



# city of PALM COAST

Office of the City Manager

160 Lake Avenue  
Palm Coast, FL 32164  
386-986-3710

June 22, 2020

Attn: Local Media Outlets

RE: Michael Schottey Allegations

To Whom It May Concern:

The following is the City's response to accusations made by Michael Schottey and his campaign, in recent days.

- I. It's unfortunate that Mr. Schottey is further seeking to abuse City Staff and position them for his political gain. The City Staff are hardworking and committed to serving our community. They do not deserve to have their jobs politicized or used as tools for political motivation.
- II. The City has a high functioning processes for waste, fraud, abuse and whistleblower protection. Employees can, have and continue to make reports without retribution or persecution. Neither Mayor Holland, nor any councilmember has a part in this process or in employee hiring, discipline or termination processes. The accusation being made by Mr. Schottey is untrue.
- III. The City implementation partner was invited into the EOC to help us quickly deploy our PCC platform as an emergency response communication and tracking tool during Hurricane Dorian. This was early on in our development and we "the City" did not have the skills or staff members to do what we felt would best serve the needs of our residents in an emergency situation. Furthermore, their involvement was part of the existing innovation agreement (of which no money has ever been paid to Coastal Cloud). The volunteering and donation of time to help the City is not problematic, nor is it "unprecedented". Having technical professionals assist with technical problems during emergencies is commonplace. Mr. Schottey spent less than 6-months working in local government and is unqualified to assert what is unprecedented for local governments during emergency response situations.
- IV. Hackathon – Staff was never inappropriately directed by Mayor Holland nor any Councilmember. Mr. Schottey wanted and implored to be part of the process and conversations surrounding the Hackathon initiative. What Mr. Schottey is showing is a selective window upon which an attempt to create an untrue narrative. A conversation with ideas and suggestions (that were sought by Mr. Schottey himself) is not staff direction...it's a



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conversation. Coastal Cloud never asked nor was any special consideration ever granted to them. Mayor Holland did not even know until late into the process that Coastal Cloud was involved as a sponsor.

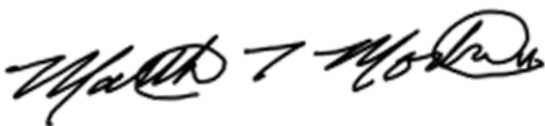
- V. The Hackathon was not planned by Coastal Cloud. The Hackathon was planned by City Staff and BeMyApp Agency, a specialized hackathon company which had run with great experience a salesforce hackathon(s). Coastal Cloud, as did all of our partners, provide ideas and suggestions to make the event more successful. The decision to use salesforce stemmed from 4 main ideas;
  - a. It is the platform the City is using to break barriers and transform technology, engagement and service delivery to our residents.
  - b. AdventHealth, ACI and other members of our Innovation Advisory Council use Salesforce in the Healthcare and Business Marketplace. This was in further keeping with our strong partnerships in the Palm Coast Business Community.
  - c. Salesforce requires no coding experience – just a passion for problem solving. The City thought this would open it up to a broader audience. As a result The City had several non-traditional teams, including a team of local high school students, participate.
  - d. This was/is a first of its kind for the region and we wanted a more unique approach and understandable solutions architecture as opposed to some of the obscure coding languages that could be used such as python, cobalt.
- VI. The facts bear out that no violations of law from the City or its staff have occurred. There are no violations of Chapter 112 or 119 in regards to allegations being made by Mr. Schottey. The city is not aware of any investigations by FDLE, FBI or any Law Enforcement Agency.
- VII. No-bid contracts fallacy. The City has a robust and compliant purchasing process and highly qualified staff. Purchasing follows legal processes and guidelines. It is true Southern Strategies (now the Southern Group) won a bid for a video product. They were the lowest, most responsive and most complete bid proposal. The Mayor, nor is any councilperson ever been involved with purchasing or procurement. Southern Strategies was encouraged to apply for this bid contract by a committee of Staff Members tasked with marketing Palm Coast Connect, not Mayor Holland.
- VIII. Salesforce S.F., and other conferences – attending conferences is a time honored strategy use by governments across the country. The ones highlighted by Mr. Schottey fit into the Cities program and explicitly stated council strategic action plan priorities by;

- a. Putting City of Palm Coast on the map. This is creating brand awareness of the City and touting its forward thinking accomplishments and vision to demonstrate being, business friendly, technology savvy and “open for business” to job creators.
  - b. Fills the stated priority of branding the COPC as a medical, technology and innovation center. After the “How Palm Coast” webinar we were contacted by several state, local and federal governments to ask questions and learn more about the COPC and what we were doing. Gaining reputation for the City is part of branding and job creation.
  - c. The conference alleged by Mr. Schottey as the “San Francisco Conference” was not paid for by the City. There were some incidental expenses for cab fare and pre-travel. Those expenses were expressly authorized by the existing City of Palm Coast Travel Policy. The City of Palm Coast did not pay for the Mayor or City Manager to attend this conference or to travel to this conference opportunity. The intent of this conference was to directly benefit the City of Palm Coast.
- IX. Michael Schottey resigned in lieu of being terminated. Former H.R. Director, Debbie Streichsbier came to City Management of her own volition, after completing a probationary review and demanded Mr. Schottey be terminated prior to the expiration of his probationary period. According to Ms. Streichsbier, this was a result after multiple female directors complained about his treatment of them.
- X. Upon consultation with the City Attorney for this communication the City Attorney reaffirms his prior public legal opinion that there have been no violations of Chapter 119 (Public Records Act) nor any violations of Chapter 112 (Public Ethics Law) regarding the relationship between the City of Palm Coast, Mayor Milissa Holland and Coastal Cloud.

In summary all of the points Mr. Schottey has highlighted in his allegations were, before decisions ever being made, reviewed with the City Attorney or did follow specific guidelines and procedures of the City of Palm Coast and State Law. This fact can be supported by the public record.

It is counterproductive to continually acknowledge destructive and fallacious allegations motivated by politics, please refer to this as the cities full response to the allegations made by Mr. Schottey' s Campaign.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew T. Morton". The signature is fluid and cursive, with the first name "Matthew" being the most prominent.

Matthew Morton, City Manager