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MEMORANDUM

TO: Ada City Council Members
FROM: Courtney K. Warmington
DATE: April 9, 2025
RE: Tracy Roles Investigation Summary

Summary Description of Matter Investigated:

During a City Council meeting on March 19, 2025, City Manager Tracy Roles was given notice of a list of five reasons for possible removal from his position, pursuant to City of Ada Charter, Section 3-1. The notice further provided that a future meeting would be scheduled to make a final determination.

On or about March 21, 2025, I was contacted to conduct an outside investigation in this matter. A summary of the five issues, and my findings with respect to those issues, is shown below.

Objectives of Investigation:

1. To determine whether there is evidence to substantiate any or all of the five listed reasons for possible removal of City Manager Roles.

Investigative Procedure Followed:

As part of the investigation, I interviewed 14 individuals, including Mr. Roles. I also reviewed multiple documents, including various emails provided by witnesses and organizational charts, as well as the Municipal Charter and other personnel records.

Findings:

Background

Roles was hired as City Manager approximately eleven months ago, beginning employment on or about May 2, 2024. He came from Bartlesville where he had served for a number of years as Police Chief, before being promoted to Assistant City Manager in April of 2023. Other than his

role as Assistant City Manager in Bartlesville, he had no prior experience in a City Manager or Assistant Manager role.

A 90-day transition plan was created for Roles. Much of the plan was focused on getting to know the community and staff. Several Council Members stated (and Roles agreed) that being out in the community was something he was asked to place emphasis on. And on that metric, both the Council Members I spoke with (and staff) agree he did well.

On November 18, 2024, Roles received his 6-month evaluation. Several Council Members indicated that because so much focus had been placed the first three months on Roles being out on the community, there was not a lot of insight yet into his management of city operations. However, he did in fact score well overall, receiving "above average" or "excellent" ratings in most categories. Notably, however, the two categories where he received several "average" rankings were in the areas of staffing and fiscal management, along with one rating of average with respect to exercising good judgment. Roles requested, and received, a raise at that time. He also requested, and received, an agreement to provide him with an additional three months of severance in the event of a termination.

Multiple witnesses said they expected there to be an adjustment period with a new City Manager, and indeed as noted above, Council expected him to do some things differently. However there was a growing concern among staff that his "hands off" approach (among other things) was potentially putting them and the city in a precarious position. The concerns seem to have increased following the 6-month review, and in particular, after the hiring of the Community Advancement and Growth Director which also occurred in November. The concerns, and my findings with respect thereto, are outlined below.

Financial Mismanagement:

The first item in the Notice states a lack of proper oversight and management of financial matters, resulting in inefficiencies and fiscal concerns. At the outset it is important to note that no one has alleged (and there is no evidence I have received) indicating any unlawful use of funds. However there is evidence to substantiate a lack of oversight and disregard for staff members: 1) who asked for (and did not receive) Roles' direction on matters of substantial financial importance; and 2) who attempted (unsuccessfully) to explain his need to go to Council for approval on certain budget matters to ensure the growing expenses had adequate and approved sources of funding.

For example, a primary issue of concern to staff was an increase of payroll expenses of approximately \$490,000 between May of 2024 and January of 2025. This was the result of Roles' decision to create two new Director-level positions (Airport Director and Community Advancement and Growth Director) along with a reorganization of staff that resulted in pay increases for various individuals.

To be clear, the two new Director positions (and their salary ranges) were approved by Council through a salary ordinance. And, if the funding for those two salaries was already in the budget in

an appropriate fund, then no budget amendment was apparently necessary for Council to approve. This seems to have perhaps been the case with respect to the Community Advancement and Growth Director, as his salary was to come out of the Economic Development Fund (Fund 56).

Yet there is evidence that the leadership team advised Roles on multiple occasions that he needed to do a budget amendment, sooner rather than later, to ensure that Council was aware of the overall financial impact of these new (and increased) salaries and to ensure that they approved where the funding was going to come from.¹ The Assistant City Manager outlined in an email on December 4, 2024, that expenses were outpacing revenue and that new expenses were going to require a cut in programs or projects unless new revenue was generated. But she was not the only one sounding the alarm. The Finance Director and the Operations Director also alerted Roles to his need to present a budget amendment to Council, which seemed to all of them to fall on deaf ears. Indeed, it does not appear that Council knew of the magnitude of the impact of the reorganization decisions, as Roles denied any substantive impact when questioned about it during a Council meeting.²

But spending was not the only issue of concern to staff. Multiple staff members indicated they needed Roles' direction on critical projects, and that he did not seem interested in giving such direction. One Director, in particular, stated that after receiving no interest in her role or pending projects, she finally scheduled a meeting to try to get Roles' input on needed decisions regarding multiple million-dollar projects. She still received no direction thereafter, leaving her to move forward on her own, unsure whether Council had approved of the decisions.

As another example, another Director stated that he told Roles on multiple occasions that he needed to present to Council repayment terms for the loan that was made to purchase the former Coca-Cola plant. The Director gave Roles multiple different repayment term options, but repeatedly told Roles he would need to pick one to present to Council. Other staff members shared concerns about the failure of Roles to "get into the weeds" on matters of importance as well, saying "yes" to expenses and projects seemingly without any concern as to where the money would come from. Moreover, he recently asked staff why they even needed to have APWA meetings, indicating that he was not only unconcerned about where funding came from for various projects, but may not have understood either.

¹ The reorganization, and planned accompanying salary increases, had other unplanned financial consequences as well. For example, when another Director, with far more experience and tenure, learned that both the two new Directors were starting at a higher salary, she asked for and received a raise, which put the increases above what was originally even planned by Roles.

² Roles also could not tell me the total financial impact nor where the money would come from, stating his reliance on the Finance Director to guide him. Although Roles denies having told the Council there would not be a substantive impact with respect to the reorganization, video evidence from the Council meeting in question shows he certainly downplayed it, stating it was just some clean-up to titles, and that he did not bring up any financial impact at all.

For his part, Roles agrees that he has a “hands off” approach to management. He stated that he was relying on his leaders who knew far more than he did about their substantive areas of responsibility. Roles admits he was still learning the role and felt his lack of micromanaging was a show of respect and trust for them in their positions. That may have been his intention. But the budget is the responsibility of the City Manager. *See* City of Ada Charter, Section 3-3. He is responsible not only for submitting a budget, but for administration of it after it goes into effect. He is required to keep the Council advised of the financial condition and future needs of the city. I found evidence to substantiate that Roles failed in this regard, leading to fiscal concerns of multiple leaders in multiple departments.

Creating an Intimidating or Offensive Work Environment:

All witnesses interviewed indicated that the work environment under Roles was difficult, to varying degrees. Some expressed that it was just “stressful” and that they did not feel valued. Others, however, expressed feeling intimidated by Roles. Although he could certainly be pleasant at times, on other occasions he was described as coming across as angry and red-faced, aggressive, and accusatory.

One Director, in particular, described it as the most stressful and uncertain time during her 17 years of working in various local governments. As just one example, this Director was once called into a meeting with Roles (and an assistant from HR and one of the Director’s peers) during which she states that Roles aggressively questioned her about why she had been speaking negatively about Roles’ decision to exclude her from the hiring process for one of her employees. He then accused her of lying when she denied having done so. He then purportedly said if the (newly hired) employee did not work out, it was his “nuts on the line.” Roles denies having made this statement. However, a witness to the conversation confirmed that Roles was aggressive in the meeting, and that he handled the issue inappropriately. The Director provided a detailed statement of this meeting, and many other concerns.

In addition, there was also a belief expressed by several witnesses that there appeared to be a difference in treatment of men versus women. Several noted that only men received promotions and pay raises in the reorganization (until the one female Director noted above asked for a raise), and that only men were elevated onto the leadership team. It is unclear whether this was Roles’ intention, as there was at least one other male Director who also felt his position had been overlooked by Roles. Regardless, however, Roles’ management style left impressions with some staff that he did not treat people equally, or at a minimum, had favorites.

Roles denied creating an intimidating, discriminating, or offensive work environment. He agreed he can be direct, but states it was never his intention to make anyone uncomfortable. That may be true. But there is nevertheless evidence to substantiate that his leadership style created an environment that was at a minimum stressful, and to at least some, intimidating and offensive.

Dishonest Representation of the Facts:

The third issue addressed in the Notice is an allegation that Roles had misrepresented facts and failed to provide accurate and honest communication in the course of his duties. Although Roles denies (with one exception) that he ever made any statements that were untruthful³, there is enough credible evidence to nevertheless substantiate this allegation.

For the purposes of this report, I have not covered every instance in which it is believed by staff that Roles was dishonest or lacked transparency. But there are a few instances referenced below which stood out.

First, numerous witnesses stated that Roles was not honest when asked by a Council Member during a meeting whether the reorganization would have any substantive impact. As noted above, Roles denies saying it would be insubstantial. However, I have reviewed the video from the meeting, and he did give Council that impression. He did not mention that the reorganization had caused salary increases of a little over \$100,000, which was unknown to Council at the time the salary increases were made. And to date, there has still been no budget amendment for Council to approve where the funding will come from. At a minimum, Roles failed to provide accurate and transparent communication with Council about the impact of these decisions.⁴

Second, staff also learned that Roles failed to disclose he was related to the person he hired for the Airport Director position. Roles now admits that his mother was married to the applicant's father for a short period of time in the early 1990's. After their divorce, the applicant's father married Roles' aunt, who he continued to be married to at the time the applicant was hired – thus making him both Roles' former stepbrother and current cousin. Roles states he never lived with the individual when their parents were married, and in fact, he was not sure they had even met in person prior to the interview. The applicant checked "no" in response to the question on the application as to whether he had any relatives employed by the city. He was employed for less than 2 weeks before he was terminated for failing to come to work.

Again, it may be true that Roles and the individual did not know each other well. And unlike the Community Advancement and Growth Director (discussed below), there seems to be no question that this candidate was qualified on paper to be Airport Director – which makes it all the stranger not to have simply said something about the relationship during the hiring process. Instead, Roles said nothing and created a new high-level, high-paying position for someone with whom he had at least some familial connection – unbeknownst to anyone else at the time. Then he attempted to

³ Roles did admit being untruthful on one occasion, though for a reason. He attended a meeting with a third-party, who purportedly instructed him not to let others know about the meeting. When asked, he therefore denied attendance.

⁴ Other Council members also tried to ask (outside of Council chambers) for a better understanding from Roles about the impact of the reorganization, and state that Roles said he did not need their blessing.

offer non-standard (and more generous) terms of employment to the individual, which had to be denied by HR. And this hire, just as the other one discussed below, was ultimately unsuccessful.

Finally, there is evidence that Roles was – at a minimum – not transparent when asked by a Council member about a job he had applied for in Florida. Although he later said his wife had applied for the position without his knowledge, he continued to evade questions from the Council member about whether he was actively looking for another job.

In sum, while Roles denies being untruthful, there is evidence to substantiate that he lacked the transparency that is expected of his position.

Hiring of Unqualified Personnel:

The most divisive issue during Roles' tenure was the hiring of the Community Advancement and Growth Director. The job was posted on or about September 19, 2024. The role required a bachelor's degree. A master's degree was preferred. It also required a minimum of 7-10 years of experience in relationship building and development, urban planning, economic development, or a related field (among other things). Three to five years of experience was preferred specifically in economic development, community development, business administration or a related field.

One of the candidates interviewed was a friend⁵ of Roles from Bartlesville. Although he was allowed an initial interview, he did not meet the minimum qualifications for the position. He had not completed his bachelor's degree (though it was completed after he was hired), and he did not have the minimum experience required. His prior experience was as a golf coach and a fitness trainer.

This applicant ended up being the only person to get a second interview. Although Roles denies it, there is evidence to substantiate that the interview panel did not believe he should be offered the role. Although the applicant did interview well, he simply did not have the economic development background that the position required. They believed it should be re-opened for additional candidates. On the contrary, Roles felt that the applicant had the relationship experience to handle the role well and he proceeded with making an offer to him on or about November 13, 2024.

During the negotiations with the individual for the position, Roles once again attempted to offer different terms than are allowed to others, particularly as it related to vesting of retirement benefits. Staff denied this request as it was not allowed under the plan. Notably, there is email documentation that indicates Roles and this individual had discussed vesting and other terms of employment before he even applied for the position.

⁵ Roles states they are not "friends" but merely acquaintances.

The starting salary for this Director was \$108,227.00. Though this was within the range approved by the salary ordinance, coming in at that salary (with no department or employees under his supervision) created morale issues with staff, particularly when staff also began to realize his lack of prior experience and qualifications for the role. It also created inequities and confusion. To begin with, it was unclear what his role was in relation to the Community Development Director. And as noted above, his salary was also significantly more than the salary of another Director with over 35 years' experience, which resulted in even more increases in salary that had to be addressed. Finally, staff reported that he seemed to have latitude that others did not, taking furniture from the lobby for his office (instead of the standard-issue furniture), attending unnecessary conferences, and conducting private fitness training from his office during the workday.

Roles stands by his decision to offer the position to this individual. While Roles admits that he did not fit the job "on paper" he did believe he was the right person for the position. Roles may have believed that to be true, but in the words of one witness, if you are going to hire your friend with no experience, "he better be a rock star." By all accounts from staff, this individual simply was not. In sum, creating a new high-level, high-paying position and filling it with a friend lacking the minimum qualifications (and contrary to the recommendations of others) was a critical fracture in the trust and morale of the team.

Failure to Engage in Proper Management of Personnel and Funds:

The final listed reason for potential removal as City Manager was for inadequate supervision, allocation, and management of both human and financial resources, leading to operational challenges. This allegation is also substantiated.

Much of this has already been discussed above. Multiple leaders from multiple departments expressed that Roles did not understand, nor express interest in learning, the day-to-day critical needs of the City Manager role nor provide the input needed for others to do their jobs. There was genuine concern about expenses and inattention to the budget, even beyond just the salary increases. Although he denies it, there is evidence that he talked about people he did not like and wanted to fire, that he said he wanted to leave the Assistant City Manager's "interim" pay rate in place because he was "working an angle" to get more money at his review, that he called people names (including Council Members), and that he avoided advice of his leadership team, even when it was for his protection. His decisions (and sometimes the lack thereof) with respect to both human and financial resources, again undermined the morale and trust of his team.

Conclusion:

As noted throughout this summary, Roles certainly has a different perception about his job performance and how he was viewed by staff. And indeed, he does have a different leadership style than the past City Manager. It was expected that he would make some changes that might take some time to get used to. But the concerns expressed went far beyond leadership style. And they went far beyond any one person or one department. Roles' decisions resulted in apprehension

April 9, 2025
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Page 8 of 8

and a loss of trust by all the staff members I spoke with (from over 8 different departments). While the allegations are disputed by Roles, there is nevertheless credible evidence to substantiate each of the five reasons listed for possible removal.