz, Bon, Walker, & Studer, LLC
141 South Center Street, Suite 500
Casper, Wyoming
82601-2588
307.235.6681 (phone)
307.234.5099 (fax)

- U.S. Mail
- Hand Delivered
- Facsimile
- Email

Attorneys for City of Casper



W.W. Reeves

EXHIBIT 1

Chapter 2.60 PUBLIC SERVICE CODE OF ETHICS

Sections:

[2.60.010 Designation of provisions.](#)

[2.60.015 Definitions.](#)

[2.60.020 Established—Purpose.](#)

[2.60.030 Standards for conduct of duties.](#)

[2.60.040 Work and performance standards—Exceeding authority.](#)

[2.60.050 Preferential treatment prohibited—Use of public property.](#)

[2.60.060 Conflict of interest.](#)

[2.60.080 Political activity.](#)

[2.60.090 Applicability—Advisory opinions.](#)

[2.60.100 Enforcement—Violation—Penalty.](#)

2.60.010 Designation of provisions.

The provisions of this chapter shall be designated as the "code of ethics for the city of Casper, its employees and public officials."

(Ord. 21-02 § 1, 2002; prior code § 2-61)

2.60.015 Definitions.

The terms used in this chapter are defined as follows:

- A. "Business" means a corporation, partnership, sole proprietorship, firm, organization or other legal entity engaged in buying, selling or exchanging commodities or services.
- B. "Confidential information" means information which, by law or practice, is not available to the general public.
- C. "Employee" means every appointed, classified or unclassified, full-time or part-time employee of the city who receives compensation in the form of a salary or wage.
- D. "Financial interest" means any interest which yields, directly or indirectly, a monetary or other material benefit (other than the duly-authorized salary or compensation for services to the city) to the employee or to any person employing or retaining the services of the employee.
- E. "Personal interest" means any interest arising from blood, marital or adoptive relationship, whether or not any financial interest is involved.
- F. "Public official" or "official" means:
 - 1. Every elected councilman; and
 - 2. Appointed board or commission member.

(Ord. 21-02 § 2, 2002; Ord. 39-00 § 1, 2000)

2.60.020 Established—Purpose.

The proper operation of democratic local government requires that public officials and employees be independent, impartial and responsible to the people; that government decisions and policy be made in the proper channels of the governmental structure; that public office not be used for personal gain; and that the public have confidence in and respect for the integrity of its government. In recognition of these goals, there is established a code of ethics for all officials and employees, whether elected or appointed, paid or unpaid, full-time or contractual. The purpose of this code of ethics is to establish ethical standards of conduct for all such officials and employees by setting forth those acts or actions that are incompatible with the best interests of the city and by directing disclosure by such officials and employees of private financial or other interests in matters affecting the city. The provisions and purpose of this code of ethics and such rules and regulations as may be established are declared to be in the best interests of the city.

(Ord. 21-02 § 3, 2002; Ord. 39-00 § 2, 2000: prior code § 2-62)

2.60.030 Standards for conduct of duties.

- A. Public officials and employees are agents of public purpose and hold office for the benefit of the public. They are bound to uphold the Constitution of the United States and the Constitution of Wyoming and to carry out impartially the laws of the nation, state and municipality and thus to foster respect for city government. They are bound to observe in their official acts the highest standards of morality and to discharge faithfully the duties of their office regardless of personal considerations, recognizing that the public interest must be their primary concern. Their conduct in both their official and private affairs should be above reproach.
- B. Public officials and employees shall conduct their official duties with integrity, impartiality and in the public interest. They shall also conduct both their official and private affairs so as not to give a reasonable basis for the impression that any such official or employee can be improperly influenced in the performance of their official duties. Such official or employee shall conduct themselves as to maintain public confidence in their public trust and in the city. They should not be a source of embarrassment to the city and should avoid even the appearance of both actual and potential conflict between their public duties and private interests.
- C. Disclosure of Confidential Information. No councilman or other official or employee shall, without proper legal or council authorization, disclose confidential information concerning any city official, employee or any other person, the property or any government affairs of the city. Nor shall they use such information to advance the financial or other private interests of themselves or others. This provision does not pertain to "public records" as defined by state law.
- D. Gifts and Favors. No councilman or other official or employee, as a result of holding such office or position, shall accept any gift, loan, service, certificate, plaque, commemorative token, gratuity, special discount, or item with a value in excess of two hundred fifty dollars from any person, firm or corporation. The provisions and definitions of Wyoming Statutes Section 9-13-101 et. seq. regarding "Government Ethics" relating to the receipt of gifts by public officials, as they may, from time to time be amended shall apply to city councilmen, officials, and employees, said provisions being incorporated herein at this point as if fully set forth.

(Ord. 21-02 §§ 4, 5, 2002; Ord. 39-00 § 3, 2000: prior code § 2-63)

2.60.040 Work and performance standards—Exceeding authority.

Appointed officials and employees should not exceed their authority or breach the law or ask others to do so, and they should work in full cooperation with other public officials and employees unless prohibited from so doing by law or by officially recognized confidentiality of their work.

2.60.050 Preferential treatment prohibited—Use of public property.

- A. Interest in Appointments. A candidate for advancement or promotion within the municipal service shall not directly or indirectly solicit any member of the city council to obtain preferential treatment in connection with the advancement or promotion. This prohibition does not apply to positions filled by appointment of the city council.
- B. Use of Public Property. No official or employee shall request or permit the use of publicly-supported property, city-owned vehicles, equipment, materials, labor or service for personal convenience or profit, or the private advantage of themselves or any other person. This rule does not prohibit an official or employee from requesting, using or permitting the use of such publicly-owned or publicly-supported property, vehicles, equipment, materials, labor or service which is made available to the public at large, or by stated public policy for the use of officials or employees in the conduct of city business, or which is provided as a matter of contract.
- C. Obligations to Citizens. No official or employee shall grant any special consideration, treatment, advantage or favor to any citizen beyond that which is available to the public at large, or which is available to every other citizen.

(Ord. 21-02 §§ 7, 8, 2002: Ord. 39-00 § 4, 2000: prior code § 2-65(a), (b), (c))

2.60.060 Conflict of interest.

- A. Subject to the disclosure requirements of this section, no councilman or other city official or employee, either on his or her own behalf or on behalf of any other person, whether paid or unpaid, shall engage in any business or transaction or shall have any financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of his or her official duties in the public interest or would tend to impair his or her independence of judgment or action in the performance of his or her official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business or political association.

Any councilman or other official or employee who has a substantial or controlling financial interest in any business entity, transaction or contract with the city, or in the sale of real estate, materials, supplies or services to the city, shall disclose such interest in any matter on which they may be called to act in their official capacity. They shall refrain from voting upon or otherwise participating in the transaction or the making of such contract or sale.

A councilman or other official or employee shall not be deemed interested in any contract or purchase or sale of land or other thing of value unless such contract or sale is approved, awarded, entered into or authorized by him or her in their official capacity.

A councilman who has a financial or other private interest in any action, matter, or legislation pending before council shall disclose on the records of the council or other appropriate authority the nature and extent of such interest. This provision shall not apply if the councilman disqualifies him or herself from voting on any such matter or action, and recuses himself or herself from the chamber while such matter or action is pending.

- B. No employee, either on his or her own behalf, or on behalf of any other person, shall have any financial or personal interest in any business transaction with the city unless he or she first makes full public disclosure of the nature and extent of such interest. An employee who has a financial or personal interest which he or she believes, or has reason to believe, may be affected by an official act made while within the scope of his or her employment or duties, shall

make full public disclosure of the precise nature and value of such interest. The disclosure shall be made in writing to the city clerk at the time the conflict first occurs. An employee shall inform his or her department head of any such financial or personal interest at the time he or she acquires it. Information contained in written disclosures, filed with the city clerk, except for the valuations attributed to the reported interest, shall be made available by the city clerk for public inspection; provided, however, the valuation shall be confidential. The filing of disclosures pursuant to this section is a condition of entering upon and continuing in city employment.

Whenever the performance of a city employee's duty requires such said employee to make any decision upon any matter involving his or her financial or personal interest, he or she shall publicly disclose the nature and extent of such interest, after which he or she may only proceed with the permission of the city manager or shall disqualify himself or herself from participating in the decision. "Participation in a decision" includes discussions and deliberations leading up to a decision.

C. Any official or employee who has a financial or other personal interest, direct or indirect, which is incompatible with the proper discharge of his or her official duties in the public interest or would tend to impair his or her independence of judgment or action in the performance of his or her official duties, and who participates in discussion with or gives an official opinion to the council, shall disclose on the records of the council or other appropriate authority the nature and extent of such interest.

D. Specific conflicts of interest are enumerated below for the guidance of officials and employees:

1. Incompatible Employment. No councilman, official, or employee shall engage in private employment when such employment is incompatible with, or give the appearance of incompatibility with, the proper discharge of their official duties, or would tend to impair their independence of judgment or action in the performance of their official duties.

In the case of a city employee, he or she shall first make full and public disclosure of the nature and extent of such employment and receive written permission from the city manager to engage in such employment. Other city restrictions concerning private or outside employment of city employees shall not be affected by this provision.

2. Repealed.

3. Repealed.

4. Representing Private Interests Before City Agencies or Courts. No councilman or other official or employee shall appear on behalf of private interests before any agency of the city. He or she shall not represent private interests in any action or proceeding against the interests of the city in any litigation to which the city is a part. A councilman may appear before city agencies on behalf of constituents in the course of their duties as a representative of the electorate or in the performance of public or civic obligations. However, no councilman or other official or employee shall accept a retainer or compensation that is contingent upon a specific action by a city agency.

5. Repealed.

(Ord. 21-02 § 10, 2002; Ord. 39-00 § 5, 2000; prior code § 2-66)

2.60.080 Political activity.

A. No city appointive official or employee shall use the prestige of his position in behalf of any political party.

B. A city appointive official or employee shall not use public funds, time, personnel, facilities or equipment for political or campaign activity unless the use is:

1. Authorized by law; or

2. Properly incidental to another activity required or authorized by law and the public official, public employee or public member allocates or reimburses the city for any additional costs incurred for that portion of the activity not required or authorized by law.
- C. No city official or employee, whether elected or appointed, shall promise an appointment to any municipal position as a reward for any political activity.

(Ord. 21-02 § 11, 2002: prior code § 2-67)

2.60.090 Applicability—Advisory opinions.

When a councilman or other official or employee has doubt as to the applicability of a provision of this code of ethics to a particular situation, they shall apply to the city attorney for an advisory opinion and be guided by that opinion when given. The councilman or other official or employee shall have the opportunity to present their interpretation of the facts at issue and of the applicable provision of this code of ethics before such advisory decision is made. This code of ethics shall be operative in all instances covered by its provisions except when superseded by an applicable statutory, city code provision or policy, and statutory or city code action is mandatory, or when the application of a statutory or city code provision is discretionary, but determined to be more appropriate or desirable.

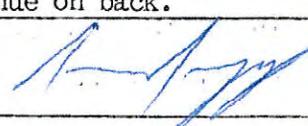
(Ord. 21-02 § 12, 2002: prior code § 2-68)

2.60.100 Enforcement—Violation—Penalty.

- A. Failure to comply with this chapter constitutes improper conduct.
- B. As it relates to city employees, upon the complaint of any person alleging facts, which, if true would constitute improper conduct under the provisions of this chapter, the employee may be disciplined up to and including termination, pursuant to the city's personnel rules and regulations and any other applicable rules, regulations or law.
- C. Violation of any provisions of this code of ethics should raise conscientious questions for the councilman or other official or employee concerned as to whether voluntary resignation or other action is indicated to promote the best interests of the city. Violation by any appointed official, employee or councilman, may result in discipline up to and including termination or constitute a reason for suspension, removal from office or employment or other disciplinary action at the discretion of the appointing authority.

(Ord. 39-00 § 6, 2000: prior code § 2-69)

EXHIBIT 2

CONTRACT DAILY DIARY				Job or Contract Number: <p style="text-align: center;">10-09</p>			
				Project: <p style="text-align: center;">WTP Earthwork</p>			
Date: <p>5/29/13</p>		Work Period: <p>8 a.m. 5 p.m.</p> <p> a.m. p.m.</p>		Name and Address of Contractor: <p>Hedquist Construction</p>			
Weather (Rain, Snow, <u>Cloudy</u> , Windy, etc.)							
Temperature: Hi Low							
Ground Conditions: <p>Dry</p>				Contractor's On-Job Representative:			
No. Contractor's Men by Job Categories: <p>Hedquist 3 to 4 Men</p> <p>Craig</p> <p>Dan</p> <p>Bob</p> <p>Truck Driver</p>				No. Subcontractor's Men by Job Categories: <p>NA</p>			
Contractor's Equipment of Job:							
Type and Size	No. Units	Working		Type and Size	No. Units	Working	
		Yes	No			Yes	No
450 Excavator	/	X					
Water truck	/						
Narrative Report on Status of Contract Work:							
<p>Include brief description of work in progress by item number and contractor's performance. Describe any difficulties or unforeseen developments, actions taken, persons contacted, or recommended actions.</p>							
<p>8:50 - AM → Call from Tim Rail with Craig in his office. Tim wants to know if the fill dirt will go over the new water line (12"). I told him yes the bottom part of the slope will. Craig wants to know why we are taking out 3' of good material and he doesn't want to waste his time. They ask me to come out on site to discuss the material.</p>							
<p>9:20 AM - I show up on site with plans and geotech report. Craig, Dan (Hedquist paving foreman), Rob (Hedquist), Hedquist truck driver and Tim Rail (City) standing in the SE corner of construction pad. Craig tells me he took 3 samples of the material out there to the lab and all results say it was basically "S" base. I noticed a couple 4" deep holes in the area indicating where</p>							
<p>Note: When additional space is needed or other pertinent facts are to be recorded, continue on back.</p>							
Signature: 				[Jason Knopp]			

CONTRACT DAILY DIARY
(continued)

Contract Number:

Project:

Date: _____ Page _____ of _____

Narrative Report on Status of Contract Work (Continued)

they sampled. Craig tells me "You an idiot if you think I should haul this good material out and bring the exact same stuff back". Dan tells me ~~the~~ the material on site looks just like road base, hard. I say "You can't tell me that the material on the surface is the same 2 feet down" Craig says "they just put in the water line and stirred up the material so this is representative of whats below." At this time I read him the geotech report (Tetra Tech Geotechnical Engineering Study February 22, 2012) ~~from~~ from the subsurface conditions section. Silt to silty clay overlying poorly graded sand. I said there is no way you can guarantee me that the material under this whole foot print is uniform and consistent. Craig tells me he is not going to excavate down he's just going to start bringing in material and build up from the existing surface. I said "No, the best I can do is let you excavate it out, stock pile it and test it every 100 c/y³ and if it ~~it~~ meets the specs he ~~can~~ can put it back and compact it." At this point I tell him to walk the excavator over and take a 2ft scoop and we will see what it looks like. Rob takes a 2 foot deep scoop with the excavator and sets it aside and then jumps in the hole. I look in the hole and say "that all looks like silty material to me." Craig walked away.

I notice a cable still hanging in the way. It first looked like a support cable that got left behind by RMP but after following it into the water garage it looks like a communication line. Need to call century link.

Status of Testing Services:

Include brief description of survey work completed, tests and inspections made, and samples taken, etc.

~~3:00 pm~~ 3:00 pm - On site to meet with century link, they tell me it is not there cable contact optimum. Cable looks like it will be in the way once pad comes up in elevation

4:00 pm - Phone call from Craig Hedqvist. Tells me he is not going to deal with the arrangement with the treatment plant and the back gates. Craig tells me he got there at 8:00 signed in and had to wait for some to wander

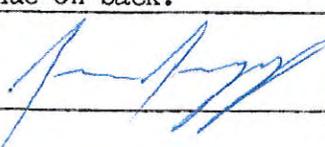
Deficiencies to be Followed Up:

to the front desk so he could get the gate open and he is not going to deal with it. He wants a key. I tell him he is not getting a key, this arrangement is what was discussed at the pre-bid I'll have a talk with Brian (City). Craig tells me that's not good enough. I say "I'll talk with Brian and I will get back to you" as Craig hangs up the phone as I'm finishing my sentence.

Official Visitors to Job Site:

4:15 pm - I call Brian, he agrees to just have the gate open at 7am
4:20 pm - I call Craig, tell him the gate will be opened at 7am every weekday. Craig seem to accept that.

EXHIBIT 3

CONTRACT DAILY DIARY				Job or Contract Number: <p style="text-align: center;">10-09</p>			
				Project: <p style="text-align: center;">WTP Earthwork</p>			
Date: 5/30/13		Work Period: 8 a.m. 5 p.m. a.m. p.m.		Name and Address of Contractor: Hedquist Construction			
Weather (Rain, Snow <u>Cloudy</u> , Windy, etc.)							
Temperature: Hi 65 Low High 90's							
Ground Conditions: dry, small shower around 3 pm				Contractor's On-Job Representative:			
No. Contractor's Men by Job Categories: Craig - off and on Bob Truck Driver (labor)				No. Subcontractor's Men by Job Categories:			
Contractor's Equipment of Job:							
Type and Size	No. Units	Working		Type and Size	No. Units	Working	
		Yes	No			Yes	No
450 Excavator	1	X					
side dumps	4	X					
sheeps foot roller	1	X					
Narrative Report on Status of Contract Work:							
Include brief description of work in progress by item number and contractor's performance. Describe any difficulties or unforeseen developments, actions taken, persons contacted, or recommended actions.							
11:00 Am - On Site, they have 75% of the material excavated and the first truck of "J" base is coming. I call Ground Engineering (Jeff) they can have someone on-site by 2:30 pm.							
11:30 Am - call optimum, I need more info like IP address or ID before they will do anything. I talk to Chad Edwards (City IT) He will get me something today.							
2:45 PM - Meet Peter (Ground Engineering) on site. He has been there 15 min. and they tell him the subgrade is covered and he might as well test it by							
Note: When additional space is needed or other pertinent facts are to be recorded, continue on back.							
Signature: 				[Jason Knopp]			

CONTRACT DAILY DIARY
(continued)

Contract Number:

Project:

Date: _____ Page _____ of _____

Narrative Report on Status of Contract Work (Continued)

his truck, it will be about the same thing. I tell Rob I need two spots and I point out where. He scrapes 10" or so of "J" base to the subsurface one spot, in the middle of pad towards the North, the second in the SE corner of pad. As Peter is calibrating the nuke Hedquist water truck backs down into the pad and along the south edge of the pad. As the truck get to the SE corner it sinks into the subgrade and gets stuck. I tell Craig as it happens It doesn't look like you meet compaction in that corner. Craig says "That's because we don't have "J" base in over there." I say "The sub base needs to be 95% that doesn't look like 95%." Peter takes the two tests and pulls a sample from each spot. I tell Craig again that corner is too wet and the test in that corner is not going to come back passing. Craig tells me he will dig down and retest it at the end and it will pass. Peter took a sample of the "J" base.

Materials Delivered - Contractor and Owner Furnished Property:

4:30 PM - three compaction tests on the "J" base each about a foot above the subgrade. The nuke test showed a results in the 132 range which should be good but we won't know until tomorrow or Monday.

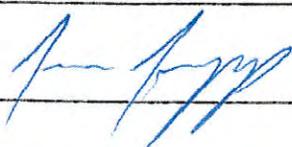
Status of Testing Services:

Include brief description of survey work completed, tests and inspections made, and samples taken, etc.

Deficiencies to be Followed Up:

Official Visitors to Job Site:

EXHIBIT 4

CONTRACT DAILY DIARY				Job or Contract Number: <u>10-09</u>			
Date: <u>5/31/13</u>				Project: <u>WTP Earthwork</u>			
Work Period: <u>8</u> a.m. <u>5</u> p.m.				Name and Address of Contractor: <u>Hedquist Construction</u>			
Weather (Rain, Snow, <u>Cloudy</u> , <u>Windy</u> etc.)							
Temperature: Hi <u>54</u> Low <u>Low 40's</u>							
Ground Conditions: <u>Dry</u>							
No. Contractor's Men by Job Categories:				No. Subcontractor's Men by Job Categories:			
<u>Bob Davis - Running Roller</u>							
<u>Truck Driver</u>							
<u>Craig - off and on</u>							
<u>4 side dumps</u>							
<u>1 dump truck</u>							
Contractor's Equipment of Job:							
Type and Size	No. Units	Working		Type and Size	No. Units	Working	
		Yes	No			Yes	No
<u>Sheeps foot</u>	<u>1</u>	<u>X</u>					
<u>450 excavator</u>	<u>1</u>		<u>X</u>				
<u>Water truck</u>	<u>1</u>	<u>X</u>					
<u>4 side dumps</u>	<u>4</u>	<u>X</u>					
<u>Dump truck</u>	<u>1</u>	<u>X</u>					
Narrative Report on Status of Contract Work:							
<p>Include brief description of work in progress by item number and contractor's performance. Describe any difficulties or unforeseen developments, actions taken, persons contacted, or recommended actions.</p> <p><u>9:00 AM - Meet with Mike (Optimum) on site to look at FO line. Mike thinks they can relocate the Fiber with out splicing. Look at moving it today or monday</u></p> <p><u>10:20 AM - meet with Jeff (Ground) for compaction tests took three tests. All tests look consistent. Should have proctors 6/1/13.</u></p> <p><u>1:00 PM - meet with Jeff (Ground) for compaction tests. Took two test. All tests look consistent. Optimum is on-site moving FO line.</u></p> <p><u>4:30 PM - Meet with Jeff (Ground) for compaction tests. Took three tests. Plymore completed the relocate of the FO line.</u></p> <p>Note: When additional space is needed or other pertinent facts are to be recorded, continue on back.</p>							
Signature: 				[Jason Knopp]			

CONTRACT DAILY DIARY
(continued)

Contract Number:

Project:

Date:

Page _____ of _____

Narrative Report on Status of Contract Work (Continued)

Hedquist will be finished on Monday.

Materials Delivered - Contractor and Owner Furnished Property:

Status of Testing Services:

Include brief description of survey work completed, tests and inspections made, and samples taken, etc.

Deficiencies to be Followed Up:

Official Visitors to Job Site:

EXHIBIT 5

INSPECTION REPORT

City of Casper Engineering Division	Date:	6/14/13	Report No.	1
	Day:	Friday	Page:	1 of 1
Project No.: 13-08W Owner: City of Casper Weather: PC Hi: 81 Low: 46 Crew: Hours: Totals:	Project Name: 2013 Arterial/Collector Streets –West Contractor: Hedquist Construction Equipment: Mileage: Other:			

10:30am. This morning we had a meeting at City Hall, including Rick Harrah, John Patterson, Andrew Beamer, Craig Hedquist, and myself. Craig was angry about the amount of concrete that needs to be replaced on Indian Paintbrush. He's most unhappy with replacing small sections and not replacing the large amounts of concrete that are falling or nearly falling. Budget issues and historic philosophy of homeowner responsibility for curbswalk was discussed.

1:00pm. This afternoon Rick Harrah, Andrew Beamer and I met with Craig Hedquist at Indian Paintbrush to view the condition of curbswalks. Rick agreed that this street section should receive more than just minimal curbswalk replacements. Craig said he is an advocate of replacing the curbswalk sections that are cracked, adding that he is speaking not only as a City Councilman, but as the representative of his constituents in the Paradise Valley area. He used Valley Drive as an example of a street that received proper treatment of curbswalk replacements through a City of Casper project.

Later, I marked much larger curbswalk replacements, including time on Friday afternoon and Saturday morning.

Signature *Scott K. Baxter* [Scott Baxter]

EXHIBIT 6



City of Casper
Public Services Department
Casper, Wyoming
82601



August 29, 2013

Dear Mr. Patterson,

I am very frustrated and downright angry that Councilman Hedquist can continuously berate and insult my staff without being held accountable for his actions. I feel I could lose valuable staff if I don't do something about this. I am requesting that Councilman Hedquist cease any further contact with my staff on any level. In my opinion, his rambling and erratic behavior has fostered a hostile working environment in Engineering whereas staff feels obligated to listen to his insults since he is a Councilman. I have never seen such unprofessional behavior from an elected official in my 20 plus years working for the public sector. John, why do I have to subject my staff to such behavior? They shouldn't have to come to work with the expectation that they will be threatened, insulted, and abused. I am asking for your help in this matter.

Yesterday's incident was one of the most appalling. Andrew Beamer and Craig Hedquist (along with several other employees of CEPI, Hedquist Construction, and the city) were at a weekly progress meeting for the Zone II/III Waterline Project. The meeting is supposed to be a discussion of the project, but Councilman Hedquist used it as a venue to complain – again – that the city had been late at filing its progress payments. Andrew, as the City Engineer, was there to hold the contractor accountable for completing the project as designed. Andrew did an exemplary job, and he never surrendered his professionalism. But Councilman Hedquist didn't like being held accountable. He got mad. He asked why he was being held to the contract when no one else was being held to it.

Then he spoke to Andrew and said, "are you going to f—king stand up, bitch?" Andrew said, "What did you say?" and Hedquist said, "You heard me."

I cannot begin to express how angry I am about this incident. I would never stand for anyone to address any of my employees in such a derogatory and threatening manner. To think that we could be addressed in this manner by a contractor, whom we have hired, is absurd and completely unacceptable. Any reasonable person would fire such a contractor immediately. Yet all of this is overshadowed by the fact that Craig Hedquist is a city councilman. We are government employees, and he is the elected official who is charged with overseeing us, our budgets, our policies, and our operation. We are obliged to be respectful of elected officials, but

Fleet Maintenance	Parks	Streets	Public Utilities	Engineering	Solid Waste
1800 E. K Street	1800 E. K Street	1800 E. K Street	200 N. David	200 N. David	200 N. David
307-235-8245	307-235-8281	307-235-8283	307-235-8213	307-235-8341	307-235-8246
Fax-235-8417	Fax-235-8417	Fax-235-8417	Fax-234-0709	Fax-234-0709	Fax-235-7553

I cannot imagine showing anything but contempt for Councilman Hedquist from this point forward. His actions are shameful and reprehensible.

It would be bad enough if this were the only incident of this nature, but it is, in fact, just the latest incident among many that have occurred since he joined the council earlier this year. Here is a short list of some of the most recent documented incidents:

June 14, 2013 – Councilman Hedquist came to the City Manager's Office to complain about the scope of the mill and overlay project on Indian Paintbrush. I was instructed by Mr. Patterson to schedule a meeting with Mr. Hedquist and hear his concerns. I set up an on-site meeting with Scott Baxter, Andrew Beamer, Mr. Hedquist, and myself to talk about what his concerns were on the concrete sections that were marked to date. He made it clear that he was communicating as both a Councilman and a contractor. What I witnessed was Mr. Hedquist demonstrating demeaning behavior directed toward Scott Baxter and Andrew Beamer saying "City staff didn't know what they were doing and we should have the F—king Street Department fix these areas." After that comment I said to Mr. Hedquist "I have never in my professional career seen anyone speak to the owner of a project in the manner to which you spoke to Andrew and Scott." I told him to address staff more appropriately. Against my better judgment, I directed Engineering to identify more cracked concrete in the area and add it to the project. After this was done, Councilman Hedquist complained again, but now he was upset that we had expanded the scope too far. This is clearly an example of Councilman Hedquist using his role as a councilman to influence the work that he is being paid to do as a contractor. Any contractor with a concern about contract scope should be bringing it up at the preconstruction meeting, or at the very least, they should request it through the assigned engineer, not the city manager's office.

August 5, 2013 – Councilman Hedquist came to City Hall on a Monday afternoon, upset that 71 Construction was working on Collins where Hedquist was planning to lay asphalt later that week. There was no real conflict here – 71 had been hired by the school district, they had every right to be there, and they were scheduled to be gone before Hedquist was to begin laying asphalt. Yet Councilman Hedquist came into the office to berate staff about this incident and their failure to prevent this imaginary conflict. Peter Meyers, as my assistant, was in charge of the Public Services Department that day, and he tried to help Craig as would be befitting of a councilman and a contractor. But Councilman Hedquist chose to insult him by saying that Pete "doesn't know sh-t" and that he "should step up if he wants to be a big public works guy." Councilman Hedquist also chose this time to say that he knew it was the president of 71 who had complained about Hedquist's failure to meet construction deadlines, and he followed up with several references to how 71 was a "bunch of amateurs" and that he would "flip their excavator with [his] loader" if they were still working there on Wednesday. Hedquist then went on to complain about the quality of work produced by the Engineering Division, and that the time schedules set by our bid specs were unreasonable. In my opinion, this entire incident was an example of Councilman Hedquist trying to leverage his position as a councilman to get back at a rival contractor. Councilman Hedquist should not be trying to get the city to settle his personal grudge with 71 Construction, and if he's mad at 71 Construction, he shouldn't be free to take it out on city staff.

August 20, 2013 – Councilman Hedquist came to City Hall with concerns about a change to a street striping plan, but he ended up listing the same list of grievances – construction scheduling and liquidated damages, and the general incompetence of city staff. Six city staff members were there to help him. He was rude and dismissive of everyone there, up to and including personal insults. Liz Becher's account of the meeting states that "Pete Meyers attempted to politely discuss communication channels with the councilman and was promptly told to "Listen, *Camper*." She described that comment as an inference that Pete was somehow a temporary person, and she added that it was, in her opinion, "very degrading, and highly unprofessional." It was ultimately decided that Hedquist would not inlay thermoplastic striping, and instead, the lines would be painted by city crews. A change of this sort is not a big deal, and as an experienced contractor, Councilman Hedquist should know full well that changes like this do happen from time to time. If this had been a professional meeting between an owner and a contractor, then it would have been a respectful, on-topic conversation, and it would have been over and done within five minutes or less. Instead, Councilman Hedquist chose to use this issue as a launching point so that he could rant for more than half an hour. It would have gone on longer if it had not been stopped with an intervention by the Mayor.

I could go on. I have attached documentation of earlier incidents in which he shouted profanity at city staff and made threatening remarks to supervising engineers. Councilman Hedquist is clearly a person who either cannot or will not control his temper, and he is now using his status as a councilmember to get away with behavior that is unbecoming of any contractor that has been hired by the city.

I know that he has been counseled repeatedly that if he is to serve as both a city councilman and a city contractor, then he must set an example of professionalism in both fields. Councilman Hedquist has instead expressed contempt for this advice. He is being rude and hostile to city staff, but worse, he is employing this rude behavior to berate staff about how they are managing him as a contractor. This circular system of authority might have been manageable if he had chosen to be careful to not abuse his authority as a council member. Instead, he has done exactly the opposite.

If Craig Hedquist were not a council member, then I would have put a stop to this behavior long before now. As things are, my staff and I have tolerated quite enough. He has demonstrated that he can't or won't deal with staff on a professional level. He was counseled after each of these infractions, and each time he has plowed ahead with no change to his behavior.

It is my responsibility to provide a safe and productive work environment for all Public Services employees. I am also responsible for ensuring that the decisions regarding capital construction are made solely based on the needs of the public. No person who stands to make any personal financial gain should be involved in those decisions. With these issues in mind, I respectfully ask that Councilman Hedquist be instructed that he may no longer speak with any staff member of the Public Services Department. Discussion of work contracted to Hedquist Construction can be done through other Hedquist employees. Discussion of city policy regarding capital construction can be done with the City Manager and the other members of Council. By limiting his contacts, he will be able to continue to do his work as a private citizen without impeding his voice as an elected official.

I appreciate this chance to express these concerns. I look forward to discussing this issue with you.

Sincerely

A handwritten signature in cursive script that reads "Rick Harrah".

Rick Harrah
Public Services Director

EXHIBIT 7

A phone call came in to my desk on Monday, August 5, from Mr. Craig Hedquist which I answered. Mr. Hedquist was needing to talk to Andrew Beamer about a project, and Andrew was on vacation. Mr. Hedquist asked for Rick Harrah, who was also out of the office. Mr. Hedquist then asked who was in charge with some authority, I let him know Jason Knopp was sitting in for Andrew and he asked who else was here, and I told him Pete Meyers was sitting in for Rick while he was out. Mr. Hedquist responded "Pete doesn't know s--t!"then just sort of "hu hu, sorry". He said he would talk to somebody and the phone conversation ended.

Debbie Estes

EXHIBIT 8

Incident that occurred on August 5th, 2013 involving Craig Hedquist at City Hall in the Engineering office.

Craig Hedquist came in looking for Rick Harrah or Andrew Beamer. I explained that they were both gone on vacation but Pete Meyers was here. He rolled his eyes and walked to the City Manager's office. He was told by Faz that John Patterson was also gone, but Linda Witko was just a phone call away. He came back in to the Engineering office and I called Pete to the front to talk to him. Pete sat him at the round table located in the Engineering office. Jason Knopp accompanied them. Together along with Doug Barrett they tried to address his issue satisfactorily. After a bit Craig seemed very agitated got up walked near my desk and was pacing. Pete addressed Craig to come back and discuss the issue, which they were trying to resolve. Craig turned to Pete and told him, "If you plan on stepping up to the Public Service Director Job, you should know what you're doing." He walked into the hallway mumbling his disbelief that anybody who knows anything is gone and why are they all on vacation at the same time. (John Patterson, Rick Harrah and Andrew Beamer). After that Pete and Jason were able to speak to him. It was 5:00pm so I went home.

Alisa Cox
8/29/13

EXHIBIT 9

Hedquist Visit on August 5, 2013

Notes from Peter Meyers, Assistant Public Services Director

On Monday, August 5th, at 3:30 PM, Craig Hedquist called the Engineering office, looking for an answer regarding work that was being done on Collins Drive. Scott Baxter was the engineer in charge of the project. He was out in the field, but he received a message about it from office staff.

Mr. Hedquist came to the City Manager's Office at around 4:00PM. Both Linda Witko and John Patterson were not currently in the office, but I happened to be there, so I greeted him and asked if I could help him in some way. I could tell immediately that he was upset.

"Are you familiar with my projects?" he asked.

"I'm somewhat familiar with them," I said.

"No – you are either familiar with them or you aren't. Now answer my question, are you familiar with my projects?" he asked.

"No, I am not familiar with your projects," I said.

From there we walked to the Engineering offices and sat down in Rick Harrah's office. I asked Jason Knopp, the acting City Engineer, to join us. (Both Andrew Beamer and Rick Harrah were on vacation that day.)

It became apparent that Mr. Hedquist was upset about 71 Construction doing some work on Collins Drive. Hedquist Construction is under contract to mill and overlay Collins, and he was angry that 71 was there, and he was angry that no one on City staff seemed to know why they were there or what they were doing. He said he was planning on being out there laying asphalt on Wednesday, and one way or the other, he wasn't going to warranty any of the work being done in that area because he couldn't be held responsible for working under those kinds of conditions.

I walked over to Community Development to see if Doug Barret was about, since he would be the person with the most knowledge about the high school project.

In the meantime, Mr. Hedquist started to bring up other issues, like the fact that everybody was on vacation (Andrew, Rick, and John, all at the same time) so that he couldn't get his problems dealt with. While looking over a set of plans for the Collins Drive project, he started to complain about the quality of the plans that are drawn up by city staff. He asked that I bring out the CEPI plans for the Zone II project "so that I can show you what good plans look like, side by side with your plans." I said that we should focus on the problem at hand, not expand it to other issues. This made him angry, and he said, "No, go get the plans. You want to be a big public works guy, then you're going to have to deal with this sort of thing." I relented and pulled the Zone II plans from Andrew's office.

EXHIBIT 10

At around 4:20, Scott Baxter came back to the office. He had spoken to the people on Hedquist's crew and with the people on the 71 Construction crew. Scott explained that the 71 people were doing a concrete project on Collins for the school district, but that they would definitely be out of the roadway by Wednesday morning.

A few minutes later, Doug Barrett came over with a set of plans for the Natronia County High School project. He set them up in the Public Services Meeting Room, so we went there to review them. Doug confirmed that the school didn't have any utility work on the plans for Collins Drive because most of their connections were being made on Spruce. He suggested that it might be a project for SourceGas.

Doug left at roughly 4:45, so Jason and I sat down with Mr. Hedquist so that we could hear him out. He did most of the talking from this point forward. Issues he brought up included:

- A longer discussion of the low plan quality that we provide when we do plans in house. He specifically brought up instances where the plans call for a 2% grade and a six inch curb, even when the curb clearly would be too high for the surrounding dirt. He also brought up ADA ramps that where the two-ramp style ramps were marked when clearly it would have been better to use a corner ramp, and vice versa. He said that a professional engineering firm would never give him "such shitty plans."
- He lectured for a while about the role of the engineer, the owner, and the contractor, and how we should never manage our own projects with in house engineering staff. He said that the contractor will often enter disputes with the owner, and that the engineer effectively becomes the arbitrator between the two sides such that the owner would be obligated to go with the engineer's recommendation. He said that a city engineer couldn't be relied upon to be a neutral party. Jason objected to these points and said that he personally had always been fair to both Craig and the City. He pointed out that he had worked with Craig for a number of years, and he had never denied a change that was necessary for the good of the project, even when it would cost the city more money.
- He mentioned the Fairgrounds Road watermain break as an example of the city limiting the size of a project against an engineer's recommendation.
- He voiced his anger over the unreasonable timelines that we set for our city contracts. He said that no reasonable contractor could get these things done on time. He voiced his anger over being charged liquidated damages, and he said that he knew it was Steve Loftlin that had pushed to get the LD's enforced against him. He asked if we were enforcing LD's against everyone or just him. I said that we are being very fair about the LD's and that they would be charged to everyone who goes unjustifiably late on their project.
- He made some comments about the lawsuit from Grizzly Construction, and he said that the city was going to lose the suit. He also made some oblique comments about possibly suing the city himself.
- He made some general comments about his competitors, and he named 71 Construction, High Plains, Andreen Hunt and Knife River specifically. He said that they were all "amateurs" and that none of them could run as many crews as he could.

Mr. Hedquist eventually left city hall at 5:50 PM.

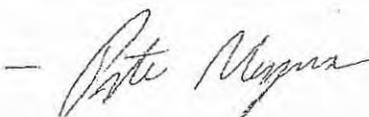
 [Pete Meyers]

EXHIBIT 11

CONTRACT DAILY DIARY		Job or Contract Number: _____	
		Project: _____	
Date: 8/5/13	Work Period: a.m. p.m. a.m. p.m.	Name and Address of Contractor: Craig Hedquist Pete Meyers	
Weather (Rain, Snow, Cloudy, Windy, etc.) _____			
Temperature: Hi _____ Low _____			
Ground Conditions: _____		Contractor's On-Job Representative: _____	
No. Contractor's Men by Job Categories: _____		No. Subcontractor's Men by Job Categories: _____	

Contractor's Equipment of Job:

Type and Size	No. Units	Working		Type and Size	No. Units	Working	
		Yes	No			Yes	No

Narrative Report on Status of Contract Work:

Include brief description of work in progress by item number and contractor's performance. Describe any difficulties or unforeseen developments, actions taken, persons contacted, or recommended actions.

Andrew Bremer was on vacation 8/5 - 8/7 and left me in charge.

3:00 - Jennett Brown finds me in the office and says Craig has been calling and wants to talk to somebody now. I told Jennett that I would call him when I was done meeting with David Hill.

3:30 - Finish talking with Dave, Craig walks into the Engineering department and says he needs to talk with somebody now and he didn't want to talk to Pete. I go up front and Craig is flaming mad. Craig said they have Collins street milled and will be paving wednesday and 71 Construction has got the corner of spruce and Collins Drive dug up and is demanding he want warranty the

Note: When additional space is needed or other pertinent facts are to be recorded, continue on back.

Signature:  8/14/13 [Jason Knopp]

CONTRACT DAILY DIARY
(continued)

Contract Number: _____

Project: _____

Date: _____ Page _____ of _____

Narrative Report on Status of Contract Work (Continued)

mill and overlay job in that area when it settles. I told Craig that doesn't even make sense, and that I would never make a "mill and overlay" job warrant a settling issue, and that those two concepts don't even go hand in hand, that it would be like me making someone fix Hagedorn's snow making equipment when he broke the baler's at the landfill. At that point he switched topics back to "How the Hell the City would allow two contractors to be working in the same area, and the City is clueless of what's going on. I said "71 is working on the NCHS project and that was handled thru the building department. Craig said "I am absolutely fed up with asking questions and getting the "Dear in the headlights/look" everytime he asks a question and he demands people start answering questions. He also said "It's bullshit he can't get a hold of the engineer's (city engineer's and project managers) without calling the office and leaving a message and in the private sector, the project engineers have cell phones and you can get a hold of them instantly to get answers," and how we Materials Delivered - Contractor and Owner/Furnished Property:

handle projects wouldn't fly in the private sector. At that point Scott Baxter came in the office and said he spoke with 71 and they would be done in Collins drive tomorrow (Tuesday) before Craig will be there on Wednesday. Craig asked if there would be any other excavating going on in Collins Dr. for the school? At that point I went and found the plans, from Doug Burnett because I Status of Testing Services:

Include brief description of survey work completed, tests and inspections made, and samples taken, etc.

couldn't find Andrew Beamer's set. The plans showed all the utilities coming off the side streets. Craig said I need to verify that because if a trench gets cut into his new mat on Collins Drive he would blow a gasket and that he would go the the ~~city~~ city manager and let him know how bad the city street is at planning. I said I have no control over what the school does. Craig didn't like that answer and said it's still a city street and if we were competent enough we would know we have control over the streets. The Craig asked how the hell did the city determine that Collins & Ash should be selected for this project

Deficiencies to be Followed Up:
and that there's no way in Hell these streets should have even been on the project. I said I wasn't part of the selection committee and that gets done by the streets Department. Craig said "that's not a good enough answer and that there is no way in Hell these two streets are ~~in~~ in the worst shape and we shouldn't have put them on this Official Visitors to Job Site: years project.

Continued on page 3

CONTRACT DAILY DIARY		Job or Contract Number:	
		Project:	
Date:	Work Period:	Name and Address of Contractor:	
	a.m. p.m. a.m. p.m.		
Weather (Rain, Snow, Cloudy, Windy, etc.)		Contractor's On-Job Representative:	
Temperature: Hi Low			
Ground Conditions:			
No. Contractor's Men by Job Categories:		No. Subcontractor's Men by Job Categories:	

Contractor's Equipment of Job:							
Type and Size	No. Units	Working		Type and Size	No. Units	Working	
		Yes	No			Yes	No

Narrative Report on Status of Contract Work:

Include brief description of work in progress by item number and contractor's performance. Describe any difficulties or unforeseen developments, actions taken, persons contacted, or recommended actions.

The we moved on to the topic Engineer's vs. Owner. Craig states the project spec's clearly layout the responsibility of the owner, Engineer, and contractor. And the city is inappropriately administering there own projects by having the city be the Owner and city staff as the project engineer. Craig says that allows us to put the responsibilities together so we can hammer on the private contractor's. Craig says that's a conflict of interest. He says that gives us the power to go the cheap route when a problem comes up on the project instead of doing the "right" thing, and that doesn't fly in the private sector. Craig says in the private sector, if there are different opinions on how to solve a problem in the field between the contractor and owner, the third party Engineer makes the finale decision and every one moves on. Pete or myself did not respond to this

Note: When additional space is needed or other pertinent facts are to be recorded, continue on back.

Signature:

CONTRACT DAILY DIARY
(continued)

Contract Number:

Project:

Date:

Page _____ of _____

Narrative Report on Status of Contract Work (Continued)

topic so Craig moved on to the next topic. ~~was~~ The mill and overlay plans for his project are terrible and would never fly in the private sector. And if a consultant gave the city plans that looked like that, that the city would never hire that firm again. I asked him to be specific about the plans that he didn't like. He then started to make the comparison between the Zone II/III plans (that he didn't say they were perfect but that they were head and shoulders above the Mill and Overlay plans with respect to detail). He hates how we just outline the corner and state "Install ADA ramp" and blindly say the entire corner needs to be replaced. He doesn't believe anyone actually looks at each ~~corner~~ corner. Craig thinks we are wasting tax payers money because some corners just need truncated domes, and not the whole corner replaced. Craig then stated there is no logic on how the curb & gutter replacement is layed out. That there is no standard and he hates it because he has no explanation on why this section gets replaced and the next reaction doesn't, he has nothing

Materials Delivered - Contractor and Owner Furnished Property:

to tell the public when they question him why and as a councilman it puts him in a bad situation. Then Craig went into how the concrete quantity keeps jumping around (India paint brush and the city doesn't even know what the quantities are on their own project and that is absolutely unacceptable. When Craig met Andrew, Rick, and Scott on site and Rick stated what he thought the concrete remove and replace should include and Scott

Status of Testing Services:

Include brief description of survey work completed, tests and inspections made, and samples taken, etc.

spoke up and said "No, the intent of the project was -----" Craig said that Scott should have never opened his mouth and if they were a private engineer firm Scott would have been fired on the spot or told to sit in the truck. That kind of behavior would never fly in the private sector.

Deficiencies to be Followed Up:

Official Visitors to Job Site:

EXHIBIT 12

College Drive Striping Discussion – Hedquist Visit - August 20, 2013

Pete Meyers, Assistant Public Services Director

The meeting began at 4:30 with Liz Becher, Andrew Beamer, David Hough, Scott Baxter, Rick Harrah, and myself (Pete Meyers). [Rick received a call from the City Manager's Office a few minutes later, so he had to leave the meeting early on.] We were there to discuss the proposed changes to the striping on College Drive. Hedquist Construction had the contract to repave and restripe College. The plans called for putting the striping back the way they were before the mill and overlay, but David had suggested an alternative layout that would have added a bike lane. The decision needed to be made quickly, since the paving was done and striping was supposed to happen this week. The group agreed to put the lines back the way they were, but since there was a desire to redesign the striping, the lines would be painted instead of inlaid with thermoplastic. In this way, the lines could be redrawn later without much effort or expense.

Craig Hedquist walked into the meeting around 5:00 PM, just a few minutes after the group had reached this consensus.

Liz explained to Craig that the new designs had been proposed at the last minute, she told him about the decision to redraw the lines, she apologized for the confusion, and she asked for his understanding.

Craig barely acknowledged her comments. He immediately focused on David Hough, who was sitting across from him. He locked eyes with David, and started talking about how "ridiculous" and "unprofessional" the whole situation was. He talked about how the city was "incompetent" because the idea for bike lanes in the city was launched in March, so the design changes should have been done long before now. Liz told him that the study began with the idea of promoting bike lanes; it didn't presume that College Drive should have a bike lane. The preliminary study that had been drafted a few weeks ago did suggest College should have a bike lane, but even now, the study isn't actually finished. Craig more or less ignored the response.

Craig spoke for several more minutes about the striping, and everyone else at the table (myself included) essentially sat and listened as he went through his diatribe. After a few minutes of this, Craig wandered into other topics, such as the fact that the city was now being unreasonable about how it was charging liquidated damages. He said that the Engineering Division was being "arbitrary" about how it determined when a project was "substantially complete." Andrew challenged him on that point.

Craig then started to say that the City was breaking its contract with him in regards to how it was charging LD's. Craig said that the city of Casper has traditionally enforced deadlines in a certain (lenient) way, without charging LD's as soon as they could be incurred. He said that since we hadn't charged them in the past, we can't begin charging them now. (Craig insisted that the LD's were having zero impact on how he did his business – he said he was bringing it up for the benefit of the smaller contractors in the community.)

All this time, Craig had more or less locked eyes with David Hough, without looking away. David had said almost nothing since Craig arrived, and I was becoming very concerned about the way this conversation was going. More specifically, I didn't like how David had somehow become the focus of this harassing diatribe.

I sat forward and interrupted him. I said, "Okay, we began this meeting discussing the restriping of College Drive. Are we done talking about that now? Have we moved on to other topics?"

Craig responded, "Now hold on there, Camper. I'm bringing up stuff that's in that big book of standard specs, and I know you aren't too familiar with it."

I'm not sure what he meant when he called me "camper." I took it to be a dismissive, belittling comment. I took it to mean that I had no right to participate in this conversation because I wasn't experienced or qualified in this field.

Craig began to talk about how he had done this sort of work for many years, and it was around this time that Rick rejoined the meeting. Craig began to go over the topics that he had covered previously, including LD's. Rick brought up that he had been to several job sites recently, and that he was not going to be granting time extensions on projects simply because the contractors failed to use the best means available for getting the work completed. He also said that he was not satisfied with the safety practices that he had seen out in the field.

Craig replied that the city can't prescribe means and methods on a contractor, and that the city shouldn't be involved with contractor's safety practices.

At around 5:30 PM the Mayor arrived. I said, "We're being summoned," and stood up. Craig left with the Mayor, and the meeting ended.



[Pete Meyers]

EXHIBIT 13

Rick Harrah

From: Liz Becher
Sent: Thursday, August 29, 2013 10:53 AM
To: Rick Harrah
Cc: John Patterson
Subject: Staff encounter with Councilman

Rick,

I want to update you on the situation that occurred on Tuesday, August 20th, (just before the work session) with a few members of your staff, one of my team members, myself, and Councilman Hedquist.

I was part of a meeting to discuss the bike lane striping project at Casper College that the City would like to change in the road paving project currently underway on College Drive. Councilman Hedquist is the contractor on that project. The meeting included Scott Baxter (project engineer), Andrew Beamer, Pete Meyers, David Hough (who has been working on the bike lane project with our MPO consultants), and myself.

Discussion centered on how the City needs to communicate changes with the contractor, as Councilman Hedquist expressed his frustration. He verbalized his past and current frustrations with the City on multiple projects, and I felt that Andrew Beamer did a great job at defending the City's decisions and processes on each. Councilman Hedquist was not convinced. Staff redirected the conversation to communication. Communication can always be improved, and the group recognized that together. Pete Meyers attempted to politely discuss communication channels with the Councilman, and was promptly told to listen "Camper." The room became quiet except for the Councilman expounding on how he has done construction for years, that Pete does not have a clue about construction, and how the City is just a bunch of idiots.

The "camper" reference appeared to imply that someone is temporary; that they are not a permanent fixture. It was very degrading, and highly unprofessional. The fact that it was used on an Assistant Department Head in front of his subordinates was inappropriate. No apology was offered, and Pete was the only who had a slang name thrown at him. Pete did not respond, nor did he say another word in that meeting.

Due to the approaching start of the work session, the meeting dissolved.

Please let me know if you need clarification on anything I have referenced in this note. I wanted you to be aware of the situation from my perspective, Liz

EXHIBIT 14

August 29, 2013

MEMO TO: Rick Harrah, Public Services Director

FROM: Andrew Beamer, P.E., City Engineer

SUBJECT: Craig Hedquist Interaction
Casper Zone II/III Water Improvements Project - August 28, 2013

I attended the weekly progress meeting for the Casper Zone II/III Water Improvements Project August 28, 2013 at 2pm. Upon arrival, I met with Chris Stevens with CEPI and Craig Hedquist with Hedquist Construction. I complimented Craig on getting Poplar Street wrapped up and asked when the street would be opened up. His response was in 14 days, in accordance with the contract. I stated that was the maximum time. At that time, I left to look at the work Jim Francis, Hedquist Foreman, was doing to connect the newly installed Zone II main to the existing main off Boulder Drive. As I was walking off, Craig stated the progress meeting would be held where he was standing, to which I replied I was simply going to look at the work in progress.

The progress meeting was convened where Craig was standing. In attendance were Chris Steven and Nick Larsen with CEPI; Tim Rail, Clint Conner, Mike Dean, and one other individual I had not met before with CPU; Craig Hedquist and Jim Francis with Hedquist Construction; and myself. At the onset of the meeting Craig made a statement that he was Craig Hedquist, representing Hedquist Construction, and not to be confused with his role as Craig Hedquist, City Councilman. He asked if everybody understood, and received nods in acknowledgement. He then stated he wanted to discuss whatever CPU needed to discuss and then wanted a separate meeting with Nick Larsen and myself.

Discussion on the upcoming weekly schedule then ensued, with activity planned along 39th Street and the continuation of water main installation to Coffman Ave. The completion of concrete work on Poplar Street was discussed, with Craig responding that all concrete work would be completed within the next 14 days, with the exception of manholes. Craig stated there was no bid item for bringing manholes to grade. I stated that he couldn't simply bury manholes, whereas he responded there was also no bid item for striping Poplar Street. I stated that he didn't stripe Poplar Street, which he acknowledged and said if we want to issue a change order, he'd consider raising the manholes.

Nick Larsen told Craig that work on Poplar Street needed to be completed before Coffman Street could be closed. Craig said he got it, that only the contractor had to comply with the contract documents, referring to the fact that payment for the job had not been processed at the August 20, 2013 council meeting as intended (a pre-writ check was delivered to Hedquist Construction that afternoon). Discussion then continued on installation of the Zone II 16" water main along 39th Street to Coffman Ave. Jim Francis stated that in order to install the 16" valve at the east end of the intersection of Coffman Ave., he would need to close the intersection of Coffman. I stated 'Well, you'd better get Poplar Street open.' At which Craig asked 'You guys going to start paying on time?' at which I responded 'We've already had this discussion.' Craig then puffed up his chest and asked 'You fucking going to stand up bitch?' I responded with 'What did you say?'

EXHIBIT 15

CITY OF CASPER
CHANGE ORDER

NO. One (1)

PROJECT: 2013 Arterial & Collector Streets Reconstruction - West
Project No. 13-08W

DATE OF ISSUANCE: August 6, 2013

OWNER: City of Casper, Wyoming

CONTRACTOR: Hedquist Construction, Inc.

ENGINEER: City of Casper

You are directed to make the following changes in the Contract Documents:

Description: Addition of Traffic Signal Detection Systems where mill & overlay resurfacing will damage existing systems.

Attachments: Memo

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
Original Contract Price: \$ <u>1,890,399.25</u>	Original Contract Time: (days or date) <u>Substantial completion: October 4, 2013</u> <u>Final completion: October 25, 2013</u>
Previous Change Orders No. <u>-0-</u> to <u>-0-</u> \$ <u>0.00</u>	Net change from previous Change Orders (days): <u>-- 0 --</u>
Contract Price prior to this Change Order: \$ <u>1,890,399.25</u>	Contract Time Prior to this Change Order: (date) <u>Substantial completion: October 4, 2013</u> <u>Final completion: October 25, 2013</u>
Net Increase/ Decrease of this Change Order: \$ <u>67,804.00</u>	Net Increase/ Decrease of this Change Order: (days) <u>-- 0 --</u>
Contract Price with all approved Change Orders: \$ <u>1,958,203.25</u>	Contract Time with all approved Change Orders:(date) <u>Substantial completion: October 4, 2013</u> <u>Final completion: October 25, 2013</u>

ACCEPTED:

RECOMMENDED:

APPROVED:

BY: Shawna Halay
Contractor

BY: Scott K. Baxter
Engineer

BY: Kenneth Deeg
Owner



1372 Derrick Drive

July 24, 2013

Scott Baxter
City of Casper
200 N David
Casper WY 8261

Re: 2013 Arterial and Collector Streets 13-08W

Dear Scott:

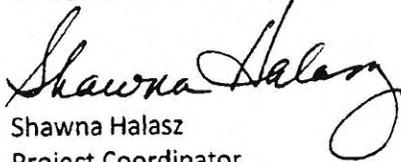
Per your request, Hedquist Construction submits the following change order request for Wavetronic Matrix Vehicular Detections Systems per the attached quotation from Modern Electric.

Collins & Ash Street	\$33268.40	
College & Wolcott Street	-\$15698.00 \$17,267.80	LKB
4 th & Beverly Street	-\$15698.00 \$17,267.80	LKB

Total Change Order Request: \$67804.00

Please advise upon acceptance.

Sincerely,
Hedquist Construction, Inc.


Shawna Halasz
Project Coordinator

Attachment

EXHIBIT 16

CITY OF CASPER
CHANGE ORDERNO. ThreePROJECT: Casper Youth Baseball DATE OF ISSUANCE: April 3, 2013
Project # 11-54OWNER: City of Casper, Wyoming
200 N. David St., Casper, WY 82601CONTRACTOR: Hedquist ConstructionENGINEER: JKC Engineering

You are directed to make the following changes in the Contract Documents:

Description: Additional 35 days added to Contract and increase of \$85,920.00.

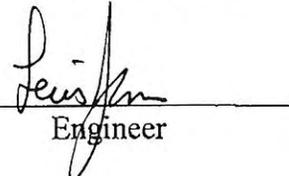
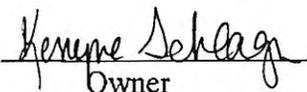
Attachments: See attached letter

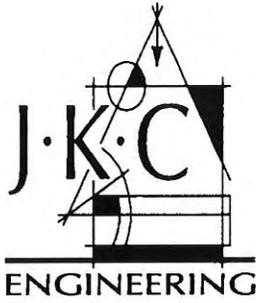
CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
Original Contract Price: \$ <u>1,087,100.00</u>	Original Contract Time: (days or date) Substantial Completion: Oct. 19, 2012 Final Completion: Nov. 2, 2012
Previous Change Orders No. <u>1</u> to No. <u>2</u> \$(<u>27,230.52</u>)	Net change from previous Change Orders (days): 69 days
Contract Price prior to this Change Order: \$ <u>1,059,869.48</u>	Contract Time Prior to this Change Order: (date) Substantial Completion: April 13, 2013 Final completion: April 30, 2013
Net Increase/Decrease of this Change Order: \$ <u>85,920.00</u>	Net Increase/Decrease of this Change Order: 35 Days
Contract Price with all approved Change Orders: \$ <u>1,145,789.48</u>	Contract Time with all approved Change Orders:(date) Substantial completion: May 18, 2013 Final completion: May 31, 2013

ACCEPTED:

RECOMMENDED:

APPROVED:

BY: 
ContractorBY: 
EngineerBY: 
Owner



ENGINEERING • SURVEYING • CONSTRUCTION
OIL AND GAS COMPLIANCE • GIS MAPPING

111 W. 2nd St., Ste 420 • Casper, Wyoming 82601
Ph: 307-265-4601 • Fax: 307-265-4672

April 3, 2013

City of Casper
200 N. David Street
Casper, WY 82601
Attn: Andrew Beamer

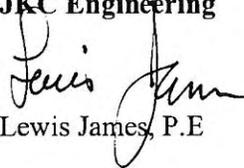
Re: Casper Youth Baseball, 2012 Project #11-54 – Change Order #3

Dear Mr. Beamer:

This letter is for recommending Change Order #3. It is recommended that Alternate Bid Schedule (See Attached) from the original bid for the amount of \$85,920.00 to be added to the original contract for the completion of Jane Street from the completed parking lot to K Street. In addition to the contract it is also recommended to extend the contract time by 35 days for the completion of the additional work.

If you have any questions or concerns with this recommendation or need any further information, please feel free to call me at 265-4601 or email me at lewis@jkcengineering.com.

Sincerely,
JKC Engineering


Lewis James, P.E

CASPER YOUTH BASEBALL, 2012

Project No. 11-54

Item No.	ITEM DESCRIPTION WITH UNIT PRICE BID WRITTEN IN WORDS	Unit	Est. Quantity	Unit Price	Total Price
19	Infield Mix <u>ONE HUNDRED</u> Dollars and <u>ZERO</u> Cents	TON	250	\$ <u>100⁰⁰</u>	\$ <u>25000⁰⁰</u>
20	Infield Mix (Pitching Mound, Batter and Catcher Boxes) <u>TWO</u> Dollars and <u>ZERO</u> Cents	LB	2500	\$ <u>2⁰⁰</u>	\$ <u>5000⁰⁰</u>
21	Field Chain Link Fencing <u>THIRTY-FIVE</u> Dollars and <u>ZERO</u> Cents	LF	780	\$ <u>35⁰⁰</u>	\$ <u>27300⁰⁰</u>
22	Dugouts <u>FORTY THOUSAND</u> Dollars and <u>ZERO</u> Cents	LS	1	\$ <u>40000⁰⁰</u>	\$ <u>40000⁰⁰</u>
23	Backstop <u>THIRTY-THOUSAND</u> Dollars and <u>ZERO</u> Cents	LS	1	\$ <u>30000⁰⁰</u>	\$ <u>30000⁰⁰</u>
24	Field Lighting w/Electrical Installation <u>ONE HUNDRED TWENTY-FIVE THOUSAND</u> Dollars and <u>ZERO</u> Cents	LS	1	\$ <u>125000⁰⁰</u>	\$ <u>125000⁰⁰</u>
25	Scoreboard and GFCI 120V Outlet at Dugout <u>TWELVE THOUSAND</u> Dollars and <u>ZERO</u> Cents	LS	1	\$ <u>12000⁰⁰</u>	\$ <u>12000⁰⁰</u>
26	Bleachers <u>TEN THOUSAND</u> Dollars and <u>ZERO</u> Cents	LS	1	\$ <u>10000⁰⁰</u>	\$ <u>10000⁰⁰</u>
27	Base Pads, Bat Rack and Player Benches <u>FIVE THOUSAND</u> Dollars and <u>ZERO</u> Cents	LS	1	\$ <u>5000⁰⁰</u>	\$ <u>5000⁰⁰</u>
TOTAL BASE BID ONE MILLION EIGHTY-SEVEN THOUSAND ONE HUNDRED Dollars and ZERO Cents					\$1,087,100⁰⁰ 915050

ALTERNATE BID SCHEDULE

Item No.	ITEM DESCRIPTION WITH UNIT PRICE BID WRITTEN IN WORDS	Unit	Est. Quantity	Unit Price	Total Price
1	4" Asphaltic Pavment/6" Grading "W" Base Coarse <u>TWENTY-SIX</u> Dollars and <u>ZERO</u> Cents	SY	1,350	\$ <u>26⁰⁰</u>	\$ <u>35100⁰⁰</u>
2	5" Concrete Walkway <u>THIRTY-TWO</u> Dollars and <u>ZERO</u> Cents	SY	360	\$ <u>32⁰⁰</u>	\$ <u>11520⁰⁰</u>
3	Curb and Gutter <u>TWENTY-FIVE</u> Dollars and <u>ZERO</u> Cents	LF	1000	\$ <u>25⁰⁰</u>	\$ <u>25000⁰⁰</u>
4	Concrete Vally Gutter <u>SIXTY-FIVE</u> Dollars and <u>ZERO</u> Cents	SY	20	\$ <u>65⁰⁰</u>	\$ <u>1300⁰⁰</u>
5	Handicap Ramps <u>FIFTEEN HUNDRED</u> Dollars and <u>ZERO</u> Cents	EA	2	\$ <u>1500⁰⁰</u>	\$ <u>3000⁰⁰</u>
6	Storm Sewer System <u>TEN THOUSAND</u> Dollars and <u>ZERO</u> Cents	LS	1	\$ <u>10000⁰⁰</u>	\$ <u>10000⁰⁰</u>
TOTAL ALTERNATE BID EIGHTY-FIVE THOUSAND NINE HUNDRED TWENTY Dollars and ZERO Cents					\$ 85,920⁰⁰

EXHIBIT 17

CITY OF CASPER
CHANGE ORDER

NO. Four

PROJECT: Casper Youth Baseball
Project # 11-54

DATE OF ISSUANCE: May 20, 2013

OWNER: City of Casper, Wyoming
200 N. David St., Casper, WY 82601

CONTRACTOR: Hedquist Construction

ENGINEER: JKC Engineering

You are directed to make the following changes in the Contract Documents:

Description: Additional 15 days added to Contract

Attachments: See attached letter

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
Original Contract Price: \$ <u>1,087,100.00</u>	Original Contract Time: (days or date) Substantial Completion: Oct. 19, 2012 Final Completion: Nov. 2, 2012
Previous Change Orders No. <u>1</u> to No. <u>3</u> \$ <u>58,689.48</u>	Net change from previous Change Orders (days): 104 days
Contract Price prior to this Change Order: \$ <u>1,059,869.48</u>	Contract Time Prior to this Change Order: (date) Substantial Completion: May 18, 2013 Final completion: May 31, 2013
Net Increase/Decrease of this Change Order: \$ <u>0.00</u>	Net Increase/Decrease of this Change Order: 15 Days
Contract Price with all approved Change Orders: \$ <u>1,145,789.48</u>	Contract Time with all approved Change Orders:(date) Substantial completion: June 2, 2013 Final completion: June 15, 2013

ACCEPTED:

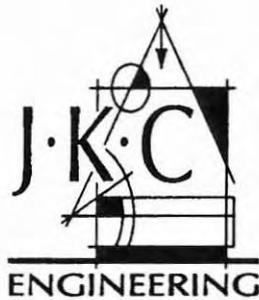
RECOMMENDED:

APPROVED:

BY: Shawna Halverson
Contractor

BY: Leis Johnson
Engineer

BY: J. J. J. J.
Owner



ENGINEERING • SURVEYING • CONSTRUCTION
OIL AND GAS COMPLIANCE • GIS MAPPING
111 W. 2nd St., Ste 420 • Casper, Wyoming 82601
Ph: 307-265-4601 • Fax: 307-265-4672

May 20, 2011

City of Casper
200 N. David Street
Casper, WY 82601
Attn: Andrew Beamer

Re: Casper Youth Baseball, 2012 Project #11-54 – Change Order #4

Dear Mr. Beamer:

This letter is for recommending Change Order #4. It is recommended to extend the contract time by 15 days due to the extra drive approaches requested by NCSD and at this time the Landsavers for the storm water system have not been deliver at this time.

If you have any questions or concerns with this recommendation or need any further information, please feel free to call me at 265-4601 or email me at lewis@jkcengineering.com.

Sincerely,
JKC Engineering

A handwritten signature in black ink, appearing to read 'Lewis James', is written over the printed name.

Lewis James, P.E

May 14, 2013

Lewis James
JKC Engineering
111 W. 2nd St., Ste. 420
Casper, WY 82601

Re: Casper Youth Baseball, 2012 Project No. 11-54

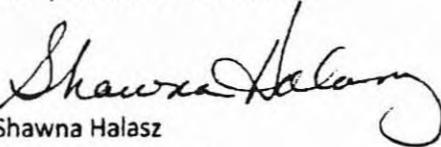
Dear Lewis:

Hedquist Construction respectfully requests an extension to the completion date for this project:

1. We have not received infiltrators at this date.
2. Large drives were added at the request of NCSD (2 extra days)
3. The 3 weeks of inclement weather in April.
4. Hedquist Construction did perform dirt work 2 to 3 days prior to execution of Change Order No. 3 (adding Alternate Bid Schedule back into contract).
5. The ballfield is playable, the parking lot is complete as of today.

HCI feels that a 15 day extension is reasonable. We should have the paving complete by Monday, May 20th, leaving only the infiltrators to be installed.

Sincerely,
Hedquist Construction, Inc.



Shawna Halasz
Project Coordinator

EXHIBIT 18

TRANSCRIPTION OF A RECORDED ZONE II, III PROGRESS MEETING

HELD ON AUGUST 28, 2013

MR. BEAMER: Craig.

UNIDENTIFIED SPEAKER: (Unintelligible.)

MR. BEAMER: Chris.

MR STEVENS: Andrew.

MR. BEAMER: Looks like you've about got Poplar licked, huh?

MR. HEDQUIST: Yep.

MR. BEAMER: That's good. When do you think you're going to open it up?

MR. HEDQUIST: I won't open it until the 14 days is up.

MR. BEAMER: Oh, is that right?

MR. HEDQUIST: Yep. That's the contract, ain't it?

MR. BEAMER: A maximum of 14 days.

MR. HEDQUIST: Yeah, so we'll take the max.

MR. BEAMER: Okay.

MR. HEDQUIST: Unless the city wants to, you know, make it worth my while or something, but otherwise, we'll just keep it like that, and we don't have to worry about nothing.

MR. BEAMER: All right. Yep.

MR. HEDQUIST: Progress meeting takes place over here. We're not going to (unintelligible).

MR. BEAMER: I'm going to take a look over there. Hello. Take a look at this tie-in real quick.

(Unintelligible conversation.)

MR. BEAMER: What's that?

MR LARSEN: Should we wait for Jim?

MR. HEDQUIST: No. (Unintelligible.) Okay. Before the meeting starts -- make sure everybody hears this, because this is -- I was told it's important. My name is Craig Hedquist. I'm the owner of Hedquist Construction. And I am speaking as a contractor on this job. I'm not speaking in any other form or capacity that I have in the city council. Okay? So what I want to do on this meeting, we'll talk whatever CPU -- whatever they need to discuss. And then I would like to have a meeting just with us three after to discuss other

stuff. So you can see they're going to do the tie-in. They're going to go down and mill down that street in that next zone, and we will start laying pipe down through that next zone.

MR RAIL: To Coffman?

MR. HEDQUIST: I believe that's where the line --

MR RAIL: But on the east side of Coffman, right?

MR. HEDQUIST: I believe so.

MR LARSEN: (Unintelligible.) We're opening up -- we're closing down Coffman (unintelligible).

MR. BEAMER: So Jim's jumping right from here over to 39th Street?

MR. HEDQUIST: Yeah.

MR. BEAMER: Okay. And then your concrete diamonds around your valves, manholes, curb/walk?

MR. HEDQUIST: Well, first thing is, there's no item for manholes. So we will do the valve boxes and curb/walk and have them done in the next 14 days.

MR. BEAMER: You got to bring the manholes up to grade.

MR. HEDQUIST: There's no item for it.

MR. BEAMER: Still got to be bring them up to grade. You can't bury manholes.

MR. HEDQUIST: There's no item, so if you want to execute a change order, I guess we can -- we can do that. There's no item for it. So that's just got to be --

MR. LARSEN: What do we have for manholes here?

MR. HEDQUIST: But there's no item for it, so -- just like there's no item for the striping.

MR. BEAMER: I don't believe you striped. Did you stripe Poplar Street?

MR. HEDQUIST: But that's what I mean. You can't just say it has to be done. Somebody has to do it, I agree, but . . .

MR. LARSEN: How many manholes do we have here?

MR. HEDQUIST: I don't know.

MR. FRANCIS: Two, three -- three sanitariums, three or four phone -- four -- four sanitariums.

MR. LARSEN: We'll discuss how we want to handle that then after this, I guess.

MR. BEAMER: Okay.

MR. LARSEN: Doing all the sidewalk and curb and gutter at the same time as the valve diamonds?

MR. HEDQUIST: We'll go down through and do the diamonds (unintelligible).

MR. LARSEN: That all has to be done as part of this before you open up Coff -- or close Coffman Street.

MR. HEDQUIST: Yeah, I know. You guys' side of the contract matters, not the part you have to fulfill. I got it.

MR. LARSEN: What else?

MR. BEAMER: You're not going to need a tie-in for a while, I guess.

MR. FRANCIS: 12-inch tie-in will be down there as soon as I pressure test that 12-inch, next week sometime.

MR. BEAMER: Next week sometime?

MR. FRANCIS: Fairly -- fairly early. If I get a good shot digging tomorrow, I'll be ready to set.

MR. DEAN: What are you going to set on the end of that? Flush on the end?

MR. FRANCIS: The 12-inch? I haven't got that far. How much do I need? Do I need -- no. There's a fire hydrant -- phase 3 says there's a fire hydrant there. They're putting a fire hydrant there, apparently for testing. There's a permanent fire hydrant going in on the south side on Poplar, on -- or 39th on the south side. There's two of them, going -- we got both lines getting a fire hydrant.

MR. DEAN: Yes. Okay.

MR. FRANCIS: So we're supposed to plug and block it near that fire hydrant so you can flush 12-inch out of it.

MR. DEAN: Gotcha.

MR. FRANCIS: And the 16 -- to get that hydrant, that valve set, like you were saying the other day, to test the 16, I got to get into Coffman. I got to get my tractor into Coffman to do -- to do that, which means we'll have to either flag it or -- or wait. And we got no days to be waiting, because we got to keep traffic flowing. See, down here, right -- down here right short of the tie-in, we put a hydrant in. I guess that's the only reason we're putting the hydrant in, because there's one here and there's one here and one here.

MR DEAN: (Unintelligible) tie the fire line in.

MR. LARSEN: Got good fire protection that way.

MR. FRANCIS: There you go, I guess.

MR. LARSEN: Safety first.

MR. DEAN: So the fire line for that club is going to be tied in off of the 12.

MR. BEAMER: Yep.

MR. FRANCIS: And there's a one-inch down here on the gas -- old gas station building. And that's all we've got on the 12-inch. And I'm sitting right here. So if I get a good jag, I can come up -- I'll be dang close to being --

MR. BEAMER: You'll be close to being ready to tie in down there right by the alley.

MR. FRANCIS: Yeah. I'll be ready to set my plug and --

MR. DEAN: So you can -- can you bring up that service for that gas station?

MR. FRANCIS: For a --

MR. DEAN: Test.

MR. FRANCIS: -- test station.

MR. DEAN: They just put one here and here.

MR. FRANCIS: That shouldn't be a —. Yes, I can But you see what I'm saying about the 16-inch valve -- I mean, it's at the return. My tractor is 30-feet long to dig that ditch. I'm going to have to be in Coffman to get 16-inch tested.

MR. BEAMER: I guess you better get Poplar Street open.

MR. HEDQUIST: You guys going to start paying on time?

MR. BEAMER: We've already had this discussion, but . . .

MR. HEDQUIST: Oh, no. You fucking going to stand up, bitch? Are you going to start paying?

MR. BEAMER: What did you say?

MR. HEDQUIST: You heard me.

MR. BEAMER: I did hear you.

MR. HEDQUIST: Yeah. Yeah. The only part of the contract that you even comprehend is the side that I have to --

MR. BEAMER: That is not true, Craig.

MR. HEDQUIST: Yeah.

MR. BEAMER: But, you know, we can have this discussion another time.

MR. HEDQUIST: We will have this discussion, I promise you.

MR. BEAMER: I'm sure we will.

MR. HEDQUIST: Yeah.

MR. BEAMER: I guess we may as well just have our private conversation now, if that's what you want, a private conversation.

MR. HEDQUIST: Yeah. Let's have it.

MR. BEAMER: Okay.

MR. HEDQUIST: See you.

MR. CONNER: Hey, Jim? See that piece of pipe that's on that valve down there? Go ahead and pull it.

MR. HEDQUIST: Do you know who's talking to you?

MR. BEAMER: I've known you for many years, Craig. Yes.

MR. HEDQUIST: Okay. Because I was -- I was told that you guys -- do I come and tell you that I'm the councilman and tell you that or do I -- (unintelligible) so I want to make sure. Are you paying me for that extra work? Okay. Then we have an issue.

MR. BEAMER: Okay.

MR. HEDQUIST: We were told that we would be paid to move stuff down here.

MR. BEAMER: Who told you?

MR. HEDQUIST: Tom Brauer. (Unintelligible.)

MR LARSEN: What did Tom Brauer tell you?

MR HEDQUIST: That he would pay for that, right?

MR. LARSEN: No. Tom really hasn't even been on this project.

MR. HEDQUIST: Are you sure?

MR. LARSEN: Yeah.

MR HEDQUIST: Are you sure you didn't talk to him?

MR LARSEN: You're talking about this 16-inch bend there?

MR HEDQUIST: Yeah. Yeah.

MR LARSEN: Yeah, I know Tom didn't even know what was going on there.

MR HEDQUIST: Well...

MR LARSEN: I guarantee Tom did not tell you you would be paid for it.

MR HEDQUIST: Well, you don't have a force account item on this, and because I didn't -- I didn't disturb-- Is there anything that says that I had to, that I had to disturb that whole island?

MR BEAMER: There's nothing that says you have disturb that whole island.

MR HEDQUIST: It is a lump sum, right? So...

MR BEAMER: I think -- Lump sum.

MR HEDQUIST: Do they, do they have the right to negotiate with me and try to extort money out of me?

MR BEAMER: I don't know what they are doing Craig.

MR HEDQUIST: I'm asking you. Do...

MR BEAMER: It was a lump sum bid item.

MR HEDQUIST: Ok. I am not being paid for the work I am doing around here, and they're not paying me -- I am filing a claim. And what

(Unintelligible conversation)

MR HEDQUIST: Just, just let it go. I understand. You say no, I say yes. So we'll, we'll do it --

MR LARSEN: Do you actually understand what went on there? I mean, are you informed on how that went down? We all met out here, and we said yes. The Life-care maintenance guy was out here, he said yes; let's get this easement. Everybody is on board. So he said alright we'll pursue this as long as there is no additional cost or no additional time for this item. And so Jim, he said he could start down on that north end and work his way this way and we could try to get this easement, and if it's in place by then, then

we'll go next into the new easement. If it's not then we'll go through the landscape item, the landscape island, and so he actually ended up starting on this end and working his way this way --

MR HEDQUIST: I, I, you can tell me, you can tell me – I've already heard your side. I'm just telling you what I'm gonna do.

MR LARSEN: So no one directed – I mean, we will pay you for the bend absolutely.

MR HEDQUIST: No, no...

MR LARSEN: We're not going to pay you to dig it back up and relocate it.

MR HEDQUIST: I promise you as sure as you are standing there, that the city was going to pay me. I promise you that.

MR BEAMER: We're going to need this documentation in writing.

MR LARSEN: Yep.

MR BEAMER: With the, with the, with the reasoning behind paying you to relocate a valve that you put in the wrong spot to begin with.

MR HEDQUIST: Ok, and then – so there is no, no, uh, deal. Either way whatever is on your plan and as we do it, even if you verbally want something different we won't do it. There'll be no –

MR LARSEN: Let's dig this waterline up and go through the landscape island then because that is what our plan shows. We don't show the waterline this side of the landscape island.

MR HEDQUIST: I just told you how it was going from here out.

MR LARSEN: Oh, it just from here forward?

MR HEDQUIST: Yep.

MR LARSEN: Ok.

MR HEDQUIST: Because of this very thing. And don't kid yourself, ok.

Don't kid yourself.

MR BEAMER: About what?

MR HEDQUIST: Yeah, yeah, fuck, you guys, you guys don't even make sure I get paid, and don't say you're innocent of that. The city and its agents are not paying the contractors per the contract. You guys verbally, we work these verbally, and then you decide, well we're not doing that.

MR BEAMER: That is not true.

MR. HEDQUIST: And (unintelligible) a number of times. I have written a number of letters asking for specific answers to why you guys do stuff, and you guys can't even answer those. So I probably –

MR BEAMER: I don't know what you're talking about on specific letters asking, but whatever.

MR HEDQUIST: You have copies of them.

MR. BEAMER: I have copies of the stuff Shawna that just sent out -

MR HEDQUIST: Yep.

MR BEAMER: -earlier this week so. Yes.

MR HEDQUIST: Yep. So. Yep. I mean if you haven't read them I can't -

MR BEAMER: No, no, I read them.

MR HEDQUIST: Yep. So. Bill Luben couldn't show me anywhere in the contract documents where you have that authority. Now he didn't say he didn't have them, but he couldn't show me. And I asked him –

MR BEAMER: Which one are you referring to now?

MR HEDQUIST: All of them.

MR. BEAMER: All of them?

MR HEDQUIST: The payment.

MR BEAMER: The payment for, the payment – the lack of payment?

MR HEDQUIST: The lack of payment.

MR BEAMER: Ok. Gotcha.

MR HEDQUIST: The change order contingent on another change order.

MR BEAMER: How can we approve a change order that is built upon a previous change order? I don't understand that.

MR HEDQUIST: Striping is a separate item from all those other ones.

Striping is a stand-alone item, which you guys verbally agreed. Once again the city and its agents verbally agree and then they decide they are going to get something extra out of it.

MR BEAMER: That's not true.

MR HEDQUIST: Yep. That is exactly what goes on.

MR BEAMER: Ok, I disagree.

MR HEDQUIST: Yep.

MR BEAMER: Ok.

MR HEDQUIST: So. So, now are these payments going to get through on time or do...

MR BEAMER: I haven't seen a payment for this one yet.

MR HEDQUIST: Shawna just turned one in right when I was walking out the door. So.

MR BEAMER: Ok, well it depends on when I get it.

MR HEDQUIST: I will have it in to Andrew on time. (Unintelligible).

MR BEAMER: Does it have a schedule with it?

MR LARSEN: Yeah. They did submit the schedule.

MR BEAMER: Ok.

MR HEDQUIST: Yep. Don't worry.

MR BEAMER: I'm just asking.

MR HEDQUIST: Yeah. And so those other items, I expect an answer back on them.

MR LARSEN: I'll give you an answer this afternoon.

MR HEDQUIST: I can get Mike Lansing working (unintelligible). So.

We're going to get this taken care of once and for all.

MR LARSEN: Yep.

MR BEAMER: That's probably a good idea.

MR HEDQUIST: It is a good idea.

MR BEAMER: Ok. We done?

MR HEDQUIST: As far as I'm concerned

MR BEAMER: Ok.

MR LARSEN: Did he just tell you to stand up bitch.

MR BEAMER: Yeah.

MR LARSEN: Make note of that.

MR BEAMER: Yeah.

MR LARSEN: What an arrogant an asshole.

MR BEAMER: I agree. I'll work with you Jim, but I'm not working with him. I'm just letting you know.

MR FRANCIS: I, I apologize. I, I had nothing to do with that.

MR BEAMER: I know, I'm just letting you know. I will work with you, but -

MR FRANCIS: I understand. I do, I do.

MR BEAMER: But if that guy wants any favors – there's no way.

MR FRANCIS: I do understand. He's gonna have to talk to me. He got to talk to me too. Because that was fucking out of line. He's gonna do nothing but cause me fucking hate and discontent right here (unintelligible).

MR BEAMER: Alright. That's what I'm telling you. I am not going to hold it against you, but you cannot expect any favors.

MR FRANCIS: Thank you for being a gentleman about it. But I, believe me, you know I understand. Like I said he and I will have words. I would just assume (unintelligible) right here man. Not even necessary.

(Unintelligible conversation)

MR BEAMER: When's the schedule to be back on?

MR FRANCIS: Oh, yeah.

(Unintelligible conversation)

MR DEAN: There uh – 7 o'clock tonight.

MR BEAMER: Ok.

(Unintelligible conversation)

MR DEAN: Mike's on call that's why he was at the meeting.

MR BEAMER: Congratulations.

(Laughing)

MR DEAN: We drew straws and he lost.

(Laughing)

MR BEAMER: Ok.

(Unintelligible conversation)

MR BEAMER: Alright. I'm out of here. See you next progress meeting.

MR LARSEN: Sounds good.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE CITY COUNCIL

HEARING IN THE MATTER OF COUNCILMAN CRAIG HEDQUIST

TRANSCRIPT OF HEARING PROCEEDINGS

Transcript of Hearing Proceedings in the above-
entitled matter before the Casper City Council commencing
on the 29th day of April, 2014, at 5:20 p.m. at the City
Hall Council Chambers, 200 North David Street, Casper,
Wyoming, Mr. Paul Meyer presiding. Also present for the
Council were Council Members Mr. Keith Goodenough,
Mr. Bob Hopkins, Mr. Steve Cathey, Mr. Charlie Powell,
Ms. Kenyne Schlager, Mr. Daniel Sandoval and Mr. Paul
Bertoglio.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

For the City
Staff:

MR. WESTON W. REEVES
Attorney at Law
PARK STREET LAW OFFICE
242 South Park Street
Casper, Wyoming 82601

For the City
Council:

MS. JUDITH A.W. STUDER
Attorney at Law
SCHWARTZ, BON, WALKER & STUDER
141 South Center Street, Suite 500
Casper, Wyoming 82602

I N D E X

	PAGE	LINE
Statement by Mr. Wes Reeves	9	25
Statement by Mr. Andrew Beamer	34	4
Statement by Mr. Pete Meyers	45	23
Statement by Mr. Jason Knopp	58	24
Statement by Mr. Rick Harrah	76	15

1 PROCEEDINGS

2 (Hearing proceedings commenced
3 5:20 p.m., April 29, 2013.)

4 MAYOR MEYER: At this point I'm ready for
5 the adoption of hearing rules for this procedure.

6 Councilman Goodenough?

7 MR. GOODENOUGH: Mr. Mayor, before we
8 appoint the hearing officer and move into that, I'd like
9 to move that we post -- we lay on the table with a
10 motion. It's nondebatable. And the purpose would be to
11 stop the hearing right now and reconsider at a later
12 date. So I make the motion. It requires a second.

13 MR. SANDOVAL: I second that motion.

14 MAYOR MEYER: I have a motion and a second
15 to --

16 MR. SANDOVAL: Table.

17 MAYOR MEYER: -- table the hearing this
18 afternoon. At this point we will have a vote on that
19 motion. Correct? All those in favor?

20 MR. POWELL: Discussion.

21 MR. GOODENOUGH: As a point of order,
22 Mr. Mayor, it's a nondebatable motion, so it's similar to
23 adjourn, where it's a motion and a second, and then we
24 just vote it up or vote it down.

25 MAYOR MEYER: So I would request council

1 please cast your vote. Please record the vote. With
2 five people saying to proceed and three saying not to --
3 or, six to two. Okay. The chair would entertain a
4 motion to adopt by minute action --

5 MR. SANDOVAL: Excuse me, Mayor.

6 MAYOR MEYER: Yes, sir?

7 MR. SANDOVAL: Can I make a motion that we
8 table it and then not to adjourn, so that we can have a
9 discussion?

10 MR. BERTOGLIO: We haven't even adopted
11 the rules yet, so let's at least adopt the rules first.
12 Then you can start making all your motions. But if this
13 is an informal hearing, the first step is to at least
14 adopt the rules that we -- Roberts Rules of Order, and
15 then you can start into making all your motions.

16 MR. SANDOVAL: But that would instill a
17 different officer, wouldn't it?

18 MR. BERTOGLIO: No. Haven't adopted
19 anything other than the first step, which is to adopt the
20 rules of Roberts Rules of Order, the hearing rules, and
21 then you can do your motions as you please. But you have
22 to at least adopt the rules that you intend to proceed
23 by.

24 MR. HOPKINS: Mr. Mayor, I think we still
25 have a motion on the floor.

1 MR. GOODENOUGH: As point of order,
2 Mr. Mayor, we didn't have a second. So, if there's no
3 second, then there's no motion. It just dies for lack of
4 a second.

5 MAYOR MEYER: Correct. Well, the chair
6 would entertain a motion to adopt by minute action the
7 following hearing rules and procedures as discussed in
8 the council work session on April 22nd, 2014 as provided
9 for in Resolution Number 00-9, rules of city council,
10 Section 5.12, rule source.

11 MR. POWELL: So moved.

12 MR. SANDOVAL: Second.

13 MAYOR MEYER: Moved by Councilman Powell
14 and seconded by Councilman Sandoval. Corrections?

15 Please cast a vote. Please record your vote.

16 THE CLERK: With Councilman Goodenough
17 voting nay, motion passes.

18 MAYOR MEYER: City clerk, would you please
19 read the hearing procedures?

20 THE CLERK: Hearing procedure.
21 Preparation. Council will review and agree to procedures
22 to be followed at its work session on April 22nd, 2014.
23 The attorney for the city's administration and the
24 attorney or attorneys for Mr. Hedquist shall provide
25 council with copies of any exhibits that may be offered

1 and a list of witnesses that may be called to provide
2 testimony. Witnesses should have personal knowledge of
3 the events giving rise to or concerning alleged
4 misconduct. Copies of exhibits and a brief summary of
5 expected testimony for each witness shall be provided to
6 the other side and to council by 4:00 p.m. Friday, April
7 25th, 2014. Arrangements will be made for court
8 reporting to record and transcribe all testimony.

9 Hearing procedures. Council will select a
10 hearing officer from its members at its work session on
11 April 22nd, 2014. Council will review the list of
12 witnesses provided by the city's attorneys and
13 Mr. Hedquist's attorney or attorneys prior to the
14 hearing. Witnesses that do not have actual knowledge of
15 the events at issue will not be permitted to speak at the
16 hearing. Any comments from those with no actual
17 knowledge of events can be submitted in writing at the
18 hearing.

19 Council will hear an opening statement from
20 attorneys representing city administration. Time
21 allowance, 30 minutes. Council will hear an opening
22 statement from attorney or attorneys representing
23 Mr. Hedquist. Time allowance, 30 minutes. Council will
24 hear statements from witnesses identified by the city
25 administration's attorney or attorneys and question each

1 witness. Council will hear statements from witnesses
2 identified by Mr. Hedquist's attorney or attorneys and
3 question each witness.

4 Conclusion. Council will consider motion or
5 motions to rule or postpone ruling.

6 MAYOR MEYER: Thank you. That brings us
7 to Agenda Item 4. The chair would entertain a motion to
8 approve by minute action that Councilman Bob Hopkins
9 serve as a hearing officer for this hearing.

10 MR. GOODENOUGH: So moved.

11 MR. POWELL: Second.

12 MAYOR MEYER: Moved by Councilman
13 Goodenough, seconded by Councilman Powell. Abstentions?

14 Please cast your vote. Please record your
15 vote.

16 THE CLERK: All members voting aye, motion
17 passes.

18 MAYOR MEYER: At this point I will step
19 aside.

20 MR. HOPKINS: Thank you, Mr. Mayor.

21 Before we proceed with the hearing, I've got
22 some things that I really think we need to discuss and
23 let people know about. These are pretty much my opening
24 comments. Council members would like to notify those
25 present and those listening that there may be some frank

1 and offensive language that may occur by presentation by
2 attorneys and those providing statements here tonight.
3 However, council feels that it's important to fully
4 reveal specific language that was used in conversations
5 between city employees and Councilman Hedquist.

6 Councilman Hedquist has informed city --
7 informed the council on Friday, April 25th, that neither
8 he nor his attorneys would avail themselves of the
9 opportunity to provide presentations or statements at
10 this hearing.

11 Wyoming law is unclear on how the city manager
12 form of government may or should deal with alleged
13 inappropriate behavior by a city council member to remove
14 the city council member from office. Therefore, we as
15 hearing officers need to proceed under a fair and open
16 process to assure to the citizens of Casper that this
17 hearing and any decisions made are aboveboard and
18 consistent with the expectations of those who are elected
19 to office.

20 This informal hearing is to allow an
21 opportunity to rebut charges that have been made. We are
22 here tonight to hear testimony regarding the conduct of
23 Councilman Hedquist that is alleged to have violated the
24 City of Casper's code of ethics as set forth in petition
25 prepared by Mr. Wes Reeves.

1 This hearing shall be conducted under the
2 procedures that have been announced to both sides in
3 advance. The members may ask questions, hear testimony,
4 review exhibits offered to determine if Councilman
5 Hedquist's actions constitute a violation of the City of
6 Casper's Municipal Code 2.60, public service code of
7 ethics.

8 Council members acting as hearing officers
9 shall, in addition, determine any appropriate measures to
10 assure acceptable behavior by council members and others
11 that may be in attendance in order to comply with the
12 standards commensurate with holding office of city
13 councilman and public decorum.

14 Agenda Item 6, I now declare the hearing -- I
15 now declare the hearing open. The parties have submitted
16 witnesses and exhibits, and I guess that had personal
17 knowledge of what transpired. At this time council would
18 like to hear a brief opening statement from both sides.
19 Councilman Reeves (sic), if you are here, please
20 either -- you may have a choice, Mr. Reeves. You can
21 either sit at the table if you've got to spread things
22 out, or you're welcome to use the podium. I would ask
23 that we go by our normal rules and that you state your
24 name and address before you make your comments.

25 MR. REEVES: Well, thank you, Chair

1 Hopkins. My name is Wes Reeves. I live and work at Park
2 Street Law Office -- I mean, I literally live there -- at
3 242 South Park. I'm pleased and honored to represent
4 city administration, city staff, and to participate with
5 the city council and the council members in trying to
6 understand these certainly tense, if not difficult
7 issues.

8 It is the rule in court that if a party
9 receives notice and doesn't appear, they're in default,
10 and a ruling is made against them. It's taken as a legal
11 admission of the basis of the charge or a waiver of any
12 defense of the party that doesn't appear. I don't know
13 that that applies here. I don't really ask that because
14 we think the evidence is clear.

15 It is complained that there are no rules of
16 evidence here, one of the excuses for the other side not
17 appearing. But what are called rules of evidence in
18 court, which I'm sure opposing counsel have in mind,
19 don't apply in agencies, don't apply in quasi-legislative
20 hearings like this one. The rule is that agency members
21 and elected officials should rely on information of the
22 kind that informed persons take to be reliable and use in
23 the conduct of their important affairs.

24 We think that's the kind of evidence we have
25 tonight contained in the exhibits in the book which I

1 tendered and in the statement of the witnesses who have
2 been listed. Those present here are Scott Baxter, Andrew
3 Beamer, Rick Harrah, Jason Knopp and Pete Meyers. We
4 think some three or more of those will make a statement
5 and then answer your questions.

6 The evidence, the written evidence, is --
7 consists almost entirely of reports contemporaneously
8 made by city employees without participation of any
9 counsel or without any prodding to record events in the
10 normal course of business. And they should be regarded
11 as city records and staff memoranda of the kind you
12 regularly rely on.

13 For example, Exhibit 5 is an inspection report
14 by Scott Baxter dated June 14, 2013. He reports that at
15 10:30 a.m., there was a meeting at the city hall between
16 Mr. Baxter, Rick Harrah, John Patterson and Andrew Beamer
17 that talk about a contract matter involving Hedquist
18 Construction Company.

19 Now, in the first place, you may understand
20 that it's quite unusual for a city contractor to assemble
21 the city manager and the director of public works and the
22 head of the engineering department all at the same place
23 to talk about one of his concerns, which, according to
24 Mr. Baxter, was the amount of concrete that needs to be
25 replaced on Indian Paintbrush. Mr. Hedquist was most

1 unhappy with replacing small portions and not replacing
2 large amounts of concrete that are cracking.

3 And so, at 1:00 p.m., Harrah, Beamer and
4 Hedquist met with Baxter on site, where Mr. Hedquist says
5 that he is an advocate of replacing the curb sections
6 that are cracked and that he is speaking not only as a
7 city councilman, but as a representative of his
8 constituents; that is, as a city councilman on behalf of
9 his constituents, he is asking that additional work for
10 which he will receive additional payment be added to his
11 contract.

12 That is a clear black-and-white violation of
13 the rules barring conflict of interest in Wyoming
14 statutes and almost in identical language in 2.60, which
15 at 060A says in full -- these are quoted on page 4 of our
16 paper -- any councilman or any other public official who
17 has a contract with the city -- I'm dropping a couple
18 words for clarity -- shall refrain from voting or
19 otherwise participating in the transaction or making such
20 contract or sale. By plain language, Council Member
21 Hedquist was participating in the transaction. That is
22 not hard to see why that violation is unrefuted.

23 As Council Member Bertoglio reminded us the
24 last time I was here, that no councilman -- no. I take
25 that back. That's a different section. Section

1 2.60.060 says that no councilman or other official or
2 employee shall appear on behalf of private interests
3 before any agency of the city. Seems to me that a fair
4 reading of that includes the assembly of head officials
5 of the Public Works Department. Mr. Hedquist regularly
6 sought audiences with them concerning his contracts.

7 That section continues. He or she, this person
8 with an interest in a subject, shall not represent a
9 private interest in any action or proceeding against the
10 city in any litigation, which Mr. Hedquist is doing by
11 having sued the city, where he will be called upon to
12 offer testimony against the city in support of his
13 allegations.

14 Now, federal courts are open to everybody, but
15 it isn't written anywhere that you can take advantage of
16 the access to the -- to federal court while at the same
17 time remain a member of the city council that you're
18 suing. Seems clear that that seems also a clear
19 violation to me.

20 Prospective arbitration and litigation on
21 contract issues in which Mr. Hedquist may also appear and
22 offer testimony creates a considerable conflict of
23 interest. And it is probably complications like that
24 that have led to multiple defaults on Mr. Hedquist's
25 part.

1 Now, the standard of conduct 2.60.030, which
2 Council Member Bertoglio mentioned, provides that the
3 conduct of a council member should be above reproach and
4 that a council member should avoid even the potential of
5 a conflict of interest. And 2.60.090 says if a council
6 member has a doubt about the propriety of prospective
7 activity, that he, quote, shall seek an advisory opinion
8 from the city attorney.

9 I've been waiting, and I've always wanted to
10 ask Council Member Hedquist where conduct like his, which
11 is described in the memoranda of the staff, has been
12 approved by anybody in any governmental body or where
13 that kind of conduct has been approved by any ethics
14 specialist or any court has said that it's okay for an
15 elected official to have major public works contracts
16 with his city or state. We think the standard in this
17 regard is that the council member, really in most places,
18 who owns assets that are affected by public decisions, he
19 puts those in a blind trust.

20 Having a public works contract with a city is
21 not like selling a bucket of grease or a ream of paper or
22 uncomplicated supplies. Contracts of this --
23 construction contracts of this kind always involve
24 ongoing decisions and modifications and negotiations, and
25 sometimes that goes on for many months. And I think

1 that's why the ordinance says it isn't enough just to
2 abstain from voting, but that you can't participate in
3 any part of the transaction.

4 There are specialists, sometimes called
5 construction managers or project managers, who assist
6 parties through the difficult interpretation and
7 negotiation of contract issues. There are, although
8 probably not here, specialists who advise contractors on
9 the difficulties and complexities of contracting with the
10 government and with what might be called government red
11 tape or regulation. Many government contracts
12 incorporate numerous government standards and
13 regulations.

14 And so I raise this up. And these people are
15 involved in all kinds of things, like checking in
16 material to see if it all arrives and seeing if things
17 are at the right angle and the right slope and at the
18 right composition and doing tests of material. Those are
19 a lot more important than voting up or down on letting
20 the contract because the vote is preset by law. You have
21 a responsible bidder. It's a low vote. It doesn't
22 matter if he abstains, the bidder that's on the council.
23 It doesn't matter. His contract is going to be let. The
24 really important issues affecting the public good involve
25 interpretation, administration, inspection and items like

1 that in the contract.

2 So let's try to -- I've been trying to think of
3 a hypothetical that may illustrate the depth of Mr. -- of
4 Council Member Hedquist's difficulties. Let us assume
5 that a sitting council member who has long experience
6 wants to take a part-time job as an adviser to city
7 contractors and says, I know the ropes down at city hall.
8 I know the government regulations. I go to lets every
9 couple of months with Rick Harrah. And if you,
10 Mr. Contractor, will pay me, I will be your liaison with
11 the city. I won't vote to approve your contract. I
12 can't do that. But I will walk you through the
13 performance stakes. Would that be lawful?

14 If a sitting Congressman wanted to take money
15 to lobby with federal agencies, he would be strapped up
16 by the FBI. We don't have to be told that that is wrong.
17 That would be a specific violation, by whatever council
18 member tried to do that, of the ordinance which says you
19 can't participate in any part of a transaction. If one
20 of you are barred from that kind of activity, then so is
21 Mr. Hedquist for the same reason.

22 It is assumed that what is called in the
23 ordinance the perceived prestige of your position will
24 have an influence when you're negotiating with the guy
25 sitting in this row. It is assumed, known by

1 Mr. Hedquist, that he will get and expect a pecuniary
2 advantage from his position. So why he is not here to
3 answer these simple propositions?

4 Well, he said in his letter to you that I had
5 withheld requested information. In response to that,
6 I've -- I hope I gave you today the request for
7 information which I got. And it's not limited to any
8 particular investigation. It is thousands of pages and
9 would take scores of hours to assemble. It is the only
10 request for information I received, to my recollection.
11 It is way beyond the scope of any question about whether
12 a city councilman can participate in negotiation of his
13 performance of his contract. Involves all kinds of
14 things, none of which are to the point here.

15 Nevertheless, we were in the process of
16 beginning a response when Sharon Rose issued her
17 decision. And in her letter, which we received on March
18 17th, 2014, she suggests a, quote, stay of discovery.
19 That means stop all the frantic activity of searching for
20 ten-year-old city council minutes and every e-mail that
21 John Patterson ever sent to any council member on any
22 subject under the sun, and let's see what's going to
23 happen. The result of what happened was that proceeding
24 was abandoned.

25 Almost simultaneously, just a few days,

1 actually, before Sharon Rose's decision, counsel for
2 Mr. Hedquist sent a subpoena to Judy Studer for Kathy
3 Dixon's investigation. In part, Judy responded. There
4 are things in there you can't see, like Andrew Beamer's
5 personnel file. There are things in there which should
6 not be released without an order of the hearing officer.
7 And work was under way to get such an order. When the
8 case was dropped, the order was never entered, and no
9 request to me was ever renewed.

10 What is relevant to this case, our office
11 hand-delivered on January 17 the documents you have, with
12 the exception of the transcript of the August 29 meeting
13 and the audio recording. And I didn't include the audio
14 recording, assuming wrongly that it had already been
15 delivered. But I delivered it on March 4th. So that is
16 the discovery subject. The documents that we have
17 delivered are more specific on what witnesses are going
18 to say than descriptions of witnesses commonly used in
19 court.

20 So, excuses aside, why is he not here? It is I
21 think because he knows his conduct is not defensible.
22 And to answer questions that might be put to him about
23 his conduct and the application of the code of ethics
24 may, frankly, wreck his federal court case. There is a
25 connection here between that case, I think, and what

1 you're going to -- what we hope you're going to do and
2 his nonappearance.

3 Here's the -- here is the heart of the case,
4 that he has a free-speech claim that he's been deprived
5 and punished for exercising free speech, which is a bad
6 thing. What he says is that this started -- I'm quoting
7 from the complaint, early in the complaint, the prefatory
8 pages. It started with Patterson's passive-aggressive
9 refusal -- he's making a diagnosis of some kind here --
10 his passive-aggressive refusal to allow Hedquist to be
11 involved in talks involving some land dispute with the
12 Boys and Girls Club or something. Patterson told him he
13 could appear, and then there was a meeting, and he didn't
14 get invited. And they had a heated discussion at which
15 Hedquist charged that Patterson was not capable of
16 assembling and managing a competent city staff and wasn't
17 worth the salary he was being paid.

18 And because -- John denies such conversation
19 ever having occurred. But it is said because of this
20 passive-aggressive behavior, because Council Member
21 Hedquist made these accusations, that a wide-ranging
22 conspiracy between the guys in this row was hatched up to
23 try to run Hedquist off. And the motivating factor was
24 not any workplace violence. It was not any disruptive
25 conduct. It was not any conflict of interest. It was

1 that he's getting punished for criticizing the city
2 manager.

3 Ultimately, counsel for Mr. Hedquist continues,
4 Patterson's staff prodded Hedquist into a heated exchange
5 where Hedquist challenged the city to keep its word and
6 pay as promised instead of demanding things of Hedquist
7 that were not covered by the contract. Now, he's a
8 little sensitive about having said those words, "Stand
9 up, you B." And so he says he was, quote, prodded into
10 doing that by design.

11 His claims in the federal case will fail. His
12 claim of punitive action taken against him because of his
13 free speech will fail if there are good-faith objective
14 reasons to question his conduct, that is, for being here
15 tonight and responding in some way to what started with
16 the city engineer's request for assistance. It was
17 really obligatory. Sharon Rose says in her decision,
18 citing a state statute, and she might also have cited a
19 city ordinance, that provides that the city manager shall
20 see that all laws and ordinances are observed, and with
21 knowledge that they're being violated, has a duty -- if
22 there is, in fact, a good-faith belief that there is a
23 violation, has a duty to inquire and respond and to seek
24 compliance.

25 We didn't ask to be here. You didn't ask to do

1 this. You weren't duped into doing this by John and his
2 staff. You're responding to a very unusual, maybe unique
3 situation in which a leading city contractor thinks he
4 can do things like this and get away with it. And if
5 there is a good-faith reason for the inquiry, then the
6 claim that I'm getting punished for no reason at all
7 except my free speech falls flat and becomes really
8 abusive, because there is good and objective evidence of
9 the violation. His lawyers only hint at a defense by
10 saying that he was prodded into doing these things.

11 If you look in the transcript, which we took a
12 real effort to get as close as we could, which is at the
13 end here, I want to take just a minute to explain this.
14 There was no prodding and digging or insults or innuendos
15 against Mr. Hedquist. But there is conduct by
16 Mr. Hedquist that's a little subtle, and I'd like to help
17 you -- I'd like to help explain this.

18 Mr. Beamer begins right at the beginning, looks
19 like we about got Poplar licked, eh? Hedquist, yeah.
20 That's good, Beamer says. When do you think it's going
21 to open? Hedquist, it won't open until the fourteen days
22 is up.

23 There's some kind of fourteen-day window here
24 for him to get started on another project.

25 Beamer, oh, is that right? Yep. Hedquist

1 says, that's in the contract, ain't it? Beamer says, a
2 maximum of fourteen days. Hedquist, yeah. So we're
3 going to take the max.

4 MR. HOPKINS: Mr. Reeves, if I may, we're
5 reading specifically out of Exhibit 18. Is that correct?

6 MR. REEVES: We are. I'm sorry,
7 Mr. Chairman. We're now at the top of page 2.

8 So you're going to take the max? Beamer
9 says -- Hedquist says, we're going to do that, meaning
10 all fourteen days. We're going to keep the road closed
11 for fourteen days. Beamer, okay. Hedquist, unless the
12 city wants to, you know, make it worth my while or
13 something. But otherwise, we'll just keep it like that,
14 and we don't have to worry about it.

15 Unless the city wants to make it worth my
16 while? By doing what, Mr. Councilman?

17 Then at the bottom of the page, Hedquist, no.
18 Some mumbling. Okay, before the meeting starts, make
19 sure everybody hears this, because this is -- I was told
20 it's important. My name is Craig Hedquist. I'm the
21 owner of Hedquist Construction, and I'm speaking as a
22 contractor on the job. I'm not speaking in any other
23 capacity that I have with the city council.

24 Who told him that that was important? And did
25 they tell him that his previous assertion that he was

1 acting as a councilman was inappropriate?

2 Then I want to jump ahead to page 7. And
3 there's another subject here, very briefly, in front of
4 one of the -- Poplar Living Center, perhaps. In front of
5 one of the facilities on Poplar Street. We were going to
6 take a waterline, some kind of line across the street,
7 and there was a landscape median in the street, and there
8 was a bid price to open that up, put the line across.
9 I'm maybe getting some of the details wrong, but you can
10 ask Andrew Beamer about this. But it was hoped to get a
11 different route which would have been through virgin
12 ground and would have been cheaper.

13 Before that deal was made, Mr. Hedquist went
14 ahead and put a valve, elbow, a fixture of some kind in
15 the place where it would have gone if the new access had
16 been obtained. Turns out the access wasn't obtained, and
17 so he had to move that feature. And he is arguing here
18 that he had been told by CEPI that he'd get paid for
19 moving it. And the representative of CEPI says, you
20 weren't told that. And Mr. Hedquist, on page -- later
21 pages says, I promise you as sure as you're standing here
22 that the city is going to pay me for that, on page 12,
23 because of the very thing, and don't kid yourself about
24 this. Don't kid yourself. That is the councilman's
25 conduct.

1 The other thing important about this is the
2 issue of opening up Poplar arose again on page 7. Jim
3 Francis is Mr. Hedquist's man at this meeting. And he
4 says -- this is a different valve altogether, different
5 location. He says, my tractor is 30 feet long, and I
6 need to get into Coffman Street to get -- to do some
7 work. And Mr. Beamer says, I guess you better get Poplar
8 Street open. That's part of the prodding, I guess. I
9 don't see why it's offensive. He's already said he's not
10 going to open Poplar Street unless he gets some
11 additional payment. So now we're -- we can't have two
12 streets closed at the same time, according to Andrew.
13 And Mr. Hedquist's position is, you guys want to start
14 paying me, and then follows what led to the workplace
15 violence.

16 That's a little dense, and I apologize. But
17 thank you for following with me. And remember 2.60.060A.
18 He is obliged by the ordinance to refrain from voting
19 upon or otherwise participating in the transaction. If
20 he decided to come here, he could do one of a couple of
21 things. He couldn't very well say, "I didn't do it,"
22 because he's on tape and because contemporaneous accounts
23 of his conduct are given by several employees. He could
24 say, could have been encouraged by somebody to say,
25 "Yeah, I did those things, and I regret that, and I'm not

1 going to do it anymore." But he won't do that. He
2 absolutely will not do that. He had his secretary sign a
3 very ambiguous apology to Andrew Beamer. He wouldn't
4 even do it himself.

5 He could say, if he came here, "Yeah, I did
6 those things, and I'm going to keep doing it. If you'll
7 let me back in this project, I'm going to administer them
8 myself, and there's nothing you can do to stop me." I
9 think that's his real position. His lawyers have had
10 since who knows when to deliver a reasoned analysis and
11 defense if there is -- if there is one. Instead they
12 delay. They've complicated. They've sent out requests
13 for documents like the one I've handed you that are
14 designed to swamp the process, threatening to take dozens
15 of depositions and then filing this lawsuit. That's what
16 you're dealing with.

17 Maybe all you can do now is to pass a
18 resolution saying there is an obvious and egregious
19 violation, that it is continuing and that it will
20 continue as long as the federal lawsuit continues or as
21 long as the contracts are open and we'll keep the subject
22 in view.

23 MR. HOPKINS: Mr. Reeves, you're getting
24 pretty close on time. I've prefer that you'd sum up. We
25 allocated 30 minutes.

1 MR. REEVES: I'm sorry. I got this much
2 more.

3 MR. HOPKINS: I think you can make it.

4 MR. REEVES: And this much more says a no
5 vote or an abstention on a proposed resolution is an
6 endorsement of Mr. Hedquist's position as I've explained
7 it and I think would be a disservice to the citizens of
8 Casper.

9 Thank you, Mr. Chairman. Now, if we're ready
10 to keep going.

11 MR. HOPKINS: Mr. Reeves, I'd like to give
12 council the opportunity to ask questions, specific
13 questions.

14 MR. REEVES: Okay.

15 MR. HOPKINS: Councilman Sandoval?

16 MR. SANDOVAL: Thank you, Mr. Chairman.

17 As a justification for the conflict of
18 interest, you included a paragraph. And I wrote it down.
19 And I'd like to read it to you. And you tell me if --
20 well, in a plain-word translation, I would like you to
21 tell me what this means.

22 It is a well-established and salutary doctrine
23 that he who is entrusted with the business of others
24 cannot be allowed to make such business an object of
25 pecuniary profit to himself. The rule does not depend on

1 reasoning technical in its character and is not local in
2 its application. It is based upon principles -- it is
3 based upon principles of reason, of morality and of
4 public policy. It has its foundations in the very
5 constitution of our nature, for it has authoritatively
6 been declared that a man cannot serve two masters and is
7 recognized, enforced wherever a well-regulated system of
8 jurisprudence prevails.

9 The law will in no case permit persons who have
10 undertaken the fiduciary character or a charge to change
11 or invert that character by leaving it and acting for
12 themselves in the business in which their character binds
13 them to act for others. The application of the rule may
14 in some instances appear to bear hard upon individuals
15 who have committed no moral wrong, but is essential to
16 the keeping of all parties filling a fiduciary character
17 to their duty to preserve the rule in its integrity and
18 apply it to every case which justly falls within its
19 principle.

20 Okay. I would like to give you what I think
21 that means.

22 MR. REEVES: Okay.

23 MR. SANDOVAL: It means that because he's
24 a city councilman, the business of the city, the finances
25 of the city come first before all.

1 MR. REEVES: Yes.

2 MR. SANDOVAL: Why didn't it just say
3 that?

4 MR. REEVES: Because it was written by a
5 lawyer. Not me. I'm quoting. I'm quoting an opinion of
6 the Wyoming Supreme Court, and they're quoting other
7 cases or in other cases. It means exactly what you say.
8 And somebody else said that no man can serve two masters,
9 for he will neither -- you maybe finished the quote. I
10 can't quite.

11 MR. SANDOVAL: Right.

12 MR. REEVES: But that's what it means.

13 MR. SANDOVAL: Okay. One more question,
14 and I'll let this go. If these allegations of conflict
15 of interest are substantive, why don't we just take
16 everything that we put in here, hand it to the district
17 attorney's office, then we may get a conviction, and then
18 we can actually do something according to our ordinances?

19 MR. REEVES: Every conflict of interest is
20 not a criminal violation. I think -- let me tell you how
21 difficult this is. There is a pointed controversy
22 between CEPI and Mr. Hedquist about whether a certain sum
23 of money is due from the city to Hedquist. Hedquist is
24 trying to get the money. CEPI is saying, "No, you don't
25 deserve it." That doesn't -- Hedquist's conduct does not

1 constitute the commission of a crime. He would say, in
2 response to a criminal complaint, "I really thought the
3 money was due to me, and I didn't intend to take money I
4 hadn't earned."

5 For there to be a crime of a bribery or a
6 conflict of interest, you have to try to get money you
7 know you didn't earn. That doesn't mean that a conflict
8 of interest isn't a serious offense, but it's not so easy
9 to get a criminal offense. And it shouldn't be necessary
10 to get a criminal offense to have a repeat offender
11 either stop his conduct or be removed from office by
12 changing the rules or something.

13 MR. SANDOVAL: Thank you, Mr. Chairman.

14 MR. HOPKINS: Thank you, Mr. Reeves.

15 Any other questions by the Council? Councilman
16 Cathey?

17 MR. CATHEY: As a point of clarification,
18 what you're talking about here, conviction only applies
19 to criminal law. Is that correct? And what you are
20 saying then is that he could be guilty of civil crime,
21 but that is called something different, and thereby, the
22 way the ordinance is written, he could actually commit
23 civil crime but wind up not being convicted in legalese?

24 MR. REEVES: In legalese. That was Sharon
25 Rose's position. I argued a different position. But it

1 is -- it is an unfortunate choice of words which makes
2 that state statute of no effect at all. Needs to be
3 fixed.

4 MR. POWELL: Ordinance, not state statute.

5 MR. REEVES: Yes. The ordinance. Thank
6 you. Right.

7 MR. CATHEY: Thank you.

8 MR. HOPKINS: Mr. Bertoglio?

9 MR. BERTOGLIO: Thank you, Mr. Chairman.

10 Mr. Reeves, in reading your prepared
11 manuscript for us and in looking at our code of ethics,
12 it would appear that the vast majority of our code of
13 ethics are derived directly from state statutes. Is that
14 a fair assessment?

15 MR. REEVES: It's similar. And these
16 rules are common all over the country, I think.

17 MR. BERTOGLIO: I'm just looking at the
18 part that you've referenced time and time again about
19 being directly or indirectly involved post awarding of
20 contract. And that is strictly a state statute, also.

21 MR. REEVES: Yes, it is.

22 MR. BERTOGLIO: Are state statutes -- when
23 we raise our right hand and say, "I uphold the
24 constitution of the state of Wyoming," is the state
25 statute considered part of that?

1 MR. REEVES: Sure. And I think -- yes.

2 MR. BERTOGLIO: Thank you.

3 MR. HOPKINS: Other questions? Council
4 Member Schlager?

5 MS. SCHLAGER: Thank you.

6 Will the public have an opportunity to hear the
7 audio recording?

8 MR. REEVES: Well, Council Member
9 Schlager, as far as I'm concerned, they can. It may --
10 there's no reason I know of that it's not available.

11 MR. HOPKINS: Thank you. Councilman
12 Sandoval?

13 MR. SANDOVAL: Thank you, Mr. Chairman.

14 I would just like it noted that it's very easy
15 to ascribe motives to Councilman Hedquist when he and his
16 counsel are not here. And that's my problem with this
17 proceeding, is the fact that without his participation,
18 it seems like we're just judging him in absentia. And
19 that, at least in the court of public opinion, does not
20 look good.

21 MR. REEVES: Well, certainly it shouldn't
22 look good for him for not coming and saying, "My motives
23 are clear." But, in fact, he could come and say, "I
24 hadn't read the statute. I hadn't read the ordinance. I
25 didn't know I was doing anything wrong." That's not a

1 good defense, but it could be better for him to say that
2 than to kind of say, you know, shove off. You didn't let
3 me take depositions, and you didn't let me do this and
4 that. If he wanted to say, "I didn't intend any
5 impropriety. I'm sorry. I won't do it again," it would
6 make a lot of difference.

7 MR. HOPKINS: One more, but I think we're
8 getting close to not asking questions and making opinion
9 statements. Let's stick to questions.

10 MR. SANDOVAL: This was the question. All
11 right. Because of the gap between the Administrative
12 Procedures Act and our ordinance requiring a conviction,
13 is it your opinion that we could pursue and get a removal
14 but having to take it to the Supreme Court because of
15 this gap in the law between civil and criminal?

16 MR. REEVES: Well, I think -- I think
17 there are a lot of things you could do. You could file a
18 suit across the street in district court for his removal.
19 It would take two years. I believe that Sharon Rose is
20 wrong and that you could adopt hearing procedures just
21 like you did here now for the contested case -- for the
22 contested case and seek removal on the basis of violation
23 of the ordinance only. With ad hoc rules, I think that
24 could be done. You decided not to do that. I don't want
25 to argue with your decision.

1 MR. HOPKINS: Thank you. Other questions?

2 MR. REEVES: Thank you, Mr. Chairman.

3 MR. HOPKINS: One clarification, if I
4 might, Mr. Reeves. If I understand it correctly, on the
5 document -- Mr. Hedquist's request for documents, that
6 was specifically related to the contested case hearing.

7 MR. REEVES: It was, yes.

8 MR. HOPKINS: And when we, in fact, made
9 that go away, this becomes null and void.

10 MR. REEVES: That was my position, yes,
11 and I think Sharon Rose's.

12 MR. HOPKINS: I just wanted to clarify
13 that. Thank you for your testimony. We appreciate it.

14 I understand now that we would like to hear
15 from -- if he were here, we would hear from
16 Mr. Hedquist's lawyer. However, as I indicated before,
17 he had chosen on April 25th not to be here. Therefore, I
18 would like to move on to some of our witnesses for the
19 city.

20 MR. REEVES: First of all, we'll -- Andrew
21 Beamer would like to make a statement. Then how many of
22 these witnesses we call and how many questions you answer
23 is really up to you. They're here really at your call.

24 MR. HOPKINS: I'll let you know we do not
25 plan to be here at midnight, but we will go as long as it

1 takes to get the questions answered.

2 MR. REEVES: Okay. Thank you.

3 MR. HOPKINS: Welcome, Mr. Beamer.

4 MR. BEAMER: Thank you. I'm not
5 accustomed to sitting up here, so let me get myself
6 organized.

7 Commissioner, fellow council members, Andrew
8 Beamer, city engineer for the City of Casper. Contrary
9 to Mr. Reeves, I do not have an opening statement, so I
10 will not be near as long-winded as Mr. Reeves, perhaps.
11 But I was asked to approach council as to how the
12 interaction with Mr. Hedquist has changed since his
13 election to council. And I can tell you that, in our
14 opinion, he feels he is now entitled, entitled to
15 unlimited contact with staff, unlimited contact with
16 management and un -- entitled to unlimited access to city
17 records and data.

18 I think you all have the package that
19 Mr. Reeves has provided. I was prepared to talk about
20 four separate incidents. Mr. Reeves has stolen some of
21 my thunder, but I will start with Exhibit 17, which is a
22 change order that was executed for the fairgrounds -- for
23 the Casper Youth Baseball project.

24 I would tell you typically prior to his
25 election, communication generally occurred from the staff

1 level up. I mean, I would get contact from an engineer
2 saying, "Hey, Hedquist needs to talk to you about a
3 contract issue." After the election, communication
4 tended to start from management down. It would come from
5 the city manager's office or would come to my boss, Rick
6 Harrah, directly. So the normal chain of communication
7 was circumvented and started coming from the top down
8 instead of from the bottom up.

9 In this case, it was asked to have a meeting on
10 the Casper Youth Baseball site where Hedquist was
11 constructing two baseball fields and some parking lots
12 and a road. And I can tell you it is unusual, and I
13 cannot recall in my tenure as an employee with the city
14 do I have the city manager accompany me as an engineer
15 and a contractor to take a look at a construction issue,
16 let alone promote extending the contract. And this
17 contract was amended to extend J Street all the way to
18 K Street at the cost of 80 -- just shy of \$86,000. It's
19 unusual for that to have happened. And I cannot think of
20 another contractor in the community that would have that
21 kind of access and that kind of position.

22 The next contract I would like to -- that
23 occurred back in March of 2013.

24 MR. HOPKINS: What exhibit were you
25 referring to?

1 MR. BEAMER: I was referring to Exhibit
2 17, change order for the Casper Youth Baseball project.
3 It was Change Order Number 3, where we executed a change
4 order for \$85,920 to Hedquist Construction.

5 MR. HOPKINS: I think we might have it
6 mislabeled there. Change Order Number 4 is referring to
7 a 56 -- a \$58,000 change order.

8 MR. POWELL: Mr. Chairman, can we just ask
9 questions as we go through these?

10 MR. HOPKINS: Certainly.

11 MR. BEAMER: Please do. I'm sorry. That
12 was Exhibit 16.

13 MR. POWELL: Mr. Beamer, have you and I
14 had any conversations about any of these matters prior to
15 today?

16 MR. BEAMER: We have not.

17 MR. POWELL: How would that -- how would
18 that matter have been handled had Mr. Hedquist not been a
19 member of council?

20 MR. BEAMER: That roadway extension was
21 part of an alternate bid item at the time of the initial
22 bid opening. At that time funding did not allow for that
23 alternate to be awarded, so it was simply denied at the
24 initial bid award. Had he brought it up to us during
25 construction, we would have simply reiterated that

1 funding was not available for that extension, and we
2 would not consider it further.

3 MR. POWELL: To follow up, it changed,
4 then, because other people were brought into it?

5 MR. BEAMER: It changed, one, because of
6 the meeting, no doubt, on site. At the same time, the
7 city was successful in negotiating the land purchase
8 from -- the school district purchased the adjoining land
9 for the new Lincoln Elementary. Some additional funding
10 was realized by the city, as I understand it, to help
11 fund a portion of that roadway. So there was some other
12 extenuating circumstances to allow that change order to
13 move forward.

14 MR. HOPKINS: Please proceed, Mr. Beamer.

15 MR. BEAMER: The next contract has to do
16 with the water treatment plant. We were building a pad
17 for a new generator building. Hedquist Construction was
18 the low bid on that. What struck me on this project was
19 the demand -- it wasn't a request. It was a demand that
20 city staff meet Mr. Hedquist on site to review the
21 material that was -- he was excavating and supposed to be
22 bringing back new material to come in. Again, we are
23 accustomed to meeting on the job sites with contractors
24 and discussing issues and perhaps modifications to what
25 might have to be done, but it is unusual for us to be

1 demanded to meet him out -- to meet any contractor out on
2 site without any notice.

3 MR. HOPKINS: Is this one of our exhibits
4 here?

5 MR. BEAMER: Exhibit 2. And I believe
6 Jason Knopp is going to be talking to you more in depth
7 on this particular contract.

8 Mr. Reeves already brought up the meeting we
9 had on June 14th regarding Indian Paintbrush. Again, it
10 was a management-down approach communicating with city
11 staff. A meeting with myself, John Patterson, Rick
12 Harrah on the matter of marking quantities for curb/walk
13 removal and replacement is pretty unusual. And in the
14 subsequent meeting that afternoon where Councilman
15 Hedquist mentioned that he's not only talking to us as
16 this contractor but also as a councilman was certainly a
17 new twist on my relationship with any member of the
18 council.

19 And I will tell you it was after that meeting
20 that I decided I'm going to start recording some of these
21 conversations. It was not at the request of
22 Mr. Patterson. It was not at the request of my boss,
23 Rick Harrah. It was something I decided to take upon
24 myself.

25 The last one I was going to talk about was the

1 meeting of August 28th, but I believe Mr. Reeves
2 discussed that quite sufficiently. So I'm here now, I
3 guess, just to answer any questions you may have.

4 MR. HOPKINS: Councilman Sandoval?

5 MR. SANDOVAL: Thank you, Mr. Chairman.

6 Just for clarity, it was your idea and your
7 idea only to put the recorder in your pocket to record
8 this conversation. Right?

9 MR. BEAMER: That is correct. Not only
10 was it my decision, but I did not advise anybody that I
11 was doing so. So my staff did not know I was doing it,
12 Rick Harrah did not know I was recording conversations,
13 and neither did John Patterson.

14 MR. SANDOVAL: And the reason that you did
15 that is because of the pattern of alleged abuse that you
16 were getting from the councilman?

17 MR. BEAMER: Correct.

18 MR. SANDOVAL: Thank you.

19 MR. HOPKINS: Council Member Schlager?

20 MS. SCHLAGER: Thank you.

21 Mr. Beamer, have there been times where you
22 have had to fear for your safety? Has it ever come close
23 to physical?

24 MR. BEAMER: Well, you've probably heard
25 the report I filed with human resources for the workplace

1 violence. Certainly I felt threatened at that meeting
2 when he told me, are you F'ing going to stand up, bitch,
3 and postured and halfway took a step towards me.

4 MR. HOPKINS: Other questions from
5 council? Mayor Meyer?

6 MAYOR MEYER: If I may ask, Andrew, how
7 long have you been in the city engineer's position?

8 MR. BEAMER: City engineer's position
9 since 2008.

10 MAYOR MEYER: How long have you been
11 employed with the city?

12 MR. BEAMER: Since '95.

13 MAYOR MEYER: Are you -- is this somewhat
14 unstandard, what you've gone through since Mr. Hedquist
15 has come into office?

16 MR. BEAMER: My very presence here is not
17 standard. So, yes.

18 MAYOR MEYER: Have we ever had any
19 conversations pertaining to construction or Mr. Hedquist?

20 MR. BEAMER: Not that I can recall.

21 MAYOR MEYER: Thank you.

22 MR. HOPKINS: Councilman Powell?

23 MR. POWELL: Thank you, Mr. Hopkins.

24 One of the matters that was brought up during
25 this conversation was an unpaid bill. And it's my

1 understanding that the city was tardy in a payment of a
2 bill to Mr. Hedquist. Were you aware of that before this
3 meeting, that we had failed to pay him in a prompt manner
4 for that?

5 MR. BEAMER: I was. Mr. Hedquist had
6 called me sometime I believe after that council meeting,
7 inquiring about his check. And at that time I had
8 anticipated it would have been paid at that previous
9 council meeting. It was for a substantial amount of
10 money. And we then went about getting what we refer to
11 as a pre-writ check issued so that he could get paid and
12 not have to wait until the next council meeting.

13 MR. POWELL: Having worked with
14 Mr. Hedquist for a number of years, would you have
15 expected him to be upset about this late payment?

16 MR. BEAMER: I would, yes.

17 MR. POWELL: Did you have any
18 conversations after this came about where it seemed that
19 that matter had been resolved satisfactorily?

20 MR. BEAMER: It was my understanding that
21 a pre-writ check had been issued and that he was going to
22 be picking it up the next day after our August 28th
23 meeting. He actually ended up picking it up later that
24 afternoon that very same day.

25 MR. POWELL: As Mr. Reeves pointed out in

1 his discussion, there has been this statement that he was
2 prodded into being upset and making threatening
3 statements. Did you engage in any behavior, by your own
4 recollection, that, knowing his history, might have
5 triggered him into an angry outburst?

6 MR. BEAMER: Not of the kind that we
7 witnessed that afternoon.

8 MR. HOPKINS: Other questions?
9 Councilman Bertoglio?

10 MR. BERTOGLIO: Thank you, Mr. Chairman.

11 Mr. Beamer, in the -- what's the process for
12 getting the check? Did you have anything to do with it
13 being delayed?

14 MR. BEAMER: The process for --
15 essentially, you're processing a pay application from
16 Hedquist Construction. It goes to the engineer. In this
17 case, it was CEPI. They review it. They sign off on it.
18 And then they submit it to myself. I review it. I sign
19 off on it. And then it goes to my boss. And from my
20 boss it goes to the city manager's office and then down
21 to finance and processing. I can tell you I processed a
22 pay application the same day it arrived on my desk.

23 MR. BERTOGLIO: Thank you.

24 MR. HOPKINS: Other questions?

25 (No response.)

1 MR. HOPKINS: Referring back to Exhibit
2 16, it was the \$85,000 increase on the Casper Youth
3 Baseball project. And it also had a net increase of days
4 of 35. Was it, in fact, completed within those 35 days?

5 MR. BEAMER: You're testing my memory
6 bank. I believe it was submitted, some miscellaneous
7 items that had to be wrapped up still. But I believe for
8 all intents and purposes, it was.

9 MR. HOPKINS: Just looking at the change
10 order, substantial completion was May 18th, and final
11 completion, May 31. And this, again, was the 80,000 --
12 \$86,000 change order regarding the completion of J
13 Street.

14 MR. BEAMER: It looks like in Exhibit 17,
15 which I inadvertently referenced initially, we did grant
16 him another fifteen days because of some storm sewer --
17 delays for the storm sewer system.

18 MR. HOPKINS: Okay. Thank you.

19 Councilman Powell?

20 MR. POWELL: Mr. Beamer, during this
21 altercation -- would that be a fair description of it,
22 the meeting up at Poplar Street? -- at one point in the
23 testimony, Mr. Hedquist is quoted as saying, "And you
24 know who you're talking to." What did that mean to you?

25 MR. BEAMER: He wanted it to be quite

1 clear to everybody, I believe, on the job site that he
2 was not talking to us as a councilman. He was addressing
3 us as a contractor. If you can distinguish between the
4 two, that is what he was trying to convey to us.

5 MR. HOPKINS: Councilman Bertoglio?

6 MR. BERTOGLIO: Thank you, Mr. Chairman.

7 Following those same lines, is it typical for a
8 contractor to tell the owner how to do those things? I
9 mean, is Councilman Hedquist's behavior unique, or is
10 this very similar to what you exhibit with other
11 contractors?

12 MR. BEAMER: No. I would call
13 Mr. Hedquist's unique in the way he's almost trying to
14 direct the contract.

15 MR. BERTOGLIO: Thank you.

16 MR. HOPKINS: Councilman Powell?

17 MR. POWELL: I guess I'm the guy with
18 questions tonight.

19 It's been stated that people outside of the
20 construction business don't understand the culture of the
21 construction business. I'm guessing I'm similar to most
22 of the members of the council, that I worked construction
23 as a young man in many different positions, and I'm
24 guessing a lot of us did, but sort of a misunderstanding
25 that I think the term was coarse language is common in

1 the construction world. You're working with contractors
2 and construction people every day. How common is the
3 kind of language that's been reported in these events?

4 MR. BEAMER: It is not unusual to hear
5 profane language on a job site. They can argue with you.
6 They can disagree with you. And sometimes difficult
7 decisions have to be made. And it's not always a
8 universally accepted decision. But it's not a typical
9 scenario where they're cussing at you. But what is
10 unique is when they make it personal and direct it right
11 at that individual.

12 MR. HOPKINS: Do we have other questions
13 for Mr. Beamer?

14 (No response.)

15 MR. HOPKINS: Thank you, Mr. Beamer.

16 Mr. Reeves, do you have somebody lined up to
17 come up next?

18 MR. REEVES: We do. His name is Peter
19 Meyers. He is particularly happy to be here.

20 MR. HOPKINS: Mr. Meyers, you know the
21 drill. You've heard us ask people for name, rank and
22 serial number before, so if you wouldn't mind, please.

23 MR. MEYERS: Certainly. My name is Peter
24 Meyers. I'm the assistant public services director for
25 the City of Casper.

1 MR. HOPKINS: Please tell us what you
2 would like to testify to.

3 MR. MEYERS: Mr. Chairman, I've had what I
4 describe as two significant instances with -- two
5 significant incidents with Councilman Hedquist on
6 conflict-of-interest issues in the last year. And I can
7 certainly go through each of them individually if you'd
8 like. I was intending to go through just on August 20th,
9 but there's another one on August 5th, as well, that
10 occurred that I was a participant in.

11 Both of these incidents followed a pattern
12 where an issue came up on a contract that Councilman
13 Hedquist was working as a contractor on where he was
14 upset about something, and he came in to the city and to
15 meet with city staff initially to start talking about
16 that specific thing on the contract site.

17 And then in both cases, the conversation
18 quickly moved on to more general discussions of how the
19 city operates, how city staff functions, competence of
20 city staff, fairness of how we operate, things that we do
21 and basically how we operate as a city and as a
22 government.

23 Let me go ahead and walk through the incident
24 that happened on August 20th. And for reference, that is
25 Exhibit 12. And there's also -- August 5th was referred

1 to as Exhibit 9 and 10. On August 20th, the issue began
2 with a relatively minor issue of restriping. Councilman
3 Hedquist was serving as contractor on the arterials and
4 collectors project, and that involved restriping of
5 College Drive. And the original contract called for
6 beginning laying a thermoplastic tape to -- which is
7 basically bright reflective tape that goes on the street.
8 It's the street lines, the yellow and the white street
9 lines that go up and down the street and was set up in
10 the same configurations that had been previously.

11 At the same time, a report was being worked on
12 that would have suggested that maybe we should lay the
13 lines differently. Specifically, the report was being --
14 was still being drafted, but the report suggested that we
15 should put a bike lane on College Drive. It was still
16 preliminary, but it was being worked on. And this came
17 to light, that maybe if we're going to redraw the lines
18 in a different configuration, we shouldn't lay them down
19 with this tape, because the tape, once it's in there,
20 it's in there. It has to be ground out again afterward
21 if you're going to change it.

22 Well, at any rate, so this is a change in
23 Councilman Hedquist's project. And so we as city staff
24 got together. And there was myself and there was
25 Liz Becher, Andrew Beamer, Scott Baxter, David Hough,

1 Rick Harrah. We got together, sat down and started to
2 discuss how to do it. And in the end, we decide, well,
3 since the report is so preliminary, this idea of restripe
4 the thing a different configuration, we decided, well,
5 let's just paint it on, rather than stripe it in, as the
6 contract would have called for. That way it's less
7 permanent. And so, if we do, indeed, decide to go to a
8 new pattern, it's a relatively easy change.

9 I apologize for the long setup. But that was
10 the situation there at 4:30 on August 20th.

11 At around 5:00, just as we'd gotten to the
12 conclusion of how to do things, Councilman Hedquist
13 walked into the meeting. I don't know how he knew about
14 the meeting, but he -- I guess somebody told him that's
15 where we were. And he just walked in and sat down. And
16 he started talking about -- we quickly told him -- I
17 should say Liz Becher quickly told him that the decision
18 had to be made if we're going to do this. And it was a
19 relatively common change for this kind of a contract.

20 And he was mad. And he started to talk about
21 how it was unprofessional of us to do things in this way,
22 that we should have anticipated the change months in
23 advance, that we should have foreseen these things, and
24 it was unfair to him as a contractor. And we tried to
25 tell him that, look, this is a preliminary report. We

1 didn't -- at the time the contract was written, we didn't
2 even have these drawings or even supposition that this
3 was going to be here. But we're now adapting to the
4 situation, trying to not make something permanent that
5 maybe ought to be temporary or at least flexible.

6 He didn't really pay much attention to that
7 point. And then he started to go into other topics. He
8 spoke for a long time about liquidated damages. Now, at
9 the time he was paying liquidated damages for the
10 Fairgrounds Road project that he was running late on.
11 And also, there was potential for other contracts that he
12 was working on which he may have run over, and he was
13 aware and been informed as the other contractors were,
14 that the city would be fair in the payments, but also
15 there be would liquidated damages on the contracts that
16 would run late.

17 So he started to talk about this at length,
18 about how it was inappropriate for the city to be
19 charging liquidated damages and specifically that the
20 city had been lenient about charging liquidated damages
21 in the past, and so it was unfair for us to do so in the
22 future.

23 It is hard for me to capture the character of
24 what was going on in the room at the time. You have a
25 series of city staff were there, and there's a city

1 councilman there is who is clearly angry and clearly
2 talking to us about his perspective of things. I don't
3 know what to say as far as a contractor and a councilman
4 at the same time. I have worked with city councils for a
5 long time. And I was trained and raised, I should say,
6 to be very respectful of council members and to give them
7 every opportunity to speak and to share their thoughts on
8 things.

9 But as this was going on, Mr. Hedquist was --
10 he had locked eyes with David Hough, who was sitting
11 across from him. And he was going on and on about
12 incompetence of city staff and our unprofessionalism and
13 about how we do things, especially in terms of liquidated
14 damages. And at the time I'm thinking about
15 repercussions. One of the things I was concerned with,
16 both in this meeting and August 5th, was how to handle
17 this person who is clearly very upset but who -- whereas
18 normally with a person with a contract, you can refer to
19 the contract and you can say, look, this is within the
20 realm of the kinds of things that can happen during a
21 contract. It says so within the document. If you
22 disagree, we can negotiate that. But the fact is we can
23 deal with this professionally and more to the point on a
24 single point -- on a single problem-focused discussion,
25 we can solve this problem, in this case, the problem with

1 the striping. We can make a decision.

2 In this case, I don't know what anybody else
3 was thinking, but what I was thinking was I don't want to
4 make him any more angry because that might have
5 repercussions for me later down the line. And I didn't
6 know about for me personally or for my department in
7 terms of its funding or in terms of staffing levels or
8 how we operate our business. But certainly you as city
9 council members, you can influence such things.

10 And I'm trying to be aware of this during this
11 discussion, that these things can happen. And so I'm
12 trying to deal with this person. He is a contractor.
13 And I am -- we as city staff are obligated to enforce the
14 contracts, but at the same time I was thinking about that
15 possibility of repercussions later down the line in terms
16 of -- and so it is inherently difficult for us to manage
17 it from that side of things.

18 At this particular meeting, about 20 or 30
19 minutes into it of Councilman Hedquist primarily talking
20 all by himself, I interrupted him and I said, look,
21 something to the effect of, we've gotten to the point
22 where we're not talking about striping anymore. Can we
23 admit that issue was resolved, that we settled that
24 issue? I was hoping to get to the point where pretty
25 much everybody else in the room could leave. Certainly

1 some of us -- I fully intended to stick around and hear
2 whatever else he had to say. I've yet to leave the room
3 where a council member wanted to talk to me. But I
4 figured there's no reason for everybody else to sort of
5 sit around and be forced to accept a tirade.

6 And at this point Councilman Hedquist looked at
7 me and said, well, hold back there, camper. I know you
8 don't know a whole lot about this issue, so why don't you
9 just sort of sit back down, words to that effect. He did
10 call me camper, though. Still not exactly sure what he
11 meant by that. But I took it to mean an invitation to
12 shut up, to sit back down and to not talk anymore. As he
13 said, I was not qualified to speak to him.

14 The other meeting went along similar lines. I
15 won't go into the gory details unless you need me to.
16 But again, it started with a specific issue on the
17 contract site and then quickly started evolving and start
18 to cover many more issues about how we operate as a city,
19 specifically how engineering is run and how we execute
20 our contracts and how we hold contractors accountable.
21 And clearly, he was trying to influence how the city
22 operates. And as a council member, he is empowered to do
23 so. As council members, you can influence that sort of
24 thing. But certainly a contractor never could, at least
25 not nearly with the words of authority and power he could

1 as councilman.

2 MR. HOPKINS: Questions for Mr. Meyers?
3 Councilman Goodenough?

4 MR. GOODENOUGH: Mr. Chairman, what month
5 and year were those conversations or the main one that
6 you described?

7 MR. MEYERS: The main one I described was
8 August 20th, 2013.

9 MR. HOPKINS: I think we're talking about
10 Exhibit 12.

11 MR. MEYERS: That's right, Exhibit 12.

12 MR. GOODENOUGH: Mr. Chairman, did -- when
13 was the earliest time that you had an inkling that you
14 might have a different situation with regard to having a
15 councilman contractor? When was the earliest -- the
16 election where Councilman Hedquist was elected was in 11
17 of '12, I believe. So when was the earliest that you had
18 an inkling that something was going on?

19 MR. MEYERS: Well, Mr. Chairman, I think
20 that the possibility of having to thread this needle
21 between a person who was both a council member and a
22 contractor, I think we foresaw that -- I foresaw that, as
23 well, the moment he announced his candidacy. It is easy
24 for me to have foreseen that that was going to be a
25 difficult thing to parse that relationship.

1 MR. GOODENOUGH: Thank you.

2 MR. HOPKINS: Other questions? Councilman
3 Sandoval?

4 MR. SANDOVAL: Thank you, Mr. Chairman.

5 Two questions. First, is the reason that you
6 knew it would be difficult to parse that relationship was
7 because of previous encounters with Craig Hedquist as a
8 contractor?

9 MR. MEYERS: No. Mr. Chairman, I knew of
10 Councilman Hedquist, of course. Or, at the time he was
11 Contractor Hedquist. Certainly did a lot of work for the
12 city previously in previous years, and so he was a known
13 person. Engineering, of course, had worked with him
14 directly. I never had a personal interaction with him
15 myself, I don't think, prior to that.

16 But, no. It was more focused on the fact that
17 it was easy for me to see that if you've got a person who
18 is handling large city contracts and -- for example, the
19 arterial and collectors project was \$1.9 million. And
20 that was not unusually large. We've handled many
21 projects that were at least at that same basic size. It
22 was easy for me to foresee that that was going to be a
23 difficult relationship to navigate.

24 MR. SANDOVAL: Thank you. Second question
25 is, in these contracts, is there flexibility so that the

1 contractor doesn't always take it on the chin
2 financially? Is there some kind of way that, in the
3 normal course of fulfilling these contracts, the striping
4 could get done with partial pay city, partial pay
5 contractor, to take up the slack of extra expense, and is
6 that a regular part of the fulfilling of the contract?

7 MR. MEYERS: Mr. Chairman, yes. Contracts
8 like this do typically have small changes, and small
9 decisions get made throughout the course of the contract
10 on exactly how to execute this particular nuance or that
11 particular nuance. And in this particular case, he was
12 talking about the striping on College Drive. I couldn't
13 tell you exactly how much striping that was in linear
14 feet, but total contracted, I believe more than 30,000
15 linear feet of striping. So it is a relatively minor
16 part of a very large contract.

17 MR. SANDOVAL: Thank you.

18 MR. HOPKINS: Councilman Schlager?

19 MS. SCHLAGER: Thank you.

20 Mr. Meyers, did you feel like, in the course of
21 some of these conversations, that you were forced to make
22 choices or decisions that you would not have made for any
23 other contractor?

24 MR. MEYERS: Mr. Chairman, I would say
25 definitely chose to sit and continue the conversation

1 much longer than I would have for any other contractor.
2 Certainly we are a city. We are customer-oriented. And
3 so, if somebody is angry at us, even if it's one of our
4 clients -- or, we are their client. Excuse me. Sure, I
5 would do my best to be polite and diplomatic and listen
6 to their concerns. But I wouldn't let it go on for more
7 than an hour. And certainly the meeting of August 5th
8 lasted close to two hours, where it was just on and on
9 and on about various things that the city could and
10 should change.

11 MS. SCHLAGER: Just a couple follow-ups,
12 Mr. Chairman.

13 MR. HOPKINS: Certainly. Go ahead.

14 MS. SCHLAGER: Have you had the same
15 experience where you had a somewhat fear for your safety?

16 MR. MEYERS: Mr. Chairman, I would not say
17 that I felt personally threatened, no.

18 MS. SCHLAGER: And last question, the
19 first meeting that you talked about, was that the meeting
20 in which I happened to be walking by and overheard some
21 of the inappropriate conversation and came in to kind of
22 intervene?

23 MR. MEYERS: Mr. Chairman, yes, that is
24 correct. It's the August 20th meeting where you arrived
25 at 5:30 and ended the meeting.

1 MS. SCHLAGER: Thank you.

2 MR. MEYERS: I appreciated your presence.

3 MR. HOPKINS: Other questions?

4 (No response.)

5 MR. HOPKINS: I have a couple.

6 Mr. Meyers, is it common for you to have a meeting with
7 some of the people that you work with daily and just have
8 a city councilman just walk in and sit down at the
9 meeting?

10 MR. MEYERS: Mr. Chairman, I don't think
11 that has ever happened to me before.

12 MR. HOPKINS: Thank you. The other thing
13 that I question is the conversation regarding the paint
14 stripes. It would seem to me that an epoxy and a ground
15 stripe holder, if you will, the small ditch it goes in,
16 would be considerably more expensive than painting. Is
17 that a good assumption?

18 MR. MEYERS: Yes, Mr. Chairman, that is
19 correct.

20 MR. HOPKINS: So, in fact, is it
21 reasonable to assume that he actually would have saved
22 money on the contract by painting it, as opposed to
23 having to put the labor in to putting the ditch in the
24 ground?

25 MR. MEYERS: Mr. Chairman, I guess, to be

1 fair, I'm not exactly sure. My belief is that he had a
2 subcontractor set up to do that striping. So, as it is,
3 the resolution was such that he didn't have to do any of
4 that at all.

5 MR. HOPKINS: So, in fact, he didn't do
6 the painting. The city did it?

7 MR. MEYERS: Yes, Mr. Chairman, that is
8 correct.

9 MR. HOPKINS: Very good. Thank you.

10 Other questions?

11 (No response.)

12 MR. HOPKINS: Thank you, Mr. Meyers.

13 If we have anybody else, Mr. Reeves, that you'd
14 like us to hear from tonight.

15 MR. REEVES: Yes, Mr. Chairman, if you
16 please, Jason Knopp.

17 MR. HOPKINS: Pick your poison. Either
18 microphone is fine.

19 MR. KNOPP: Standing seems to help me.

20 MR. REEVES: Tell the council members how
21 long you've been working here and little bit of
22 background.

23 MR. KNOPP: My name is Jason Knopp,
24 associate engineer, City of Casper. I started in 2009.
25 I moved here from Montana. I've been working as a

1 professional engineer for twelve years. And my wife is
2 from the town of Casper. So we moved back here. I
3 currently live at 12511 Goose Egg Road.

4 I was asked to speak to you all today on
5 interactions that I have with Councilman Hedquist. Doing
6 work within the engineering department, I worked directly
7 with him on numerous occasions, basically starting from
8 the day that I got here as a city associate engineer.
9 I'd like to start with statements that I made prior to
10 and as of Councilman Hedquist's election to council.

11 We hold weekly and monthly meetings in
12 divisions and departments to where we update statuses to
13 Rick Harrah and Andrew Beamer on projects and things that
14 we're really working on for the city. And I made
15 multiple attempts to inform them that Hedquist being a
16 contractor is going to directly and indirectly create a
17 larger amount of work for us and put us in a very
18 uncomfortable position before he even takes council.

19 So I wanted them to know that up front because
20 we work with him so directly and intimately on such --
21 well, money, contracts, that things get heated very
22 quickly. And to be able to manage a project of the
23 magnitude and the rewards of some of these contractors
24 and to represent the city and the owner appropriately and
25 to get the project done right, and now you've added the

1 fact that now I have to argue with the man that is also
2 my boss at the end of the day.

3 So, when you come to any meeting knowing that,
4 one, A, this meeting could get potentially uncomfortable
5 or troublesome or need to have decisions made, now I am
6 doing that with a boss. I know he's not directly my
7 boss, but he is still my boss. And I was raised that you
8 are not insubordinate to your boss. You do your work.
9 You may give your opinions, but at the end of the day,
10 you get the work done as directed by superiors. So I did
11 make that statement several times before the councilman
12 was elected to the -- to you guys' board.

13 Second thing I would like to talk about is
14 Exhibit 2. It's a contract and project I had with
15 Hedquist Construction on the construction pad for the
16 emergency generator at the water treatment plant. It was
17 an actual contract through the Central Wyoming Regional
18 Water System Joint Powers Board, but the city had an
19 interest in that.

20 Scope of the project and the background is the
21 city needed to purchase and supply and have emergency
22 power for the water treatment plant. And in doing so,
23 they're going to put this on site. And to our surprise,
24 the soil materials down around the water treatment plant
25 are not of good quality. And this generator is going to

1 be a large size, massive size, heavy weight. And we need
2 to construct the foundation to hold this weight so that
3 it can settle and that it would operate.

4 So the city decides to contract the dirt work
5 out separately from the generator project to save money
6 because whoever is going to build the generator has
7 nothing to do with dirt. He's going to sub that out,
8 anyways. So we contracted the dirt work out separately
9 ahead of time. The contract was opened April 2nd and
10 awarded April 16th by the joint powers board.

11 At the time paperwork goes through. The
12 contractor then has to schedule a preconstruction meeting
13 with the engineer, which is myself. We went through that
14 process. Craig actually started the project, I believe
15 it is the 29th of May, which is getting towards the end
16 of his contract time. Kind of got a late start on it.
17 So he starts on May 29th. I'm actually in the meeting
18 with Andrew Beamer first thing in the morning, updating
19 him on other projects. He gets on the site, is not happy
20 with the site, tries to get ahold of me. I'm not in
21 office. He leaves a message. He tries to call Andrew
22 Beamer. He's not in his office. He leaves a message.

23 Then he goes and proceeds to call Rick Harrah.
24 He leaves a message with him and calls the city manager's
25 office. I then get tracked down by the city manager

1 that, "You need to call Hedquist," or a representative
2 from the city manager's office.

3 At that time, actually, Tim Rail, he was the
4 division -- the water distribution manager. He called me
5 on my cell phone. "Hey, I have Craig Hedquist in my
6 office right now. You're on speakerphone. He would love
7 for you to come down here on this project. He has an
8 issue. You need to come down here right now and look at
9 this."

10 So I grabbed my plans and my specifications and
11 a geotechnical report that we had prepared and had a
12 consultant here in town recommend certain things that we
13 do for this project, and I headed down to the water
14 treatment plant. As I get on site, Craig Hedquist is on
15 site with Dan, his paving foreman, Rob, his dirt work
16 foreman, and a truck driver on site. I get on the site,
17 and they're all outside.

18 As I walk up on site, Craig informs me that he
19 pulled three samples -- he pulled three samples from the
20 surface of this area and had it tested at a lab, and the
21 lab came back and indicated that this material on site is
22 actually the material that we are requiring him to bring
23 in to build this pad. And as I look around, I see three
24 four-inch holes at the surface of the ground that they
25 want the sample on. I told Craig, well, at this time,

1 you know, samples at the surface doesn't indicate what
2 actually is happening underground three feet. There's no
3 way you can tell me what three feet underground is. We
4 need you to excavate three feet down, take the material
5 out and bring five feet of good material and compact it
6 to create a solid base for the structure.

7 At this time he actually refuses to remove the
8 good material, the material that needed to have the pad,
9 which is described in the contract and in the
10 specifications which is the standard that we need. And
11 he quotes, you're an idiot if you think I'm going to
12 waste my time to haul around -- haul off the same
13 material to a site, unload it, put it back on a truck and
14 bring it back on site and put it in the ground. I'm not
15 going to waste my time on this.

16 I indicated to him that the contract clearly
17 states that you need to excavate down three feet and
18 bring material back in, the material that we required.
19 The specifications tell you what that is. He responds to
20 me and says, well, the city just did a waterline in this
21 location which stirred the dirt up at a depth of five
22 feet, which now shows an indication of what the material
23 is throughout this whole area.

24 I continue on to open up my geotechnical report
25 at this time, which was prepared by a consultant here in

1 town, and read to him a specific section. Actually, I
2 read out loud to everyone on site the section that
3 indicated what the materials were, and the materials were
4 indicated to be silty clay materials that were poorly
5 graded sand, which is not very good material to build
6 anything on.

7 And at this time I stated there is no way he
8 can actually guarantee me that we have uniform material
9 underneath this surface that could support the pad for
10 this footprint. And the footprint was about a 120-foot-
11 by-80-foot-wide pad and is currently constructed out at
12 the water treatment plant site.

13 Craig goes on to say he is not going to
14 excavate down and waste his time. What he's planning on
15 doing is bringing in the material that is specified and
16 just build up on the existing surface. I follow up with
17 a statement saying, what I will allow you to do is you
18 can excavate down three feet, stockpile the material to
19 the side, bring in a testing firm, test every hundred
20 cubic yards of this material to make sure that it does
21 meet our specifications, that it can hold the structure.
22 And once we're satisfied with that, then you're allowed
23 to put it right back into the hole and compact it to
24 compaction as required for the product. He went on to
25 indicate that would be a waste of his time.

1 At this point I thought we weren't getting
2 anywhere, so I instructed his dirt work supervisor, Rob,
3 a Hedquist employee, to walk the excavator over to the
4 pad site and take a scoop out down two to three feet, and
5 let's look to see what this material is like. And he
6 proceeded to walk the excavator over, takes a scoop of
7 dirt, sets it down. The operator then jumps out of the
8 track hoe, jumps into the hole that he just created,
9 grabs a handful of clay material, creates a ball, which,
10 as you know, is the very first symbol of clay, that if
11 you can create a ball out of the sand, you have clay,
12 which is not good. The operator throws it back in the
13 hole. And at that point I turn to everyone and say that
14 it looks to be like bad material to me. Proceed with the
15 contract. And everyone walked away. Craig then
16 continues to proceed with the contract as written,
17 excavating the material out, hauling it off and then
18 bring in new material.

19 This is very unusual for us to have to deal
20 with any sort of defense on a design. We commonly get
21 asked, is this needed? You think this is a waste? I
22 might have a better idea. Let's work together, maybe
23 come up with something better. That's common in the
24 construction industry. But it's not common for a
25 contractor to tell us, "These plans are wrong. I'm not

1 going to do it. And you're wasting my time" and for me
2 to have to go to extreme measures to prove to him that we
3 know what we're talking about, and we do know what we
4 need, and we need it done.

5 Normally if the contractor said -- if the
6 contract says take the sand out and put the sand back in,
7 that's what we're paying you to do, you do it. So this
8 is very, very uncommon for us to do this. This happened,
9 like I said, May 29th. The project only lasted about a
10 week and a half, a small project. I think the contract
11 was only for \$55,000.

12 So this is typical kind of behavior, a little
13 bit, that you see from Craig. But normally -- before he
14 was a council member, we normally don't jump and run and
15 try to go out of our way to prove everything in a
16 contract and in the plans so that he can be happy.

17 As the project goes on, he actually completes
18 it in time, which I was impressed, because he did start
19 very late within the contract time. At the end of the
20 time, we're finishing up the process, and I'm standing on
21 site next to Craig and say, "Congratulations, Craig. I'm
22 surprised you got this done. I honestly didn't think you
23 could get it done starting so late with it. Good work."
24 He turns to me and looks at me at that point and says,
25 "Well, to tell you the truth, I didn't bid this thing

1 properly. I didn't realize you had to bring in J-base
2 when I first started this project." You can take that
3 statement however you want. Sounds to me like he was
4 trying to get out of the contract and what it said
5 because he didn't bid it properly, and he did not want to
6 lose the money on this project. That was the statement
7 made.

8 The next incident that I'd like to talk about
9 is, as staff goes on vacation, as Mr. Beamer goes on
10 vacation, he -- it's very common for him to ask me to
11 step in in his place to make decisions so that things can
12 continue on with his absence, that things don't stop. He
13 was gone at this time, and so was Scott Baxter, were gone
14 at the time. And I was asked to fill in for both of
15 them. Scott had scheduled a preconstruction meeting for
16 Hedquist Construction for the arterials and collectors
17 project, and it was scheduled for June 3rd, 2013. And
18 Scott had asked me to conduct this meeting since he was
19 gone. So I put together an agenda, get ready, go through
20 his plans, specifications, making sure I'm familiar with
21 the project so I can conduct this meeting intelligently.

22 As I step into the room, the very first
23 sentence that comes out of Mr. Hedquist's mouth was, "I'm
24 not quite sure why we have these meetings. We pretty
25 much know I can do whatever I want around here." As I'm

1 walking into the table to this meeting, I'm -- that's
2 automatically how you start projects that you're the
3 owner for, is, "I don't know why we're having these
4 meetings. You know I can do exactly what I want around
5 here." So he makes you -- obviously you still have to do
6 that -- at the end of the day, you still have to do your
7 work, and you still have to provide a great product for
8 the money that's provided. But how can you argue with
9 somebody when you're trying to provide that product for
10 everyone and he's also your boss at the same time?

11 These are the issues that I foresee. And in my
12 opinion, it is impossible for him to separate himself
13 from councilman and contractor because he has to work so
14 intimately on all these projects. And there's no way for
15 us as a staff to be able to separate him from a
16 contractor and a boss at the same time. It's both
17 present, no matter what he says.

18 At that time that's the only ones I was going
19 to present in this packet as far as exhibits. I am
20 currently listed on four or five different exhibits in
21 here. You're more than welcome to ask questions on any
22 of those other exhibits that I did not speak on today
23 about. You're more than welcome to read about them and
24 ask questions on the ones I did speak to today.

25 MR. HOPKINS: Thank you for your

1 testimony.

2 Any questions for Jason?

3 MS. SCHLAGER: What was the exhibit number
4 that you were just referring to, Jason?

5 MR. KNOPP: On the statement for the
6 arterials and collectors? Or which exhibit, ma'am?

7 MS. SCHLAGER: The one where Councilman
8 Hedquist said he can do whatever he wants to do.

9 MR. KNOPP: That one was not in your -- in
10 the packet. I come from the private side of engineering,
11 and I was taught to do daily diaries basically on every
12 day that you were on site and every conversation that's
13 new because you are representing the owner, and the owner
14 would like to always see what happened on site. I have
15 the daily diary for the incident that happened for the
16 dirt work project. That was a daily diary for
17 construction. But the incident that happened in the
18 preconstruction meeting, I do not have a daily diary on,
19 as I typically don't write a daily diary on just a
20 standard meeting.

21 MR. HOPKINS: Councilman Goodenough?

22 MR. GOODENOUGH: Mr. Chairman, did the
23 staff ever prepare or did you ever receive a memo that
24 said, "We have a contractor councilman now. You are not
25 to treat him any differently than any other contractor.

1 If he starts acting like your boss, tell him to take a
2 hike"? Did you ever receive a memo about how to proceed
3 with Craig Hedquist once he got elected?

4 MR. KNOPP: We did not receive any formal
5 memo. We were informed orally that the councilman was
6 awarded his award and that we were to proceed as we would
7 on every project. It wasn't written. There was no
8 really memo that was put out to us as guidelines, but it
9 was an oral meeting to the engineering department on now
10 he is a councilman and just basically let us know. It's
11 expected for us to work as a professional in a
12 professional setting. No matter how heated the
13 conversation gets, no matter who the actual contractor
14 is, you still work as a professional.

15 MR. GOODENOUGH: You state -- it's my
16 impression from some of the commentary that you actually
17 treated him differently than you would a contractor that
18 was not a council person. Is that accurate?

19 MR. KNOPP: It is accurate. Like I said,
20 he's still your boss. At the end of the day, he's still
21 your boss. You can't separate that out.

22 MR. HOPKINS: Councilman Cathey?

23 MR. CATHEY: When you came up a minute
24 ago, you said you had been in engineering for twelve
25 years. Are you a licensed engineer?

1 MR. KNOPP: I am currently licensed in
2 Montana, Wyoming, North Dakota, South Dakota and Idaho.
3 When I worked private, I worked in each one of those
4 states.

5 MR. CATHEY: As a professional engineer,
6 you also mentioned that there was a geotechnical report
7 that I assume was prepared by another licensed engineer
8 with soils specialty.

9 MR. KNOPP: Correct. My license is not in
10 soils. So we hired Tetra Tech, which is a soils company
11 here in town, one of the soils companies in town that we
12 sometimes rely on to do cores drills and recommend
13 certain foundations and designs for what we're looking
14 at. Because I am not licensed in soil engineers, we rely
15 on those recommendations. And for us to deviate from the
16 recommendation from an engineer on that would put us and
17 the city in a great liability issue. If that generator
18 was to settle or fail and we deviated from the
19 recommendation of the geotechnical engineer, all the
20 liability now comes on myself. We're allowing deviation
21 of the specifications in the contract.

22 MR. CATHEY: And actually, to carry that
23 one step further, don't you -- or, couldn't you then
24 actually be held criminally liable, as well?

25 MR. KNOPP: Yes, sir.

1 MR. CATHEY: Thank you.

2 MR. HOPKINS: Other questions for
3 Mr. Knopp? Mayor Meyer?

4 MAYOR MEYER: Is it not true that that
5 generator pad sits in pretty close proximity to the
6 river, also?

7 MR. KNOPP: Yes.

8 MAYOR MEYER: So the pad is quite
9 important.

10 MR. KNOPP: Which was the surprise of our
11 geotech results.

12 MAYOR MEYER: Jason, I have a question
13 between you and me. This goes back to -- well, and the
14 whole city of Casper. This goes back to Phase 2 of the
15 Old Yellowstone District project. That went very well,
16 and we got some nice stuff done, thanks to everybody
17 involved, including Mr. Hedquist. The merchants of that
18 neighborhood, on a weekly basis we sponsored meetings so
19 we don't get twisted up, let's say, contractor, city and
20 the proprietors on West Yellowstone down there. Do you
21 remember these meetings?

22 MR. KNOPP: Yes, sir.

23 MAYOR MEYER: Was it you that was at the
24 last meeting that, done is done?

25 MR. KNOPP: I attended every meeting for

1 both Phase 1 and Phase 2. I managed both of those
2 projects. And yes, sir, I was there.

3 MAYOR MEYER: I just wanted clarification.
4 I don't remember who the engineer -- I was a councilman,
5 I think. It was the first year I was on the council.

6 MR. KNOPP: You were a councilman, sir,
7 and we held that meeting in your business.

8 MAYOR MEYER: The front room, yeah.

9 MR. KNOPP: The last meeting was held in
10 your business.

11 MAYOR MEYER: It didn't -- it didn't end
12 well, did it not, Jason?

13 MR. KNOPP: It didn't even start well.

14 MAYOR MEYER: It didn't start well and it
15 didn't end well, either one. I just -- all these years,
16 these three years, I've wondered, was it Jason or was it
17 Andrew? Because all your faces looked the same at that
18 time. So I just wanted clarification on that. Thank
19 you, Jason.

20 MR. HOPKINS: Other questions for Jason?
21 Council Member Schlager?

22 MS. SCHLAGER: Just a quick one. Have you
23 at any time had a fear for your safety and had a concern
24 that things could escalate?

25 MR. KNOPP: I've never really feared for

1 my safety, but there's a lot of times where I'm getting
2 ready for a meeting and I'm not quite sure what I'm going
3 to get. It can be very extreme from one end to the
4 other. It's hard to prepare for something like that.
5 And you sometimes don't know what angle a meeting can go.
6 Like it's been mentioned here, a meeting can be set up
7 for one particular reason, and lo and behold, there was a
8 whole reason why that meeting actually was set up, and it
9 ends up going that direction very quickly.

10 So not that I've ever feared, but I don't know
11 what I'm going to get when he comes up to me or when he
12 wants to do something and I don't know the limitations of
13 what you could get.

14 MR. HOPKINS: Any other questions?

15 Councilman Bertoglio?

16 MR. BERTOGLIO: Thank you. Relative to
17 the contract specs. for the emergency power project, he
18 was not the sole bidder on it, was he?

19 MR. KNOPP: He was not. I believe there
20 was four or five bidders on that project.

21 MR. BERTOGLIO: Were they all
22 substantially higher than this in the bidding of this?

23 MR. KNOPP: For the size of the project,
24 they were significantly higher than that, yes. Given the
25 size, percentage-wise, he was much lower. Low bid was, I

1 want to say \$54,000, and the second was 70-ish. I'd have
2 to go back to my records and look.

3 MR. BERTOGLIO: And this was -- was the
4 contract just to take out the dirt or take out the dirt
5 and put the cement pad in?

6 MR. KNOPP: The contract was for the
7 contractor to remove the material and just designate a
8 pad area to the elevation described by myself,
9 engineering, compact the existing ground, bring in a
10 material that we refer to as J-base, compact it to 95, 98
11 percent, depending on where you're at within the pad and
12 depending on the structures, to finish it to an elevation
13 and have it ready for us to bid out -- I don't mean us --
14 the City of Casper to bid out a generator project where a
15 contractor would come in and build a building housing a
16 large generator to power the treatment plant. His
17 contract was to remove the dirt, bring the new dirt in
18 and bring it to standard.

19 MR. BERTOGLIO: I guess that's what I'm
20 getting at. Relative to the contract, this wasn't really
21 complicated. It was, you will remove the dirt, bring in
22 new fill and do compaction, bring it to elevation?

23 MR. KNOPP: Correct.

24 MR. BERTOGLIO: Pretty simple?

25 MR. KNOPP: Very simple.

1 MR. BERTOGLIO: Thank you.

2 MR. HOPKINS: Other questions?

3 (No response.)

4 MR. HOPKINS: Thank you, Mr. Knopp. We
5 appreciate your information that you provided tonight.

6 Mr. Reeves, do you have somebody else that you
7 would like to --

8 MR. REEVES: Well, we have one more. If
9 it's your pleasure, I think we would finish up with the
10 public works director, Mr. Harrah.

11 MR. HOPKINS: Mr. Harrah, wherever you
12 would like to sit.

13 MR. HARRAH: Thank you, sir. Thank you,
14 chairman and members. I just want to start off by saying
15 I do have a statement, and I will answer any questions
16 that you do have. I'm just sorry that my staff and I am
17 here and in this position.

18 My background is in construction. I was born
19 into the industry. My father still is in construction.
20 I worked my way up as a laborer, an operator, a foreman,
21 superintendent, eventually president of a construction
22 company, very similar to Mr. Hedquist. Our similarities
23 are quite breathtaking. I've had this discussion with
24 him.

25 For the past going on fourteen years, I've had

1 the public sector experience. So I've had both ends of
2 the table and understand the dynamic to that
3 relationship, and I have a unique qualification because
4 of this. So, as I speak in my testimony, I not only am
5 speaking as a public services director, but I have an
6 understanding on a contractor level, as well, because
7 I've made a living doing that before I came here.

8 So I want to talk about two things. The
9 records request by Mr. Hedquist, I was hired in January
10 of 2013. Soon, in March -- or, February, I was asked for
11 records request for our street project, specifically our
12 rotomill operations and asphalt repair. Now, prior to
13 that, I've had discussions with Mr. Hedquist on my
14 proposed ideas of street maintenance instead of new
15 construction, getting the city street department out of
16 the construction industry, per se, and get into more
17 maintenance. And I know people on the council have heard
18 me say this. So, therefore, he had that information with
19 me just through passing and whatnot, my ideas.

20 As of February, I got a records request for the
21 rotomill. And during this request, it took my staff
22 close to four weeks to gather. Because I was new, I went
23 ahead with this request because the city manager told me
24 to take care of this, and I gathered this information.
25 It took us forever. Took a lot of staff time.

1 In doing so, I eventually had a meeting.
2 Gathered this data and had a meeting with Mr. Hedquist,
3 myself and the assistant public works director, Pete
4 Meyers, in the city manager's office. The city manager
5 was gone. We used his office because it was empty. And
6 we were in his meeting room.

7 What I'm coming at was Mr. Hedquist, in my
8 opinion, used that data to prep the 2013 arterials and
9 collectors bid that he was going to be proposing -- that
10 he was submitting. What we did was fact-gather all of
11 our information, the equipment cost that we used as a
12 city, because the city, for the past three years, was
13 doing the mill, rotomill, as part of the contract. What
14 I was proposing was the city stop it and was going to bid
15 it out as part of the project.

16 What we did was gather data for Mr. Hedquist.
17 And my background is in bidding, as well as a contractor.
18 So the questions he was asking me were bid questions.
19 How much feet was your production, lane widths? What was
20 your crew cost, so forth? After that meeting, I talked
21 to our assistant public services director and said that I
22 think we just gave him a distinct advantage. And I felt
23 that, and I still do.

24 After that, I further found out that I didn't
25 have to synthesize data, and I didn't have to spend all

1 that time trying to gather data so he could use, and
2 therefore, I stopped that request. And he asked for
3 several others in the CPU on road patching prior to the
4 bids, mind you. Prior to us going out for bid on several
5 of these things, he was requesting data. And I myself
6 took that on, because I thought I know there's an unfair
7 advantage that other contractors did not get. Because
8 he's a councilman, he had my ear, John's ears on this.
9 There's no doubt about it. I was a contractor. I never
10 had this participation in the process, ever, in the
11 bidding process or information process.

12 As of today -- and I want to make this clear.
13 As of today, I have not received one letter or had one
14 conversation recommending any cost-accounting
15 improvements and/or operational improvements as a result
16 of these requests. And that's important. Why else would
17 you ask for this data? Think about it. So not as of
18 yet. And it's been over a year since I've been here,
19 year and four months, going on five months.

20 The second part I want to -- Exhibit 6 is my
21 letter. And this is what's most unfortunate at the
22 director level for me. And you've heard my staff. I
23 have a -- just like Mr. Patterson -- I submitted this to
24 Mr. Patterson because there was a pattern that was
25 unacceptable to me. And I just can't tell you how angry

1 I am at these examples. And I think it spells it out
2 quite clearly in my letter. So, hopefully, as I touch on
3 some high points of the letter -- because it's been
4 discussed by many of my staff here tonight -- that this
5 is not acceptable on any level. Hopefully, here in this
6 chamber, it's not acceptable to you to be treated in this
7 manner, that we are professionals, and I expect
8 professional -- if you're representing a company, an
9 owner of a company, and I am representing the owner as a
10 city, that I expect professionalism. I don't expect to
11 be cussed at. I don't expect to be berated. I won't
12 tolerate it. I don't expect my staff to listen to it.
13 I'll tell them to stop. That's why, in my letter, this
14 will stop. He's going to go through me. I can handle
15 it. Go through me.

16 So, as I go through the next -- on the June
17 14th, Indian Paintbrush, I was specifically there, met
18 with him. And he did say he was speaking both as a
19 councilman and as a contractor. And the confrontation
20 arose immediately by him cussing and saying the F'ing
21 street department ought to fix these curbs, you know,
22 right in front of me. Kind of caught me off -- off guard
23 at the unprofessional nature of this meeting.

24 I further -- he further was ranting and raving.
25 Couldn't understand him. I was looking at what was being

1 marked down by Scott Baxter. And it had come to a point
2 where I heard him rambling and being very disruptive and
3 unprofessional to my staff there, Andrew Beamer. And I
4 confronted Mr. Hedquist and told him to stop it. In my
5 20-plus years in this business, I've never, ever seen a
6 contractor treat the owner in this fashion. And it's not
7 going to start today.

8 And I make that point because he did stop. But
9 it didn't stop for my staff, is my point. It continues.
10 What you're seeing here today is only a snapshot. This
11 behavior is constant. If Mr. Beamer did not record that,
12 it would be our word against his. Do you understand?
13 He's a figure here in this community. Our word against
14 his. And that's what I'm faced with here, is that I'm
15 here a year and four months. It's my word against the
16 community construction that has tenure. So our
17 credibility is limited.

18 That's where you come in. You are effectively
19 my boss. In essence, I speak to you. I go in front of
20 you. That's my point to you, is where is the protection
21 for us? And that's the disappointment. And I
22 respectfully have to disagree with a member of council
23 here, is that frisky is not what happened here.
24 Mr. Beamer coming to me in my office, being almost
25 assaulted, in his mind, is not frisky behavior. I want

1 to make that clear. It's not. It's not in my book.
2 It's not in his book. And it shouldn't be, on this
3 board, taken as lightly as a frisky comment. Because I
4 don't take it as such. It almost demeans the action to
5 me. And I respectfully disagree with that, is the best I
6 can tell you.

7 So, going through this, hopefully you get a
8 snapshot of me and some of these instances. Paintbrush
9 really sticks out as -- really, guys, this is -- and I
10 have to deal with him as a councilman and as a
11 contractor? What hat am I being presented here? Indian
12 Paintbrush is a prime example. How would you interact
13 with that in my position? That's what I'm faced with.
14 How do you interact with a beratement of staff, of being
15 threatening?

16 You know, this 71 -- the August 5th, 71
17 Construction incident, I've worked with subs as a
18 contractor. This stuff is taken care of on the job site.
19 To propel this to another level in trying to leverage his
20 position is the way I took it, to leverage his position
21 to make it an issue. This is a nonissue. You go into
22 that contractor's job site or his trailer and say, "Hey,
23 you going to be working here? I need to do this work."
24 You don't come to the owner and start berating and start
25 cussing or whatever manner. You don't do that. It's not

1 acceptable.

2 As I come here, you know, I have certain
3 standards myself. And this is not part of it. I will
4 not -- I can tell you that to this day -- be berated by
5 anybody in a disrespectful manner. I can tell you it
6 won't happen. And I can guarantee you this, that you'll
7 never see me disrespect you. It just won't happen.
8 That's me. And I don't expect these mannerisms, either.
9 And I don't expect my staff to sit and take it, either.
10 That's not their job. It's not their job.

11 So hopefully you feel my frustration here on
12 this matter. It's a serious thing for me and my staff
13 here, and it shouldn't be tolerated by anybody on this
14 panel.

15 Thank you.

16 MR. HOPKINS: Questions for Mr. Harrah?
17 Mayor Meyer?

18 MAYOR MEYER: Mr. Harrah, you're a man
19 amongst men and ladies. From the get-go, my opinion is
20 you've suffered the bulk of the abuse. And from the
21 get-go, you've defined the battle lines. You've
22 protected your employees, as we pay you to do, and I
23 think you've done a very good job. I think the citizens
24 are seeing, and we are, that it's very easy to overlook
25 things in the interest of peace in our big family. And

1 again, you have been subject to probably more of this
2 than the rest put together. And you have handled it in a
3 professional fashion. You've taken that impetus on
4 yourself. "Bring it to me. I will get these projects
5 done, but I'm going to be in charge of this." And I
6 respect you as an employee of the city and as a man in
7 Casper, Wyoming for that. Thank you, Mr. Harrah.

8 MR. HARRAH: Thank you, sir.

9 MR. HOPKINS: Just a reminder, we're
10 asking questions.

11 MAYOR MEYER: Right.

12 MR. HOPKINS: I may ask for statements at
13 the end. But the idea here is to have Mr. Harrah answer
14 questions. And he's doing that here.

15 MR. POWELL: Mr. Harrah, have you and I
16 discussed any of these matters prior to tonight?

17 MR. HARRAH: No, sir.

18 MR. POWELL: Regarding the records
19 request, you came to town after Mr. Hedquist and I ran
20 for the Ward 2 council positions. Mr. Hedquist made it
21 very clear, and, in fact, his campaign platform was
22 essentially that things are wrong in the city of Casper,
23 and there's rampant incompetence and wasteful spending in
24 the city of Casper, and the city of Casper needs someone
25 on the council who will be a watchdog, who will

1 investigate how the city spends its money and hold staff
2 accountable based on his expertise as a contractor and
3 how things should be done, which I don't have. Some of
4 you have more competence in this area than I do. But
5 that was his campaign promise.

6 One interpretation of him, his records request,
7 would be to get an advantage against his competitors.
8 Another would be to, in his opinion, make good on that
9 campaign promise and investigate how things were being
10 done in the city so that he could do a cost analysis and
11 maybe improve, in his mind, getting back to
12 Mr. Sandoval's comment, what would his perspective be,
13 since we can't ask him, and that he was really making
14 good on that campaign promise to put extra effort into
15 investigating how these repairs were being made in the
16 interest of improving efficiency and hopefully saving the
17 city some money.

18 Do you consider that to be a plausible
19 explanation for him to make this records request, as
20 opposed to a belated attempt to gain an advantage against
21 his competitors?

22 MR. HARRAH: Mr. Chairman, thank you,
23 Mr. Powell. I did at first. That's why I compiled the
24 data. I gave the benefit of the doubt. Because it was
25 three years' worth of data, the past three years. So it

1 took staff a tremendous amount of time to gather this
2 data. So did I have a preconceived notion that he was
3 going to use this to benefit him? No, I didn't. I took
4 it as straight value. I changed my opinion as I had the
5 meeting where the information that he was requesting was
6 a bid data request. It was how many lineal feet are you
7 able to do in a day? These are bid items that he can
8 manipulate and get job costing for. And I want to stress
9 again, I have not received any notification on anything
10 from him after all that he's looked at.

11 So, if the argument or the recommendation was
12 for job costing or any improvements, I haven't got
13 feedback either way. And so I say that's not the reason.
14 Because if it was, I would have got, hey, great job, or,
15 you need to improve on this because I found such and
16 such. I didn't get any of that. So I drew my assessment
17 from being there and seeing what data that he was
18 gathering.

19 MR. HOPKINS: Other questions from
20 council?

21 Councilman Sandoval?

22 MR. SANDOVAL: Thank you, Mr. Chairman.
23 I'm a writer, so simplifying language is really my forte.
24 Here we go. Does he have a point? Are there
25 inefficiencies? Is there something going on that puts

1 contractors at a disadvantage? Is the city wasting money
2 somewhere in the way it lets and finalizes its contracts?

3 MR. HARRAH: Mr. Chairman, you know, the
4 thing that I believe that the city wastes money on is our
5 current situations where we are in LDs on all of our
6 projects. We're sitting here in a standstill. You want
7 to talk about a waste of taxpayer money. All you got to
8 do is look at our current contracts. And I think that
9 says enough.

10 Yeah, I'm here. I'm bottom-line driven. My
11 background is in construction. I made a living off
12 profit. If I didn't succeed in bottom line, I didn't
13 work. So, as I came here to the City of Casper, that was
14 one of my intentions, was to make our departments more
15 efficient. And I've done that through reorg,
16 reorganization, and implementing a job-costing system,
17 work order system with the city here.

18 So I am trying my best to implement a system
19 here to save money. In essence, this will save money.
20 We currently don't have it, hence that's why it took me
21 so long to gather the data, because our system is flawed.
22 I'm not saying it's a good system right now. But I am
23 trying to get it to a point of improvement. But I didn't
24 get any of that data from Mr. Hedquist, is what I'm
25 saying. There was nothing. And he had three years'

1 worth of data on rotomill. I received nothing, sir.

2 MR. SANDOVAL: Thank you.

3 MR. HOPKINS: Other questions?

4 Councilman Goodenough?

5 MR. GOODENOUGH: Well, Mr. Chairman, as
6 the originator of the "frisky" adjective, I would like to
7 comment. I was searching for an adjective that wasn't
8 too demeaning at the time. And if that was less not
9 demeaning enough, I apologize.

10 But my question has to do with, it seems like
11 the organization, the city manager, the staff, knew when
12 Craig Hedquist got elected that there was going to be
13 turmoil. And so I gather you did not sit down as a group
14 or send a memo that says, watch out. We have to be
15 prepared for this. If he asks for anything outside of
16 any funding -- what we would give any other contractor,
17 then just tell him to pound sand -- he has a lot of
18 equipment to do that -- and we'll go on from there. I
19 just don't see why he was treated with kid gloves or
20 treated differently than other contractors, which led to
21 this whole series of events, some of which we're
22 discussing right now.

23 If I came up to you on a job site and said do
24 this or do that, I'm sure you'd tell me to go away and
25 talk to the manager or get five votes on council to get

1 your way. But I guess I don't understand why there
2 wasn't a recognition that there was trouble on the
3 horizon.

4 MR. HARRAH: Mr. Chairman, thank you. You
5 know, this is -- like I said, I've worked for many
6 municipalities, cities, as a contractor, and I've never
7 come across a situation where a contractor was on
8 council, dictating contract -- or, he's recused himself,
9 but being in the position that he's working as a
10 contractor. Never been in that position. So it puts
11 undue stress on us as managers of these contracts to then
12 dictate to a councilman that, hey, you're now these, you
13 know. It puts us in a bad situation to come to somebody
14 that's on council and saying that we have a problem with
15 you. And now it's going to get to the press. It's going
16 to go here. Can you understand my situation in this, the
17 situation that this puts me in and puts my staff in
18 because of the high profile of being a councilman and
19 then, slash, contractor that's bidding most of the
20 contracts in this city?

21 And then when he fails or gets behind, how much
22 pressure do you put on him? And that's the question that
23 I'm faced with. How much do you up here want to hear
24 from me saying, hey, these contractors are behind
25 schedule. It's one of your members. What are you going

1 to do about it?

2 MR. HOPKINS: Other questions?

3 Councilman Bertoglio.

4 MR. BERTOGLIO: Thank you, Your Honor.

5 Mr. Harrah, in your twelve years -- in your
6 entire experience on both private and public sector, have
7 you ever come across a request from a contractor to the
8 owner, which is a municipality, to provide this type of
9 information?

10 MR. HARRAH: No, I haven't, sir.

11 MR. BERTOGLIO: The form of government
12 we're under, have you ever worked under this before?

13 MR. HARRAH: Yes, I have.

14 MR. BERTOGLIO: So you're aware that we're
15 policymakers and not administrators?

16 MR. HARRAH: That is correct.

17 MR. BERTOGLIO: Would you say job -- one
18 of the administrative functions that you were hired to do
19 was to actually look at the overall structure, how the
20 public services director role was interplayed with all
21 aspects of engineering and water, sewer, everything, and
22 look at everything down to the roads and how efficient we
23 were doing. Is that your responsibility?

24 MR. HARRAH: That is one of them, correct.

25 MR. BERTOGLIO: So, when one council

1 member comes to you and asks you to do something that
2 really is your job, I guess that's -- in essence, what
3 I'm hearing from you is that you're aware of how we're
4 structured, that one person can't make the call, but if
5 one person is persistent enough, you're put in a no-win
6 situation. You can't just say, I'm not going to deal
7 with you. You're kind of locked into it until you've
8 reached this -- unfortunately, reached this point, I
9 guess. Is that a fair assessment?

10 MR. HARRAH: That is fair. That's
11 correct.

12 MR. BERTOGLIO: Thank you.

13 MR. HOPKINS: Council Member Schlager?

14 MS. SCHLAGER: Can you refresh my memory
15 on the rotomill machine? At some point I was under the
16 impression that we parked it because of the questions
17 Councilman Hedquist had. But do I have that wrong? Was
18 that your idea to park that piece of equipment?

19 MR. HARRAH: That is correct. I wanted to
20 park it because I wanted to do a more proactive approach
21 to maintenance of our roads and not new construction,
22 what I consider new construction. We work with the
23 contractor with the rotomill, so part of our arterial and
24 collectors we would do with city crews would then
25 rotomill out ahead of the contractor. I wanted to get

1 that out, put all my crew on maintenance of the roads
2 here instead of spending all summer on a contractor.

3 MS. SCHLAGER: Thank you. I had that
4 wrong, so I appreciate that. Do you have any concerns
5 for safety for you or your staff?

6 MR. HARRAH: Well, I mean, me, no. Staff,
7 yes. Because there is -- I mean, it's on tape, so it's
8 not my word against anybody's. Mr. Beamer was verbally
9 assaulted, and to his mind, almost assaulted, which he
10 took. And that's the impression that I've seen from him
11 in my office. And I won't forget it. And so, yeah. Do
12 I think something could -- you know, it has now. Why
13 would I say no and be oblivious to -- there's something
14 on tape right now. So, yeah, my staff could claim that.
15 I don't fear for me. But yeah, I would fear for my
16 staff. That's why I want all direction -- I think that
17 was spelled out in the letter, that I want all
18 interaction with Mr. Hedquist through me.

19 MAYOR MEYER: Can I get one more?

20 MR. HOPKINS: Councilman Meyer?

21 MAYOR MEYER: Mr. Harrah, I guess I'd just
22 ask for your opinion. In your experience and hearing
23 what you've had to say this evening, it's not so much an
24 option what we're going through at this point right now,
25 or what council's going through, as our duty. Would you

1 agree with that?

2 MR. HARRAH: Well, you know, that's what I
3 look -- I have very little recourse at my level to handle
4 this. We can go through contracts and hold them to
5 contracts as a contractor level. But we have to deal, me
6 specifically, at your level and the reaction and so forth
7 at that level. So, yeah, it's -- I can't force anybody
8 to make a decision, but by gosh, you guys need to hear us
9 here at this level. That's my point, is listen to us.

10 MAYOR MEYER: Thank you.

11 MR. HOPKINS: Other questions?

12 Councilman Powell?

13 MR. POWELL: Mr. Harrah, some questions
14 about the contract enforcement. If I remember correctly,
15 we had a six-week delay between giving the notice that
16 the contract on the Boys and Girls Club, that the work on
17 that project could begin, and the actual beginning of the
18 work. If Councilman Hedquist had not been Councilman
19 Hedquist, would you have handled that situation any
20 differently? And are there other situations where you
21 ran into some opposition or some resistance that you
22 would have handled differently had Mr. Hedquist not been
23 on the council?

24 MR. HARRAH: Well, I mean, I'm kind of
25 catching the end of it. Andrew Beamer was the primary on

1 that. The thing that I'm really implementing is holding
2 all contractors the same and not just specifically
3 pointing out Mr. Hedquist, but having a broad stroke over
4 all contractors and hold them to a standard. You know,
5 what is -- the standard here right now is that we are --
6 we'll submit a contract, and then we'll negotiate all
7 these. That is our -- I'm saying why aren't we finishing
8 our contracts on time? That's the standard we should be
9 meeting.

10 That's why I'm trying to put an enforcement on
11 my end of it, is trying to get that standard up to where
12 it should be and then using LDs as negotiating only if
13 needed. Right now it's needed to get the contracts
14 finished. And that's sad. It's sad as a city here that
15 we are using LDs to get contracts finished. That's what
16 we're pressuring our contract here, to get it finished.

17 MR. POWELL: One more, Mr. Chair.

18 Could you explain LDs for people who aren't
19 necessarily familiar with this process?

20 MR. HARRAH: It is liquidated damages.
21 It's when a contractor does not finish the project on a
22 specific time frame. Then they go into basically a
23 monetary -- an assessment until they do get it finished,
24 to which the city or they'll recommend or ask for a
25 substantial completion certificate, which we then will

1 issue.

2 MR. POWELL: It's a penalty for being
3 late?

4 MR. HARRAH: Correct.

5 MR. HOPKINS: Any questions?

6 MR. CATHEY: Councilman Powell just
7 brought up an issue that basically the contract on the
8 Boys and Girls Club was issued with work could start at X
9 date. And no work was started for a considerable period
10 after that. But as a part of that contract, it had a
11 beginning date and an ending date. And as a free and
12 independent contractor, he has and it is his
13 responsibility to pick the date he starts, knowing when
14 the end is, and that actually, as part of that free and
15 independent contractor, once we have told him he can
16 start anytime past that date, it's not our
17 responsibility. And actually, that gets into treading
18 onto his free and independent contractor, telling him
19 that, hey, you're running out of time. You have to start
20 now, so that, in essence, by him not starting, he is
21 actually using up his own contract time. Is that --

22 MR. HARRAH: And I misunderstood you,
23 Mr. Powell.

24 Yeah, you're absolutely right. Once we give
25 them the notice to proceed, it's on. The time starts.

1 Now, he has the choice of starting the next day or two
2 months from now. Either way, there is a determined end
3 time that he has to meet.

4 MR. CATHEY: And along with that and the
5 part about being the independent contractor, then if he
6 has other -- if he has his equipment scheduled on another
7 job, that's all a part of what plays into that, is his
8 timing as the independent contractor to schedule his work
9 and his equipment so that he is running his business?

10 MR. HARRAH: Correct.

11 MR. CATHEY: Thank you.

12 MR. HOPKINS: Other questions?

13 (No response.)

14 MR. HOPKINS: I have two, if you don't
15 mind. Just to clarify one point, as I understand it,
16 Rick, you went to work for the city sometime in January
17 2013?

18 MR. HARRAH: January 7th.

19 MR. HOPKINS: January 7th. So, by August
20 29th, when you wrote this letter, you had been on the job
21 six months or less?

22 MR. HARRAH: Correct.

23 MR. HOPKINS: For several months?

24 MR. HARRAH: Yes.

25 MR. HOPKINS: But figure the first two

1 weeks, you're just trying to find out where the City is?

2 MR. HARRAH: Yeah. And, you know --

3 MR. HOPKINS: So, by the time you wrote
4 this letter, you had, in effect, been running the
5 department for not a very long time?

6 MR. HARRAH: Correct.

7 MR. HOPKINS: And had seen these kind of
8 instances?

9 MR. HARRAH: This progressed, correct.

10 MR. HOPKINS: Second question I have is
11 regarding the 71 Construction incident, where they were
12 working on some concrete. I know we have it somewhere in
13 the data, but, in fact, Craig apparently was upset that
14 somebody was working in the area that he was -- adjacent
15 to the area he was going to be working in.

16 MR. HARRAH: Correct.

17 MR. HOPKINS: And he was told at that --
18 when he came in, he was told that they would be out of
19 there. In fact, were they out of there by the time he
20 started the project?

21 MR. HARRAH: There were zone issues,
22 correct.

23 MR. HOPKINS: Very good. Thank you.

24 MR. BERTOGLIO: Mr. Chair?

25 MR. HOPKINS: Councilman Bertoglio?

1 MR. BERTOGLIO: Just one quick question,
2 Mr. Chairman.

3 After all this stuff was going on, and I
4 realize staff was trying to work with Councilman
5 Hedquist, was there any -- was there ever any
6 conversations with Councilman Hedquist that he should
7 recuse himself in the conversations and bring somebody
8 else in?

9 MR. HARRAH: No. He never said -- any of
10 my conversations with Mr. Hedquist or any meetings on job
11 sites or anything did he ever state to me in my presence
12 about recusing himself.

13 MR. BERTOGLIO: No. Was there ever any
14 suggestion that he recuse himself and have a second when
15 dealing with staff? Are you aware of that?

16 MR. HARRAH: I'm not aware of any in my
17 presence.

18 MR. BERTOGLIO: Okay. That's fine.

19 MR. HOPKINS: Call for our counsel.

20 MS. STUDER: I guess just for information
21 as far as the facts go, after the workplace violence,
22 there was that request made in writing.

23 MR. HARRAH: Okay.

24 MR. BERTOGLIO: I just was wondering where
25 that came in.

1 MR. HOPKINS: Other questions?

2 (No response.)

3 MR. HOPKINS: Okay. Thank you,
4 Mr. Harrah. We appreciate your time.

5 MR. HARRAH: Thank you.

6 MR. HOPKINS: Appreciate your input.

7 Would you have anything else for us,
8 Mr. Reeves?

9 MR. REEVES: No, Chairman Hopkins. And
10 members of the council, thank you very much for your
11 patience.

12 MR. BERTOGLIO: Mr. Chairman, could I have
13 quick follow-up questions with Mr. Reeves?

14 MR. HOPKINS: Certainly.

15 MR. BERTOGLIO: Actually, two questions.

16 Mr. Reeves, just simply the interaction on any
17 contract, even if it's friendly, by a council member that
18 has a contract, by statute and by our code, is a
19 violation? Is that the way I'm reading it?

20 MR. REEVES: That's a correct reading. In
21 fact, the more cordial and persuasive the council member,
22 the more advantage he might get, which is what the
23 statute is designed to prohibit.

24 MR. BERTOGLIO: And then I guess this kind
25 of goes to one of the things I've heard, that "It's not

1 my fault." The fact that Councilman Hedquist was given
2 the council handbook and said this has the code of ethics
3 and everything in it and then he says, "Well, I didn't
4 get the proper training which has been alluded to. I
5 went to WAM, and council did it," that's no excuse for
6 violating statutes, "I didn't know," or, "I didn't
7 understand," is it?

8 MR. REEVES: It's no legal defense to his
9 conduct, and it's hard to imagine that he could be
10 ignorant on such a subject.

11 MR. BERTOGLIO: I guess that's what I'm
12 getting at. Ignorance is not an excuse?

13 MR. REEVES: Not an excuse.

14 MR. BERTOGLIO: Thank you.

15 MR. HOPKINS: Councilman Sandoval,
16 proceed.

17 MR. SANDOVAL: Thank you, Mr. Chairman.

18 So, the more cordial a councilman is in
19 discussing such contracts, does that mean if he's hostile
20 and belligerent, he is therefore immune from that
21 conflict of interest?

22 MR. REEVES: It's the same violation.
23 It's the same competing interest of the city and the
24 contractor and his bank account, however he decides to
25 use that advantage.

1 MR. SANDOVAL: Thank you.

2 MR. HOPKINS: Other questions? Council
3 have any questions for anybody while we're still gathered
4 up here?

5 (No response.)

6 MR. HOPKINS: Very well. The chairman
7 will entertain motions from council.

8 MR. GOODENOUGH: Point of order.

9 MR. SANDOVAL: I'm sorry. I was just
10 going to ask, are we going to decide the results of this
11 at some point later?

12 MR. HOPKINS: I guess the chair would
13 prefer that we not make a decision tonight because we
14 have information that may be received in writing, and we
15 have the information that he is so diligently putting
16 into that machine down there. And we won't have that for
17 a couple of weeks. So that would be my preference.

18 MR. CATHEY: Mr. Chairman?

19 MR. HOPKINS: Councilman Cathey?

20 MR. CATHEY: I would like to make a motion
21 that we take the information we have received tonight
22 under advisement. We get our written transcript of
23 tonight's proceedings and then have a meeting to evaluate
24 said data.

25 MR. HOPKINS: We have a motion on the

1 floor. Do we have a second?

2 MR. SANDOVAL: I'll second.

3 MR. HOPKINS: Discussion?

4 MR. SANDOVAL: Do we have a time frame, or
5 is it just at a date --

6 MR. CATHEY: I don't know what his time
7 frame is to give a written statement to us.

8 MS. STUDER: And I was going to say, just
9 so it's clear, I understand that by perhaps next week a
10 transcript would be available to city council for review.

11 MR. HOPKINS: So we would need to have
12 some time to digest that and have another get-together.

13 I think we've got a motion on the floor.

14 MR. SANDOVAL: I seconded it.

15 MR. HOPKINS: And the motion stands that
16 we'll basically not do anything tonight. But do you want
17 to put a time certain on it or put some constraints on
18 that?

19 MR. CATHEY: Within ten days after receipt
20 of the transcript.

21 MR. SANDOVAL: Or the next work session
22 after receipt of the transcript or the next two weeks
23 after receipt of the transcript. How do we do that?

24 MR. CATHEY: That's why I said the ten
25 days, because I didn't want to get it at 3:00 in the

1 afternoon and expect to make a decision at 4:30.

2 MR. SANDOVAL: You know, that happens a
3 lot.

4 MR. HOPKINS: We won't go there.

5 Okay. We have a motion on the floor.

6 MR. CATHEY: That's why I said ten days.

7 MR. HOPKINS: As I understand, we have a
8 motion on the floor that ten days after receiving the
9 transcript, that we will --

10 MR. POWELL: I think you said within ten
11 days, which could be less.

12 MR. HOPKINS: Within ten days. Okay.
13 We're agreed on the motion?

14 MR. SANDOVAL: Yeah.

15 MR. HOPKINS: Other discussion on the
16 motion?

17 Councilman Goodenough?

18 MR. GOODENOUGH: Mr. Chairman, I would
19 hope that we would have the discussion in a regular
20 meeting, not a work session, so that it can be televised.
21 So I'm not sure if that was the original intent, but I
22 would hope that we would have the discussion out here in
23 public instead of in the council conference room, which
24 has limited seating.

25 MR. SANDOVAL: Yeah. I think that's a

1 good idea.

2 MR. POWELL: But there's no reason why we
3 couldn't have that session out here scheduled during a
4 regular work session to avoid an actual week delay.

5 MR. HOPKINS: That would work.

6 MR. GOODENOUGH: Mr. Chairman, the only
7 problem is then that we don't televise the work sessions,
8 so we would have to --

9 MR. HOPKINS: We would. We have the
10 capability at a work session.

11 MR. GOODENOUGH: We have the capability.
12 We'd have to make sure the Bresnan guy showed up for it.

13 MR. HOPKINS: He'll do better there.

14 MR. POWELL: Just one other question. I
15 would just like to encourage people who have opinions or
16 comments, there is a written comment process. And we
17 have been accused of orchestrating a one-sided review of
18 these facts. I personally am very interested in other
19 perspectives. And if there are facts that are in
20 dispute, anyone listening, anyone here has an opportunity
21 to weigh in and provide their own testimony or their own
22 views. And the more information we have, the more likely
23 it is we make a quick decision.

24 MR. HOPKINS: Proceed, Councilman
25 Sandoval.

1 MR. SANDOVAL: Doesn't that beg the
2 question of not only should we make it contingent on the
3 time that we get the transcript, but we also give the
4 public time to give their feedback and we review both?
5 So that would require us setting a time that they need to
6 get their feedback in to us, and then we proceed with our
7 next work session.

8 MR. HOPKINS: That's partially correct.
9 Under the hearing rules we adopted, they can submit --
10 they can submit written comments tonight. That's the way
11 it reads.

12 MR. POWELL: Well, we're still here.

13 MR. HOPKINS: I think we have the question
14 on the floor and the motion is made. So would all those
15 who would like to proceed with the motion, please press
16 the button if that's what you want to do.

17 All those opposed?

18 MR. GOODENOUGH: All ayes.

19 MR. HOPKINS: Very well. Thank you.

20 MAYOR MEYER: Mr. Chairman, I guess if we
21 voted the same, it doesn't matter that we're in the wrong
22 seat.

23 MR. HOPKINS: Yeah, that's right.

24 With that in mind, I now declare the hearing
25 closed, and I would like to turn the meeting back over to

1 our mayor. Thank you.

2 (Hearing proceedings concluded

3 7:56 p.m., April 29, 2014.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I, RANDY A. HATLESTAD, a Registered Merit Reporter, do hereby certify that I reported by machine shorthand the proceedings contained herein constituting a full, true and correct transcript.

Dated this 7th day of May, 2014.


RANDY A. HATLESTAD
Registered Merit Reporter

