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J.C. Becker, Inc, P.S.
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Sent via email: lojcb@msn.com

RE: Fred Walser

Dear Mr. Becker,

Thank you for your settlement offer.

The City acknowledges and appreciates your Client's concern for its finances. However, the City's major financial concerns – as City Administrator Deborah Knight has made very clear – are not the cost of this investigation. The general fund problem is more due to budgeted revenues not being received than investigation costs and litigation costs associated with the police department or other matters involving the City.

The City also rejects your assertion that Fred Wasler is being “used” by the City as a “scapegoat.” Rather, the City genuinely believes that the matter at hand requires further attention. More importantly, the City of Sultan – even if it so desired - is not in a position to terminate the Everett Police Department's on gong criminal investigation.

Your settlement offer addresses five (5) subjects. A response to each is provided below:

1. Conclusion of all investigations of Mr. Walser within ten (10) days

For the reason noted above, the City is not able to conclude these investigations within ten (10) days. Background information may be helpful to understand why. An internal affairs investigation relating to Mr. Walser's official conduct commenced on May 17, 2007. That, however, was placed on hold when the Everett City Police Department commenced its criminal investigation on June 15, 2007.

The internal investigation involved four (4) issues. Your client was served with a copy of the letter initiating that investigation so there is no need to repeat those issues here. The internal investigation, however, quickly turned to a criminal referral when both Special Counsel for the City and the independent internal affairs investigator both

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recommended that the matter be forwarded to law enforcement's attention for possible criminal investigation. The current scope of the criminal investigation is unknown to the City. The status of the City and the City's employees' is that of potential witnesses.

Now, for nearly one (1) month, Inspector Grassi and Detective Coleman are engaged in their investigation. Not knowing when they intent to complete their investigation, all the City can report is that the Everett Police Department will conclude this matter on its own time schedule after it has had a chance to investigate the issues at hand.

2. Hearing before an Independent Party

Your invitation to conduct a hearing outside of established procedures is not acceptable to the City. Mr. Walser has civil service rights and rights under the City's personnel policies. In fact, he has previously attempted to exercise those rights. The City is not interested in providing additional hearing rights, not contemplated by statute, policy, rule, resolution, ordinance, and contract – and, not available to other city employees.

3. A public letter of appreciation

The City appreciates Mr. Walser's service and the Mayor and the City are distressed that the matter has taken the course it has.

4. A skateboard park named after Mr. Walser

That decision is premature at this time; however, it remains in consideration pending further developments in this matter.

5. Confirmation of Walser's August 17^h resignation

The City continues to adhere to its position that Mr. Walser's announced resignation remains in effect as of that date. He will receive all the benefits to which he is entitled consistent with the City Ordinance, resolution, and policy.

In closing, the City appreciates your client's offer not to seek recovery against the City and to provide the City a full release of all claims. However, as is made clear above, for the reasons stated above, the City is not willing to agree to accept Mr. Walser's settlement terms.

Sincerely,

SCHWIMMER | FIRST, LLP

Rafael Schwimmer
Attorney at Law

RS/wl
cc: City of Sultan