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Section 11



EXECUTIVE RECRUITING

Section 11

Howard S. Lazarus

Gainesville City Manager Candidate Report

TABLE OF CONTENTS

PAGE

COVER LETTER AND RESUME	1
CANDIDATE INTRODUCTION	5
BACKGROUND CHECKS	15
CB&A REFERENCE NOTES	19
INTERNET SEARCH	27

Cover Letter and Resume

HOWARD S. LAZARUS

706 Indianola Avenue Ann Arbor, MI. 48105 512-745-5022 howardlazarus@mac.com

July 28, 2019

Ms. Heather Linares Marketing Analyst Colin Baenziger & Associates

RE: City Manager Opportunity, Gainesville, FL

Dear Ms. Linares:

Thank you for reaching out to me about the Gainesville City Manager opportunity. I am forwarding my resume along with this cover letter to express my interest.

I am currently serving as the City Administrator for the City of Ann Arbor (A2), MI. Previous to my employment in A2, I had the privilege of leading the Public Works Department in the City of Austin, TX. In both cases, the environments have been very similar to the "town-gown" relationship the City of Gainesville with the University of Florida and Santa Fe Community College. This experience has made me very aware of the challenges in maintaining quality of life and affordability in a growing and popular community,

Our cities are very similar in size, composition, and outlook. We are both progressive - looking to be leaders in the areas of sustainability, equity, community policing, and innovation. We also face similar challenges in balancing needs and resources. In A2, we work daily to build connections among government, local community leaders, and private industry - especially in the areas of automotive, technology, medical, affordable housing, and business development areas. These partnerships allow us to leverage and stretch local tax dollars on behalf of the entire community. I would look forward to sharing solutions and approaches with the City Commission - learning from each other - as part of the recruitment process.

Finally, our family is part of Gator Nation, as my daughter and son-in-law are UF graduates and our niece if currently finishing her graduate studies at Florida.

Please do not hesitate to contact me if you need additional information. Thank you for your consideration, and I look forward to connecting soon.

Most cordially,

Howard S. Lazarus

Howard S. Lazarus

Howard S. Lazarus 706 Indianola Avenue Ann Arbor, MI 48105 512-745-5022/howardlazarus@mac.com

Current Position: City Administrator, City of Ann Arbor, Michigan

The Ann Arbor (A2) City government serves a resident population of over 120,000 and a daytime population of over 200,000. A2 is the host to the University of Michigan with an enrollment of over 40,000 students. The City is also home to the Washtenaw County government, and supports growing technology and health services sectors. It is a vibrant entertainment and hospitality center. City residents enjoy an exceptional quality of life, with abundant parks and recreational opportunities, low crime, walkable streets, and an expanding urban trail and bicycle network. The City is a transportation hub, providing regional transit services, access to Amtrak, and a general aviation airport.



The City government has a strength of ~1,000 full and part-time employees and a combined annual operating and capital budget of

~\$420 million. It provides a complete spectrum of municipal services under the City Administrator's direction. Financial Services addresses information technology, performance management, budget and finance, Customer Service, and tax assessment and collection. The Community Services area includes Planning, Permitting, Building and Rental Inspections, and Parks and Recreation. The Public Services area meets the City's infrastructure needs, including Transportation, Water/Wastewater, Stormwater Management, Energy/Environment, Urban Forestry, Engineering and Capital Project Delivery, Fleet Operations, Facilities Management, Airport Operations, and Solid Waste/Resource Recovery Management. Police, Fire, and Emergency Management provide traditional Safety Services. The Administrator also oversees the City Clerk's Office (including elections), Human Resources, Safety Office, Communications/Government Relations, and Sustainability and Innovations. The City Administrator's staff provides support and coordination to the Mayor and 10 City Council Members,

In addition to internal functions, the City Administrator supports and monitors the activities of the Housing Commission, the Employee Retirement System, the Downtown Development Authority, the Local Development Finance Authority, the Municipal/District Court, and the Ann Arbor Area Transit Authority. The Administrator also works closely with the Ann Arbor Public School System, the Economic Development Corporation, the University of Michigan, and numerous non-profit agencies.

Previous Executive Experience

August 2008 – June 2016	Director, Public Works Department, City of Austin (TX)*
May 2000 - August 2008	Vice President, Shaw Infrastructure
May 1996 - May 2000	Director of Engineering, City of Newark (NJ)

*Includes 10 months as an Interim Assistant City Manager

Education

Bachelor of Science, US Military Academy, West Point, NY Master of Science in Engineering, The Johns Hopkins University, Baltimore, MD Graduate, US Army Command and General Staff College, Fort Leavenworth, KS Graduate, Senior Executives in State and Local Government, Harvard University, Cambridge, MA

Current Professional Affiliations

American Public Works Association (APWA), International City/County Managers Association (ICMA) International Town Gown Association Michigan Municipal Executive Association

Boards and Civic Association Membership/Participation

Ann Arbor Downtown Development Authority Board of Directors Ann Arbor Economic Development Authority Board of Directors Ann Arbor Spark Executive Committee City of Ann Arbor Transportation Commission Michigan Leadership Alliance Michigan Municipal League Infrastructure Committee Michigan Municipal League Urban Core Committee Southern Shores Field Service Council, Boy Scouts of America University of Michigan Student Advisory Council Washtenaw Affordable Housing/Equity Leadership Group Washtenaw County Road Commission Project Subcommittee Washtenaw Housing Alliance Executive Board

Military Service

US Army Corps of Engineers Reserve, 1992 – 2000 (Retired) US Army Corps of Engineers Active Duty, 1978-1992

Educational Faculty Experience

Adjunct Faculty, St. Edwards University, Austin, TX, 2010-2014 Adjunct Faculty, New Jersey Institute of Technology, Newark, NJ, 1999 Associate Professor, US Military Academy, West Point, NY, 1987-1900 Practice Resource, Ross Business School, University of Michigan, current

Recent Awards and Recognition

2013 – Top Ten Public Works Leaders, American Public Works Association 2012 – Civil Engineer of the Year, Central Texas Chapter, American Society of Civil Engineers

Candidate Introduction

HOWARD S. LAZARUS

EDUCATION

Bachelor of Science, United States Military Academy, West Point, NY Master of Science in Engineering, The Johns Hopkins University, Baltimore, MD Graduate, US Army Command and General Staff College, Fort Leavenworth, KS Senior Executives in State and Local Government, Kennedy School, Cambridge, MA

EXPERIENCE

City Administrator, Ann Arbor, MI	2016-present
Public Works Director, Austin, TX	2008-2016
Vice President, Shaw Infrastructure, Trenton, NJ	2000-2008
Director of Engineering, City of Newark, NJ	1996-2000
Program Manager, Foster Wheeler Environmental, Lyndhurst, NJ	1992-1996
Engineer Officer, US Army Corps of Engineers	prior to 1992

BACKGROUND

The Ann Arbor (A2) City government serves a resident population of over 120,000 and a daytime population of ~200,000. A2 is the host to the University of Michigan's (UM) enrollment of over 40,000 students. The City is also home to the Washtenaw County government, and supports growing technology and health services sectors. City residents enjoy an exceptional quality of life, with abundant parks and recreational opportunities, low crime, walkable streets, and an urban trails/bicycle network. The City is served by regional transit services, Amtrak, and a general aviation airport.

The City government has a strength of ~1,000 full and part-time/seasonal employees and an annual budget of ~\$433 million (\$112M General Fund, \$103M Enterprise Funds, \$54M in Capital Project Funds, and the balance in other funds). We provide a complete spectrum of municipal services under my direction. Financial Services addresses Information Technology, Budget, Treasury, Customer Service, and the Assessor's Office. The Community Services area includes Planning, Permitting, Building and Rental Inspections, and Parks and Recreation. The Public Services area meets the City's infrastructure needs, including Transportation, Water/Wastewater, Stormwater Management, Energy/Environment, Urban Forestry, Engineering and Capital Project Delivery, and Solid Waste/Resource Recovery Management. Police, Fire, and Emergency Management provide traditional Safety Services. I also oversee the City Clerk's Office (including elections), Human Resources, Safety Office, Communications/Government Relations, Fleet and Facilities Management, Airport Operations, and Sustainability and Innovations. The City Administrator's staff provides support and coordination to the Mayor and 10 City Council Members.

In addition to internal functions, I support and monitor the activities of the Housing Commission, the Employee Retirement System, the Downtown Development Authority, the Local Development Finance Authority, the Municipal/District Court, and the Ann Arbor Area Transit Authority. I work closely with the Ann Arbor Public School System, the Economic Development Corporation, Ann Arbor SPARK (our technology incubator partnership), UM, and numerous non-profit agencies.

Ann Arbor faces many of the challenges other successful cities are facing, especially those that operate in a town-gown environment, and several that are unique in the State of Michigan. When asked the question, "What City issues keep you up at night?" my response focuses on the following three areas:

Water quality issues are the most pressing, as a fundamental responsibility of local government is to provide a safe and reliable source of drinking water. While Michigan is bordered by 20% of the world's fresh water, the quality of many of A2's sources carry the legacy of past industrial contamination. Maintaining public confidence in the community water supply is especially difficult in "post-Flint" Michigan. Our water system is specifically threatened by exposure to PFAS/PFOA compounds, which are labeled as "forever-chemicals" as they accumulate in the body's fatty tissues. Under my direction, Ann Arbor has become a national leader in developing treatment techniques, working with regulating agencies to develop appropriate standards, and communicating to the community.

Regional mobility issues have the largest impact on the day-to-day quality of life. A2 is not only the host to UM and Michigan Medicine, it is also the home to a growing technology business and is a vibrant tourist destination. Our daily population swells by over 75% due to commuters and visitors to the City. We are completely built out, and there is no room for new roads. Road widening would diminish the quality and character of our older neighborhoods.

We are working with our partners (Ford, Dominos, Deloitte, Toyota, the Ann Arbor Area Transit Authority, UM, MDOT, and others) to become leaders in the areas of connected signals, autonomous vehicles, and other "Smart City" technologies. We are expanding the network of nonmotorized options, including building out connections to the state-wide Iron Belle Trail and construction of the first two-way protected cycle-track in the State of Michigan. We have reemphasized our commitment to Vision Zero and Complete Streets principles.

Concerns over **Community Affordability and Equity** are closely related to our mobility issues. Because A2 a vibrant and active community (97% of the respondents in the most recent National Citizen Survey rated A2 as an exceptional place for families), housing prices and the related property taxes have driven many people from the market. Low income (30% AMI and lower) and workforce housing (30% - 80% AMI) assets are scarce. The City's ability to address this challenge are limited by restrictive state statutes.

Increasing the toolkit available to increase affordable housing resources are among the highest priorities the City faces. We are currently evaluating the City and County real estate portfolios to identify parcels that can be used to build and finance affordable housing construction. I partner with and oversee the administration of our Housing Commission, and sit on the boards of the Washtenaw Housing Alliance and the County's Affordable Housing and Equity Leadership Group.

Washtenaw County, of which A2 is the economic center, has been evaluated as one of the most economically segregated regions in the country. Disparities exist between our community and our neighbor in Ypsilanti (which was economically devasted due to the loss of the automotive industry) in the areas of income, education, health, and life expectancy. We are engaged with the County's Office of Community and Economic Development, UM, and several non-profits to build partnerships and highlight A2's obligations to think as a regional partner. I am currently championing an initiative with the Neutral Zone (a non-profit providing support services to at risk youth) to leverage local employment and educational opportunities. We are actively launching our first cohort group that will receive life skills coaching, public employment, and a two-year scholarship to Washtenaw Community College.

GENERAL, MANAGEMENT STYLE AND EXPERIENCE

Throughout my career, I've served on many interview panels and listened to numerous candidates respond to the challenge of "Describe your management style." What I have learned is the best answer is not about "me," but rather what does the workforce expect and deserve from its leaders. During our recent recruitment of our new Police Chief, I scribbled down the following thoughts:

- Staff wants consistency, and organizational ethics are centered on fairness in hiring and promotion.
- Staff wants to have development opportunities and mentoring.
- Staff wants to pursue strategic objectives and work within a team environment.
- Staff wants to be proud of its leadership they want them to be admirable, ethical, and role models.

In the end, this discussion should be about both management (which in my definition is the exercise of authority) and leadership (which is the exercise of influence). My approach is centered on building trust in decision-making based upon a strong set of shared values and core competencies. This philosophy is based upon the following seven principles:

The secret to good leadership is to hire well. Good leadership starts with not being afraid of talent, hiring the best people you can, and then training and empowering them to achieve success. Building a successful team also means that you seek diverse experiences and perspectives, and create an environment of inclusive decision-making.

HOWARD S. LAZARUS

Good leaders know what they don't know, and seek to fill these gaps. In addition to building a diverse and talented team, the organization needs to be dedicated to career-long learning and professional development.

Confident leaders know that 80% of success in life is just showing up (Thank you Woody Allen). This principle speaks toward developing bold decision making and encouraging emerging leaders to take on new challenges throughout the organization.

Strong leaders empower their teams and plan for failures on the road to success. Resiliency in an organization grows when junior leaders and teams develop their own paths to mission accomplishment. This approach builds confidence and competence, and the trust engendered helps when the organization faces an emergency where timely and independent decision-making are critical. At the senior level, this means the organization has to have a tolerance for mistakes.

Effective leaders follow the money. If you don't know where your resources are you really don't have control over operations. Leaders must understand the extent and nature of the resources available, leverage them through partnerships, and be held accountable for their uses and the related outcomes.

Efficient leaders don't shoot the rabbits while the elephants are stampeding. This is a very simple statement about prioritization. Work in local government is a reconciliation of unlimited needs and limited resources. Tracking the "pacing items" that define community success are the critical factors.

Inspirational leaders know the value of their personal examples, and seek to demonstrate integrity, determination, competence, respect, and compassion in all they do. Leaders can never take a break, an must realize they are always under scrutiny – whether in the workplace or at the grocery store.

These seven principles. which admittedly are an ever-evolving work in progress, are grounded in the use of defined measures of success/key performance indicators that tie financial performance to the status of core services and strategic projects. Benchmarks are being revised based upon an ongoing review of industry best practices, peer city comparisons, and (most importantly) customer satisfaction surveys. Performance measures are reviewed with staff quarterly along with budget updates, and appropriate corrective actions are identified and implemented.

An engineer by background, it would be both easy and limiting for me to point to many difficult and exceptional infrastructure projects as accomplishments. Instead, I identify those opportunities that resulted in restoring trust in and with troubled organizations, developing exceptional teams, and building community engagement as my most rewarding accomplishments.

The efforts that best exemplify this perspective are the development of the Neighborhood Partnering Program (NPP) in Austin and the Sustaining Ann Arbor Together (SA2T) initiative in

my current position. These programs provide opportunities for community and neighborhood organizations to affect public improvements and sustainability programs by sharing in the costs of these efforts. The NPP has been nationally recognized by the American Public Works Association, the American Planning Association, and the Harvard Kennedy School.

My experiences in the Army, working in private practice, and in the public arena do lead to a deep-seated belief that good people working with good intentions can solve any problem that arises. My belief in the ability of the teams I lead, my strength in shielding staff from distractions and detractors, and inspiring junior leaders to find solutions to the toughest problems are my greatest strengths.

I have terminated individuals, but in most instances, employees tend to "fire themselves" through bad behavior or lack of commitment. More significantly, my investment in staff can result in "blind spots," creating difficulty acknowledging that certain conflicts are irreconcilable or that certain key personnel are not good fits for their positions. Proper mentoring and coaching prevent the decision to part ways coming as a surprise.

With the above perspectives in mind, and with the acknowledgement that speculating on how others perceive you carries a certain hazard, I do believe that the majority of the elected officials I work with at the local, state, and federal levels and City staff members would agree that the following six phrases describe my professional and personal approach:

- I am a *dedicated* public servant, *driven* to provide a high quality of life for the entire community.
- I am *direct* in my words and action, but always *courteous* and *professional*.
- *advocate* for and am *supportive* of staff, working to create and maintain a workplace of choice.
- I am *trusting* and *compassionate*, seeking out the best in people in my relationships.
- I am *innovative* and *resilient* in finding non-traditional solutions and leveraging City resources.
- I am a person of *integrity*; *reliable* under stress and *forthright* on matters of ethic and values.

As the reviewers of this document and my background materials, you will inevitably find persons who disagree with this assessment. Specifically, my initial directness in identifying problems at times may come across as stern (and may be perceived as my greatest challenge), but over time most people recognize that it presumes a desire to address the issue at hand and not to let it fester. In consideration of my career, you should consider that all grand accomplishments require ruffling some feathers.

On a personal level, my partner Carol and I are experiencing the joyful interlude between parenting and grandparenting. We are enjoying the opportunities to travel domestically and abroad, expanding our culinary experiences, and finding time for both active and passive recreation. I am an addicted golfer, with a current handicap of "the polar vortex." We enjoy exercise walks and low stress bike riding. I have also rediscovered recreational reading and the occasional hammock time.

TRANSITION TO GAINESVILLE

The transition from Ann Arbor to Gainesville will present several challenges and opportunities. The recruitment brochure specifically calls out the following challenges the I will face:

- I am no stranger to righting troubled organizations, and will embrace the opportunity to *implement the recommendations contained in the Blue-Ribbon Report*. My experience meshes with the nine changes called out in the report, in particular the emphasis on measurement of performance, citizen-centered programs, and engaging and developing exceptional talent.
- The City of Ann Arbor faces the same *fiscal challenges* as Gainesville. In A2, we have addressed the structural deficit in the budget by supporting responsible development, nurturing partnerships, limiting cost growth, and initiating a priority-based budgeting regime.
- Success in A2, as it is in Gainesville, is based upon *strong local partnerships*. In A2, I've been able to develop partnerships with the education sector, the automotive and tech industries, local non-profits, and governmental entities. The NPP and SA2T initiatives described above are also exceptional examples of partnering and team building.
- Responsible *economic development* is closely to tied to the other three challenges as it provides the best opportunity to identify new sources of revenue. In A2, we have partnered with developers to address inclusionary housing needs, clean-up formerly contaminated sites, provide community benefit, respect the historic areas of town, and grow local revenues.

Beyond implementing the recommendations of the Blue-Ribbon Report, the most immediate need is to stabilize leadership in the workplace, ignite enthusiasm, and connect with the community. I've used a model of Explore, Engage, and Empower (E3) in my previous relocations, as laid out below:

Explore	Schedule neighborhood walks with elected official.		
	• Go on ride-alongs with public safety and public works teams.		
	• Meet civic leaders and attend social gatherings of community members.		
	• Reserve time to "wander," and spending time with staff in the workplace.		
Engage	• Schedule team events to establish expectations, goals, and objectives.		

HOWARD S. LAZARUS

	 Participate in active questioning of key leaders in the community. Meet with media outlets and establish relationships.
Empower	 Communicate internally and externally, and build mutual accountability Stress what needs to be done and challenge staff to build the how.
	• Pick up the easy wins.

The success of my transition will rely heavily on a strong communications plan. I have always enjoyed good relationships with the media, starting with my experiences in the City of Newark and extending through my engagement with A2. These relationships are based upon transparency, trust and timeliness. I have experienced a general fairness in reporting, even in difficult times. There is nothing that would embarrass the City of Gainesville, even with an extended career in public life.

Our primary means of communicating in Ann Arbor is via social media. We maintain a presence on Facebook, Instagram, Twitter, and Next Door. We employ GovDelivery, Code Red, and other means to push information to our community members. Our governing documents, project plans, performance measures, and finances are all on-line and available to the public. Social media efforts are controlled and monitored to ensure compliance with all FOIA requirements. We are careful about protecting the City's "brand", recognizing that our professionalism is on display in all of our outlets.

REASON FOR DEPARTING CURRENT POSITION

I was drawn to Ann Arbor due to its reputation as a progressive, compassionate, and fiscally responsible City. I shared values and visions with the Council which was in place at the time of my engagement. Strategic policies, initiatives and programs were developed collaboratively.

The November 2018 election brought significant change to the composition of the Ann Arbor City Council. The new members seek to chart new directions, often leading to conflict and terse public deliberations. The new majority also has expressed a different definition of the role of the City Administrator. The current climate has placed me in a difficult and vulnerable position.

I remain dedicated to establishing an environment that shares and invests in four basic tenets of public service: that the actions of city government should have purpose and meaning; that public discourse should be respectful; that City staff should be mentally, physically, and emotionally healthy; and that we should work together to spread joy throughout the community. I believe the Gainesville City Commission shares these values, and I look forward to working with you.

HOWARD S. LAZARUS

CURRENT / MOST RECENT SALARY

My current compensation is \$223,600 plus a lump sum payment of \$5,366. I also receive a mobile cell data allowance of \$70 per month. The City contributes 15% of my salary to my 401(a) account and \$3,500 per year into a retiree health savings account. Expenses are included in the City budget.

CB&A Background Checks

Criminal Records Checks:

Nationwide Criminal Records Search	No Records Found
County	
Washtenaw County, MI	No Records Found
Travis County, TX	No Records Found
Mercer County, NJ	No Records Found
State	
Michigan	No Records Found
Texas	No Records Found
New Jersey	No Records Found
Civil Records Checks:	
County	
Washtenaw County, MI	No Records Found
Travis County, TX	No Records Found
Mercer County, NJ	No Records Found
Federal	
Michigan	No Records Found
Texas	No Records Found
New Jersey	No Records Found
Motor Vehicle	
Michigan	September 2014 – Disobeyed Traffic
	Control Device
	Disposition: October 2014
Credit	Excellent
Bankruptcy	No Records Found
Education	Confirmed
Employment	Confirmed

Under the Fair Credit Reporting Act, 15 U.S.C. 1681-1681Y, credit and bankruptcy information are very sensitive and should not be used be in the consideration of hiring. The information is included for each candidate because we do not want you to be surprised if third parties raise what they consider to be a concern.

Background Check Summary for HOWARD S. LAZARUS Personal Disclosure

lame o	of Applicant:	HOWARD	LAZARUS	5
ackgro limina nd tha omper lease	ound. Please ated from all t it charges do n nsation. The contact us for	e answer them further searches not mean you wo bottom line is the clarification.	honestly. Cut s conducted by vere guilty. We hat we want to b	will be able to make full disclosure to our client concerning your ting corners or misrepresenting your past will result in you being this firm. We understand that frivolous charges are sometimes made also understand that you may have been wronged and needed to seek be certain that our client is fully informed. If you have any questions,
lease	<u>explain any y</u>	es answers on	a separate shee	et of paper.
1.	Have you ev	er been charged	l or convicted o	f a felony?
	Yes		NO	
2.	Have you ev	er been accused	i of or have bee	n involved in a domestic violence or abuse incident?
	Yes		No	
3.	Have you ev	er declared ban	kruptcy or been	an owner in a business that did so?
	Yes		80	
4.	Have you ev lawsuit?	er been the sub	ject of a civil ri	ghts violation complaint that was investigated or resulted in a
	Yes		No	
5.	Have you ev	er been the sub	ject of a sexual	harassment complaint that was investigated or resulted in a lawsuit?
	Yes		No	
6.	Have you ev	er been convict	ed of driving w	hile intoxicated?
	Yes		No	
7.	Have you ev	er sued a curre	nt or former em	ployer?
	Yes		No	
8.	Do vou have	a personal My	Space, Face Bo	ook or other type of Web Page?
	Yes		No	
9	\cup	a personal Tw	itter Account?	
	Yes	a paraorati i A	(No)	
10	Is there any	thing else in yo ent if it came to	ur background	that, if made public, would cause you, our client or our firm he press or any other mechanism?
	Yes		NO	
11.	Please prov	ide a list of any	lawsuits in whi	ich you are or have beep a party either as plaintiff or defendant.
	Plea	so omail this f	arm vis PDF D	Attested to: Signature of Applicant OCUMENT to Lynelle@cb-ass.com or via fax to
		(8	88) 539-6531 m	o later than 5:00 PM PST 08/12/19.
(Note	: Please be s	ure to sign the	form with you	r actual signature if you are sending Fax or PDF Document)

Property of Colin Baenziger & Associates

MEMORANDUM

TO:	Colin Baenziger & Associates
FROM:	Howard S. Lazarus
DATE:	August 10, 2019
SUBECT:	City of Gainesville City Manager Recruitment
	Personal Disclosure Questionnaire - Question 10 Clarification

I am providing this memorandum as a separate document in response to Question 10 on the Personal Disclosure Questionnaire. The matter below is the subject of a current inquiry, and I wish to take this opportunity to provide additional information as it may pertain to the Gainesville recruitment.

This past April, text messaging of an unacceptable manner between the City of Ann Arbor Director of Human Resources and Labor Relations and a subordinate was reported. Upon discovery, I immediately placed the Director on administrative leave and directed that an outside entity investigate the circumstances. During the investigative period the Director resigned.

Subsequent to that effort, two members of the City Council's Administrative Committee also wanted to investigate whether or not I knew of the unacceptable behavior and if I had tolerated a toxic work environment in our Human Resources Office. That investigation is completed, however I cannot discuss the content of the report as the City Attorney considers it to be a document that requires Council's waiver of attorney-client privilege. I expect that to occur within the next 1-2 weeks and I will forward the conclusions to you as soon as I am able. My hope is that when the report is released, it will convey the strength of character with which I lead this organization.

Thank you for your consideration in this matter.

CB&A Reference Notes

Chip Smith – Councilmember, City of Ann Arbor, MI 734-709-2022

Mr. Smith and Mr. Lazarus have known each other since July 2016 when Mr. Lazarus came on board as the City Manager in Ann Arbor. Mr. Smith was part of the panel that interviewed and subsequently hired Mr. Lazarus.

Mr. Lazarus is decisive and strives for transparency and openness. He understands the value of customer service in local government. He embraces innovation, does not fear change, and encourages his staff to be leaders and innovative.

One of Mr. Lazarus' greatest strengths is building a strong staff. Some of the people he hired have been transformative. First, he created a Director of Office of Innovation and Sustainability position tasked with interacting with every part of the organization and the community. The particular person he hired has come up with an excellent plan for sustainability and has developed a way to measure whether or not the methods are working. Second, he brought in an excellent individual as their Mobility Manager who has helped reimagine ways to move people around the City other than with cars or bikes. Mr. Lazarus' personnel decisions have been fantastic and Mr. Smith would not change any of them. He is an excellent judge of talent.

Mr. Lazarus is present and part of the community. He is good natured and speaks to people with great ease. He is comfortable interacting with others even about controversial topics. He is an effective communicator with people in the public.

When it comes to finance, Mr. Lazarus has proven to be quite talented. He was especially masterful with the budget this year and figured out a way to do what everyone wanted, and keep them all happy. That is an incredible feat in itself.

Controversy abounds in the City of Ann Arbor just like with any other city in the nation. Mr. Lazarus has dealt with his fair share, but none that he has brought upon the City or the organization. He did terminate an HR Director for inappropriate text messages with a subordinate. They were found to be racist and anti-Ann Arbor. Mr. Lazarus dealt with it properly and followed all the right protocols to remedy the situation.

Mr. Smith is not aware of anything embarrassing from Mr. Lazarus' background that would come to light if he were researched by the press. Mr. Lazarus is a first class person with whom Mr. Smith enjoys working and would hate to lose.

Words or phrases used to describe Howard Lazarus:

- Innovative,
- Open,
- Transparent,
- Accessible,
- Committed, and
- Collaborative.

Strengths: A decisive leader who embraces and encourages innovation.

Weaknesses: Is assertive in his role as the City Manager which initially rubbed some of the elected officials the wrong way because they did not understand their roles at the City.

Ora Houston – Former Councilmember, City of Austin, TX 512-472-2951

Ms. Houston was elected in 2015 to the Council and that is when she first met Mr. Lazarus. She worked with him until he left the City in 2016. They continue to have some, periodic contact.

Mr. Lazarus knew his business and how to break it down into layman's terms when discussing matters with those who were not as knowledgeable. He was always a calm communicator who helped Ms. Houston understand the issues. He always had a good demeanor and she never saw him get upset. He was always willing to sit and work through issues rather than leave them to fester.

Ms. Houston would characterize Mr. Lazarus as an innovator who tries to figure out ways to reach a positive outcome while spending money efficiently. However, he also ensures to maintain his department/organization at a high performance level while being innovative and creative. He always treats his employees fairly and gives them opportunities for growth.

Mr. Lazarus seemed to be very much at ease with public interactions. He engaged people of all types and stations. He communicated respectfully and in an informative manner relaying all of the information allowed.

Ms. Houston is not aware of anything controversial involving Mr. Lazarus. She knows of nothing embarrassing from his past that would be uncovered in any type of investigation. He would be an excellent Manager. In fact, he was one of the finalists for their City Manager in Austin and had her vote, but he was not offered the position.

Words or phrases used to describe Howard Lazarus:

- Trustworthy,
- Integrity,
- Innovative,
- Culturally aware,
- Sensitive, and
- Knows his business.

Strengths: An honest and innovative leader who is experienced in public works and management.

Weaknesses: None identified.

Missy Stults – Sustainability & Innovations Manager, Ann Arbor, MI 917-291-0023

Mr. Lazarus and Ms. Stults began working together in 2018 when he recruited her. She knew of him before that time when she was a Councilmember, but they did not have the opportunity to work together.

Mr. Lazarus' job performance has been exemplary. Ms. Stults had actually accepted a position elsewhere and was going to relocate until her current position became available and he recruited her for it. She agreed to turn down the other position and take her current one in Ann Arbor solely based on working with and for him.

Mr. Lazarus is patient and takes time to process things before constructively moving forward. He is an idea creator who listens to his team and is true to the values of the organization. He is an excellent decision maker. He is thoughtful in his process and at the end of the day he ensures that those involved know how he reached those decisions.

When it comes to being in the community Mr. Lazarus is outside the organization interacting with stakeholders. He frequently attends public events where he is in the crowd more than in front of it. He does well in front of a crowd but allows the Councilmembers to shine in that spotlight.

In terms of budgeting Mr. Lazarus knows what he is doing. He is a creative fundraiser who treats the budget nimbly. He thinks outside the box and leverages different revenue streams. He has also been quite successful working as a partner with the University of Michigan on various projects that help with revenue.

Mr. Lazarus is someone who is eager to please, however, the situation in Ann Arbor is difficult and untraditionally confrontational with the Council. Ms. Stults can see the challenge he faces in trying to find middle ground with them. Unfortunately, the Council also weaponized the situation with the HR Director. He followed proper procedure and put the Director on administrative leave to conduct an investigation. The Council decided to do their own investigation into Mr. Lazarus' role in the controversy, but announced it in front of the media without warning. Their investigation found that he did nothing wrong because he was genuinely honest and transparent with the process. However, that report has not been released to the public yet.

Ms. Stults is not aware of anything from Mr. Lazarus' background that would be found to be embarrassing if he were researched by the press. She would hire him if she were given the opportunity as well as go with him to another location.

Words or phrases used to describe Howard Lazarus:

- Creative,
- Passionate,
- Reserved,
- Idea creator,
- Thoughtful, and
- Deeply committed.

Strengths: An honest and open leader who is patient and a creator of ideas.

Weaknesses: Eager to please and trust people and tends to be a hands off manager. Could benefit from being a bit more involved initially.

Susan Pollay – Executive Director, Downtown Development Authority, Ann Arbor, MI 734-994-6697

Ms. Pollay first met Mr. Lazarus in 2016 when he came on board at the City. She has been in her role for 23 years and he is the fourth City Manager with whom she has served. He is, perhaps, her favorite one so far.

Mr. Lazarus has a variety of skills, a great deal of human intelligence, and gets things accomplished. He sets clear goals and backs up his staff while they are striving to meet those goals. He is a true leader who is always thinking of new and better ways to accomplish the tasks at hand.

When it comes to decisions, Mr. Lazarus makes strong ones. He also follows up with regular memos to the Council and his staff about the status of the implementation of those decisions and goals. He does not let things sit by the wayside, but rather gives a sense of urgency to each decision.

Mr. Lazarus is experienced and good at dealing with people in the public. He is personable and someone with whom people feel comfortable right away. He has excellent communication skills both written and verbal, and he also does well speaking in a small or large group. He is quite vested in the community, living in the City where he and his wife are out and about regularly.

When it comes to problem solving, Mr. Lazarus does an excellent job. The Council does not know what it wants and he does not get involved in the political fray. He has a knack for working with fractured Councils. He thinks through and uses ideas from the staff to find the best solutions to issues. He does not get weighed down in the pettiness of the Council and does not let those things interfere with the tasks at hand.

Reference Notes Howard Lazarus

The one controversy involving Mr. Lazarus was regarding the HR Director he had to discipline and subsequently let go. When the Council found out about the inappropriate text messages, they suggested to the newspaper that Mr. Lazarus knew about the messages. Throughout the entire ordeal he kept his head up straight and was open and transparent about it. The findings of the investigation were that he had nothing to do with it.

Ms. Pollay is not aware of anything from Mr. Lazarus' past that would be considered embarrassing if the press were to go digging. She would hire him if she had the opportunity. Beyond his managing skills and experience and abilities to work well with people he has a vision based around the community. Additionally, he works with his staff to get the best out of them to help the community to succeed.

Words or phrases used to describe Howard Lazarus:

- Extremely professional,
- Innovative,
- Clear sense of values and commitment to community and staff,
- Brings joy and inspiration to the work they perform,
- Wants to make a difference, and
- Someone you would want as a friend.

Strengths: A skillful and experienced leader who gets things done even in the face of people objecting.

Weaknesses: None identified.

Jeff Hayner – Councilmember, Ann Arbor, MI 734-255-6085

Mr. Hayner has known Mr. Lazarus since 2016 when he came on board as the City Manager. He has served as a Councilmember since 2018, but was involved in city politics before that time.

Mr. Lazarus is quite responsive to the Council's requests and seems to know what's going on in the organization and community. Mr. Hayner appreciates Mr. Lazarus' military background and with water issues. Mr. Lazarus truly cares about the City and its success.

In terms of decisions Mr. Lazarus makes good ones. When he responds to constituents, he always lays out the facts and the rationale behind decisions. He has experience and is good at interacting with people in the public. He is well spoken and conducts himself in a professional manner.

They have had some internal HR situations that Mr. Lazarus was in charge of investigating. Mr. Haynes is not sure what Mr. Lazarus' role was, but knows that he was exonerated. Mr. Haynes is not aware of anything from Mr. Lazarus' background that would be looked at as unflattering if the press were to go digging.

Words or phrases used to describe Howard Lazarus:

- Professional,
- Thorough,
- Respectful,
- Knowledgeable,
- Personable, and
- Polite.

Strengths: Does not like when the Council inquires too closely about what the staff is doing.

Weaknesses: None identified.

Cynthia Wilbanks – VP of Government Relations, University of Michigan, Ann Arbor, MI 734-763-5554

Ms. Wilbanks has known Mr. Lazarus since he came on board at Ann Arbor in July 2016.

Mr. Lazarus has been a very steadying force in their community. He came in with a fair amount of experience with his variety of responsibilities in other municipalities. He has worked to establish himself in the community and with the Council.

Mr. Lazarus likes to work on long term plans, is disciplined at putting ideas on the table, and does not shrink from the responsibility of leading the charge of accomplishing those goals. He is definitely looked to as the administrator for the City.

When it comes to dealing with the elected officials Mr. Lazarus is talented at navigating their distinct personalities of each one. Sometimes those interactions have been more meddlesome that he would have preferred and may have reached a point of frustration at times, but he is always professional in those interactions.

Mr. Lazarus is a quiet person who goes about doing the work rather than talking about the work. He embraces the idea of bringing change where it is needed and will not change for change sake. When changes are necessitated, he approaches them in a measured manner. He is definitely willing to makes changes where issues, circumstances, or technology demand.

When it comes to communication with Ms. Wilbanks, Mr. Lazarus is quite good about observing the standards of communication. They know they can reach out to each other if the circumstances warrant it. They both operate on the basis of no surprises.

Mr. Lazarus is equally as good at dealing with the public. He has a quiet manner about him and a twinkle in his eye. He is approachable even though he does not have a large personality. His sphere

of community interaction is narrow as he usually lets the elected officials take center stage in the community.

Ann Arbor has no shortage of issues and Mr. Lazarus is experienced at dealing with and resolving them. He has never made any poor decisions for things that need to be prioritized at a high level, and he understands what real challenges are in communities. He takes direction from the Council and honestly tries to address their issues and provide direction for them. He takes problem solving seriously, but it can be more challenging in a community where everyone prides themselves as an expert on everything.

Ms. Wilbanks is not aware of any controversies involving Mr. Lazarus. She has no knowledge of anything from his background that would be construed as embarrassing if the press were to go digging. He is a pretty solid person. As a City Manager in Ann Arbor he has earned some stripes and she would consider hiring him if she had the opportunity.

Words or phrases used to describe Howard Lazarus:

- Quiet,
- Respectful,
- Dedicated,
- Seasoned,
- Good natured, and
- Experienced.

Strengths: A seasoned and experienced professional who gets the job done.

Weaknesses: None identified.

Prepared by:Heather LinaresColin Baenziger & Associates

CB&A Internet Research

Ann Arbor News: Web Edition Articles (MI) May 3, 2019

Ann Arbor HR director resigns amid accusations of inappropriate text messages Author: Ryan Stanton

ANN ARBOR, MI – Ann Arbor's longtime human resources and labor relations director has resigned after being accused of making a plethora of inappropriate remarks in text messages. That includes messages joking about blowing up city hall and wanting to carry a gun to work. The circumstances of Robyn Wilkerson's departure from city hall are documented in more than 100 pages of records obtained by The Ann Arbor News/MLive via the Freedom of Information Act. They include screenshots of many curse-filled texts Wilkerson allegedly sent to another city employee in 2017 and 2018, criticizing city leaders, complaining about her job and making remarks about "crazy liberals," Black Lives Matter protesters and the city's work to create a police oversight commission. "I am sure there will be a bunch of BLM bulls—t protests....if they keep acting so dumb, Trump will get 4 more years without even trying....lol," one of Wilkerson's alleged texts from October 2017 states, adding: "I wish I could bring my 9mm, but I would get fired for violating city policy.... wait...hmmmm?" Wilkerson, who had a \$142,357 base salary, resigned effective Wednesday, May 1 after more than a decade on the job.

The city placed her on paid leave in early April and hired an outside law firm to investigate her conduct after another employee came forward with screenshots of text messages the two allegedly exchanged, including regular gossip and complaints about the city. Wilkerson couldn't be reached for comment for this story and her attorney would only say she left to pursue other opportunities. Warning: Some of the following text message images contain profanity. City Council members said they consider the texts alarming and outrageous, and indicative of larger workplace problems. "This demonstrates behavior on the part of a senior official that is wildly unprofessional," said Council Member Jack Eaton, D-4th Ward. Eaton emphasized that public employees have a right to express political opinions, so it's not Wilkerson's "different political views" that were a problem. Rather, he said, it's how she was communicating "rather negative" thoughts to a subordinate employee. "You still have to maintain your professionalism and sense of decorum at work," he said. One of Wilkerson's alleged texts from June 2018 discusses how someone wanted to talk to her about lieutenant promotions. "Bragging about promoting a black guy... LOL," the HR director allegedly wrote.

In March 2018, Wilkerson allegedly texted that she chatted with someone and got a strange "do not trust her 100%" vibe. "Like she is from the ghetto or trying to be ghetto?" she allegedly wrote. The text messages the city released under FOIA have names and other parts redacted. The name of the employee Wilkerson allegedly texted is not disclosed. "I hate my job," Wilkerson allegedly wrote on multiple occasions, complaining about "the daily bulls—t associated with our s—y managers." In June 2017, she allegedly texted, "We need to create a special emoji for the s—y leaders we have." In September 2017, Wilkerson allegedly texted the other employee, "I don't want you to quit, but I would understand. It is hard for me to watch you guys struggle in such a s—y place and not be able to fix it." The employee Wilkerson allegedly texted originally

provided the screenshots to Council Member Jane Lumm, a 2nd Ward independent. The employee was a subordinate who had a close relationship with Wilkerson at one time, but that soured, Eaton said. Lumm, concerned about the text messages, prepared a report and she and Eaton met with the city's administration. City Administrator Howard Lazarus notified Wilkerson in early April she was being placed on paid leave. "Typically, personnel matters are for the city administrator and his people to address," Eaton said. "This was so significant that we convened a meeting with the city administrator and the city attorney to discuss what they were going to do about it." Lazarus declined to comment when contacted by a reporter last month, but explained the situation in an email to council this week. "On April 5th, I became aware of inappropriate communications Ms. Wilkerson shared with a co-worker that violated city policy and did not reflect our expected standards of professionalism or our organizational values," Lazarus wrote. Wilkerson's electronic communications and badge access to city facilities were disabled when she was placed on leave, Lazarus told council. After the investigation began, Wilkerson realized the seriousness of her policy violations and resigned, Lazarus wrote in an email to all city employees this week. Wilkerson's attorney, David Nacht, informed City Attorney Stephen Postema of his client's intent to resign in an April 17 email. Wilkerson was allowed to stay on the payroll until May 1 to work with staff to ensure a smooth transition.

Eaton considers the fact that Wilkerson resigned when confronted with the text messages validation that they are real. Otherwise, if she was being terminated without cause, she would have been entitled to nine months of severance pay, he said. The texts Wilkerson allegedly wrote include gripes about various people, such as "[Redacted] is a moron," "[Redacted] annoys the s—t out of me," "I still want to punch her in the face!" and "What a f—ing douche bag a—hole piece of s—t that guy is." In September 2018, Wilkerson allegedly texted about needing to "lay the smack down on these crazy liberals." "I hope they try to fire me.... I will sue their a—s off and retire early.... LOL," she allegedly wrote. In March 2018, Wilkerson allegedly texted that a job candidate decided to stay in Detroit because Ann Arbor wasn't strategic enough. "She is so f—g smart," the text reads. "She picked up on all the bulls—t." Other texts Wilkerson allegedly sent:

"Yes tonight is the work session on the police commission s—t.... now that is a f—g sitcom! They want to run PD.""The finance team Received some Bulls—t state award for our budget and [redacted] presented [redacted] with challenge coins.... Too Damn funny.""Seriously, let's lay off all the inspectors.....we can do that anytime we want. I f—g hate them! If we don't hit them hard, they will continue this bulls—t.""Is [redacted] menstruating this week? H needs to stop being such a little b—h ... LOL""I somehow feel relieved that I am done with him....I no longer feel an obligation to him as my boss.""I hate my job. Yes....I am running out of coping strategies""Am I evil that I am just messing with [redacted] now?""A new job would help my stomach feel better.""Totally...can you imagine how miserable we would all be if any a—hole employee could walk into our offices? I would have been fired a long time ago.""In fire negotiations. [Redacted] has a full beard... makes him look less a—hole-ish.""Don't move too fast....that is letting a s—y organization dictate your fate. This is the exact advice I was given last week when I wanted to quit. I come in, keep my head down (as much as I can) and do as little as I see some of my peers [redacted] doing. It makes the day longer, but they won't get one additional ounce of effort out of me.""Talking to recruiter...just found out [redacted] is Columbian and doesn't get along well with Puerto Ricans.""I think it is just the whole public sector....performance doesn't matter when you are using other people's money.""Just watched Netflix new Ali Wong special.... B—h is hysterical! Check it out. WFH..... lol.""[Redacted] has to go as soon as he is retirement eligible.... [Redacted] is the departmental joke to the point where I almost feel bad for him.""I am such a b-h... sorry. I have actually found a new place of complete non caring... must have been all the beer I drank this weekend! I drank Thursday Friday Saturday Sunday and Monday.... I never do that!""[Redacted] told me this am that [redacted] told him that he wants to change a bunch of titles...his would be some inflated BS title...we laughed....talk about putting lipstick on a pig! I am sure that fancy titles, chocolate bars and special coins will turn everything around....excellent management theory.""I push him hard every chance I get...even though I don't really care...it's all for my entertainment and for some element of revenge....and there are good employees who deserve better than they are getting.""Not sure what I can do other than blow up city hall...an idea that has some chance of success given our lack of an emergency plan...LOL! What a circus!""You know who will get screwed....non union... got to have that fairy tale train station."

Wilkerson had been on the job since 2008 and previously worked in HR for various private companies, including Pepsi, Frank's Nursery and Crafts, Pentastar Aviation, Johnson Electric, American Communications Network, eePulse Inc. and AlliedSignal. Assistant City Administrator John Fournier is now serving as the city's acting HR and labor relations director. **Lazarus** has directed Fournier to work with a consultant to launch a cultural assessment of the city's personnel operations. The findings will help form an action plan and provide the basis for recruitment of a new HR director, **Lazarus** said. The city expects to hire an outside recruiter to launch an external search next month, and have the position filled by October. Council Member Anne Bannister, D-1st Ward, said she's glad the city is taking a deeper look at the apparent workplace culture problems highlighted in the texts. "There was certainly a lot of mud-slinging," she said. "There is something going on up there." Eaton said the city's administration committee plans to meet again next week to further discuss the matter. "There are some of us who are seeking a continued investigation to make sure the full impact of this is understood," he said, suggesting problems may extend beyond the HR department.

M Live – Michigan April 15, 2019

\$5,366 bonus for Ann Arbor city administrator OK'd in 6-4 vote

Author: Ryan Stanton

ANN ARBOR, MI – City Administrator **Howard Lazarus** is getting a \$5,366 bonus this year on top of his \$223,600 salary. The City Council voted 6-4 to approve the one-time lump sum payment in lieu of a raise Monday night, April 15.

The bonus payment is equal to 2.4 percent of **Lazarus**' base salary and is intended to be an inflationary pay adjustment. The six in favor were Mayor Christopher Taylor, Zachary Ackerman, Julie Grand, Elizabeth Nelson, Ali Ramlawi and Chip Smith. The four against it were Anne Bannister, Jack Eaton, Kathy Griswold and Jane Lumm. Jeff Hayner was absent.

Council members met with the administrator behind closed doors for nearly an hour to discuss his annual performance review privately before voting on the bonus at a special session. Council members chose not to publicly discuss **Lazarus'** performance, but the resolution approved 6-4 states the city administrator has provided effective and engaged leadership to the city over the past year in many areas, including sustaining and enhancing a vibrant, safe and diverse community.

Lazarus, who has been on the job nearly three years, presented his annual budget recommendations to the council Monday night. The council will adopt the budget for the 2019-20 fiscal year next month.

Michigan Daily, The: University of Michigan (Ann Arbor, MI) April 7, 2019

Mayor vetoes funding proposal passed by council

Author: Rachel Leung

Ann Arbor Mayor Christopher Taylor issued a veto Friday to block a resolution that would direct funds from a new county tax to address citizen concerns, including street repairs, mental health and public safety services and clean water initiatives. The resolution passed with a 7-4 council vote at City Council meeting on April 1. Washtenaw County passed a new tax that went into effect in December to provide funds for county mental health and county sheriffs' services. A quarter of the proceeds are returned to cities, like Ann Arbor, who fund their own police departments. Earlier in the meeting last Monday, City Council approved a resolution, sponsored by Taylor and Councilmember Kathy Griswold, D-Ward 2, in another <u>7-4 vote</u> to direct funds from the county tax to address affordable housing, climate action and pedestrian safety. Councilmembers Jane Lumm, I-Ward 2; Jack Eaton, D-Ward 4; Ali Ramlawi, D-Ward 5; and Jeff Hayner, D-Ward 1, voted no.

The vetoed resolution, sponsored by Lumm, served as an alternate proposal to Taylor's 40-40 -20 tax policy, which would direct the entire \$2.2 million from the county tax to the three issues he campaigned on in 2017. The plan pledged 40 percent of funds for affordable housing, 40 percent for climate action and 20 percent for pedestrian safety. Lumm's resolution — the proposal Taylor ultimately vetoed — would divide the tax money to address affordable housing, climate action and pedestrian safety, in addition to mental health services, street repairs and clean water initiatives — issues identified in a citizen survey. Although the two resolutions conflict, Council can pass them both. Council members pointed out that these resolutions act as recommendations, as the budgeting power really lies with the City Administrator who will prepare a city budget for Council to review in May. Taylor explained he does not oppose spending the money, but is concerned about the source of those funds designated in the approved resolution. Lumm argued residents did not identify the three issues in the Taylor's resolution as top priorities, so his measure would not direct the funds to be used in a way that is consistent with the results from a citizen survey. "The survey was designed, conducted and analyzed by outside professionals --- the National Research Center," Lumm said. "At a minimum, I think we'd all agree the results provide at least a valid directional picture of how residents would like to see the \$2.2 million millage proceeds spent."

The survey asked residents how they would like to see the tax money spent. The results of the survey have not been made public yet, but councilmembers received the results early last week. According to Lumm, the survey results indicate residents believe the issues highlighted in both resolutions are important, but they identified issues like mental health services as being more significant. "Very few respondents allocated more than 30 percent of the dollars on any one category," Lumm said. "That certainly suggests to me that it's appropriate to allocate additional dollars beyond issues of affordable housing, climate action and pedestrian safety." Taylor said his concerns are not with funding the issues Lumm's resolution would address, but he disagrees

with using the proceeds from the county tax for this purpose. "We made a pledge to the voters who would go to the polls in November 2017 about how we intended to spend their tax dollars if they would approve the County Mental Health and Public Safety Millage," Taylor wrote in his veto letter to City Clerk Jacqueline Beaudry.

Taylor said by passing the millage in 2017, voters indicated their desire to address affordable housing, climate action and campus safety. "When the voters passed the Millage in November 2017, they converted the pledge to a promise," Taylor wrote. "I believe, therefore, the 40-40-20 Administrative Policy to be an obligation of honor."

Councilmember Elizabeth Nelson, D-Ward 4, supported Taylor's resolution but said the pledge made by the previous council to fund these issues misled many voters, when in actuality the budgeting decisions lie with the current council. "It's troubling that voters may have gone to the polls with the misunderstanding that the council's pledge was binding when the actual spending decisions are now up to the new council," Nelson said.

City Council amended Lumm's proposal to address the issues not already covered by Taylor's resolution. Councilmembers Hayner; Julie Grand, D-Ward 3; and Chip Smith, D-Ward 5; and Taylor voted no to the allocations.

Even after the amendment, Grand said she could not support Lumm's resolution because she did not consider it "responsible budgeting" to rely on a single survey. "Even though these are important priorities, I think most of them have their own dedicated funding sources," Grand said. "They are open for any budget amendments going forward. I would rather see a specific initiative funded through a budget amendment."

Taylor said he will do everything possible to keep the pledge he made to citizens. "If we are to make progress in these crucial areas, financial support needs to be consistent and substantial," Taylor wrote. "While I am mayor, I will do everything that I can to keep that promise and provide that funding."

Eight votes of the 11-person council are required to override a mayoral veto. City Administrator **Howard Lazarus** will be preparing the city budget in the weeks to come and will present his proposal to council in May.

Ann Arbor News (MI) November 29, 2018

Officials agree to release records on lead in city's water system

Author: Ryan Stanton

Ann Arbor officials have agreed to release information about where there were once lead components in the city's water system and where some residents may need to have their water service lines replaced due to potential contamination. The City Council voted 11-0 on Nov. 19 to direct the city staff to compile the information by Dec. 31 and release it in response to a Freedom of Information Act request filed by The Ann Arbor News. When The News originally requested the information in September, city officials said it wasn't readily available and asked for payment of \$667.94 to compile the records and release them. After enactment of stricter Michigan regulations for lead, city officials said in September that thousands of Ann Arbor homeowners may need their water service lines replaced with new copper piping if they still have galvanized steel pipes that were once connected to lead "goosenecks" in the city's water system. Even though all known lead parts have been removed from the city's water system, the city maintains, remaining galvanized lines that run under lawns or driveways to homes still can harbor lead and be a source of drinking water contamination.

The News appealed to City Administrator **Howard Lazarus** in September, noting Michigan's FOIA law allows records to be released without charge or at a reduced charge if the public body determines releasing the records primarily benefits the general public. **Lazarus** denied the fee waiver in October, holding firm on the city's request for \$667.94 to cover the cost of the city's public services manager spending eight hours compiling records at \$95.42 per hour, with one hour worth of fees waived as standard practice. After The News informed the city that FOIA law does not allow a public body to charge more than the hourly wage of its lowest-paid employee capable of compiling the records, the city agreed last month to reduce the fee to \$409.71 and have a different staffer do the work.

The News put its FOIA request on hold when two City Council members, Jack Eaton and Anne Bannister, announced intentions to support publicly releasing the information without charge. They brought forward a resolution to that effect at the first meeting of the new City Council and convinced their colleagues that releasing the information is in the public interest. "The public wants to know about where the lead was, where the galvanized pipe remains, and MLive is willing to disseminate that information to the public," said Eaton, D-4th Ward. The Nov. 19 meeting was the first meeting for new council members who, along with Eaton and his allies already on council, have called for greater transparency in city government. They received some pushback from the city administrator, who continued to raise concerns about releasing information under FOIA without charging for it. In its FOIA request in September, The News asked the city to release the following information: Records showing the known locations of lead components removed from the city's water system. Records showing the known locations of any remaining lead components in the city's water system. Records showing locations where the city believes galvanized water service lines may need to be replaced under the revised Lead and
Copper Rule. "We shouldn't burden our local newspaper unnecessarily," Eaton argued. "Our state Freedom of Information statute favors disclosure of public records. The city itself struggles to get our information disseminated, and so any opportunity that we have, we should cooperate with the local media." Eaton believes information about where lead pipe connections were replaced in the city's water system should be readily available. "The location of the galvanized pipe that remains, we are going to have to compile soon enough, because the MDEQ has told us that they want us to remove that galvanized pipe," he added. Eaton said he plans to propose changes to the city's FOIA policy in the coming months to make it easier for local media to gain access to information that serves a public interest. "This is just a first step towards becoming more open and more transparent and not burdening our local media with these fees," he said, prompting a response from the city administrator.

"I have some very real concerns about this," **Lazarus** said, calling it a "slippery slope." Having to respond to FOIA requests without charging for it, **Lazarus** said, could be a tremendous disruption to city staff. **Lazarus** also said it's hard in the age of online blogging to define what constitutes media. As the Flint water crisis gained national attention two years ago, Ann Arbor officials acknowledged there still were about 118 known lead pipe connections in the city's water system, and the city took steps to replace them. "We've replaced all of those lead goosenecks, so no longer is there any lead on the city's side of the curb stop," Brian Steglitz, the city's water treatment plant manager, told council members in September.

As streets have been repayed, the city's portion of galvanized water service lines also have been replaced with copper, which can be bent and does not require lead goosenecks. Water service lines on private property are normally the responsibility of homeowners to maintain and replace, but the state's new regulations make it an issue for cities to address. The city has to prepare a preliminary inventory of galvanized service lines that may need to be replaced with new copper pipes. That's due to the state by Jan. 1, 2020, and then the city must gradually replace the old pipes — potentially about 2,500 of them — starting in 2021. A complete distribution system inventory is due to the state by Jan. 1, 2025. The city plans to adhere to the state's requirement to replace the service lines at an average rate of 5 percent per year starting in 2021, but not to exceed 20 years total unless an alternate schedule is approved by the Michigan Department of Environmental Quality. How those replacements will be funded and to what extent homeowners may have to pay remains to be seen. "We will be subsequently developing and incorporating into our future capital improvement plans for the city the removal of those additional galvanized services that are on the customer side," Steglitz told the council in September. It's unclear whether affected homeowners who want to act quickly to replace their galvanized lines in the next year or so could receive reimbursement under a future city program starting in 2021. The state's new regulations for lead reduce the action level from 15 parts per billion to 12 ppb starting in 2025, requiring utilities to take action if they're above that level. Steglitz said that doesn't really impact Ann Arbor since the 90th-percentile lead level here is 3 ppb, though the levels can vary for individual homes.

Michigan Live October 1, 2018

Ann Arbor council to consider police oversight proposals tonight

Author: Ryan Stanton

ANN ARBOR, MI - The formation of a police oversight commission in Ann Arbor has been years in the making, and City Council is taking up the issue when it meets Monday night. On the council's Oct. 1 meeting agenda are two competing proposals to form an 11-member body to provide a new layer of citizen oversight of the Ann Arbor Police Department. Council Members Jack Eaton, Anne Bannister and Sumi Kailasapathy are proposing a 19-page ordinance in keeping with the recommendations of a citizen-led advisory task force. It aims to create a commission that would be independent of the city's administration and city attorney's office, having its own legal counsel and power to conduct its own independent investigations of incidents and complaints against police, as well as subpoena power to compel testimony by city officers or agents. The ordinance also would provide the commission with a budget equal to at least 1.17 percent of the AAPD's annual budget starting next fiscal year, which could put it at about \$335,000 or more.

City Administrator **Howard Lazarus** last month recommended a commission with less power and independence than what the task force recommends, sparking some debate. Mayor Christopher Taylor is now proposing a 14-page ordinance that aims to bring the task force's recommended ordinance closer in line with the city administrator's recommendations. "It's a severely watered-down version of the task force ordinance," Eaton argues.

Taylor said he shares the city administrator's view that the commission needs to be set up in a way that's consistent with state law, the city charter and collective bargaining agreements, and he believes the task force recommendations did not do that. "The ordinance that I am presenting is practical, legal and achieves the goal of providing enhanced civilian oversight of the police and providing a place for residents and others to come and speak their truths about their experience with law enforcement," he said. Under what Taylor is proposing, the commission would be set up to receive complaints against police, but rather than conducting its own independent investigations, it would forward the complaints to the AAPD for internal investigation.

The commission would then receive status updates regarding the investigations. And upon closure of an investigation, the police chief would issue a report to the commission. The commission then would review the actions of the department and any involved police officer, and would be able to take certain actions, including:

- Gathering information from the complainant, willing third parties, and publicly available sources.
- Questioning the police chief, deputy police chief or professional standards section lieutenant about the investigation.

- Informally mediating the matter by facilitating sessions in which persons involved in the incident and others with an interest in it (including representatives of the police department) can participate on a voluntary basis, the aim being to achieve fuller mutual understanding without recrimination. Upon mutual agreement of all necessary parties, the city and the commission may establish a dispute resolution process where complaints are resolved without going through the department's disciplinary process.
- Using information learned to make policy recommendations to the department and city.

Taylor said that still allows the commission to critique the AAPD and report its findings publicly. The ordinances before council Monday night are only at first reading. If one of them is approved, it would come back for a public hearing and final approval at a future meeting. Rather than establish a budget for the commission in the ordinance, Taylor and Council Member Chuck Warpehoski, D-5th Ward, are separately proposing a resolution at Monday night's meeting to increase the AAPD's budget by \$30,000 this year for a staff liaison to provide administrative support for the commission on a contractual basis. That would be on top of the \$25,000 the city already has allocated to support the startup of the commission.

Taylor said he expects the commission, which is to start up in January, would be substantially and adequately funded in the city's next budget cycle with approval of the next annual budget in May. Taylor also is sponsoring a resolution to approve bylaws for the commission separately from the ordinance. As for whether to provide outside legal counsel to the commission, Taylor's proposed ordinance states the commission may request outside counsel and the City Council may retain outside counsel to assist the commission pursuant to the city charter. "The counsel, contract terms, and the scope of services to be performed must be approved in accordance with city procurement procedures," the ordinance states. Taylor said he believes it's perfectly appropriate for the commission to work with both the city attorney's office and outside legal counsel, as the commission will be part of the city government. Eaton argues it's important for the commission to have its own legal counsel separate from the city attorney's office, since the city attorney's office represents the AAPD and that could pose a conflict of interest if the same office is advising the commission.

Lazarus said the city charter dictates that hiring of outside counsel must be done by the City Council. "How council considers that is a matter of policy," he said. "It is something that should be discussed and reviewed with the city attorney and with City Council." **Lazarus** said he and City Attorney Stephen Postema have talked about the case-by-case need for outside counsel for the commission for specific purposes, as opposed to a standing agreement. "That's just so cumbersome," Eaton argues, suggesting the commission needs to have legal counsel on retainer for when it needs it and can't wait around for case-by-case approval.

As for whether the commission should have subpoen power to compel information or testimony under threat of jail, Taylor said he can't support that. He doesn't believe the City Council has such power, so he can't see delegating that authority to citizen volunteers. Taylor said his proposal would give the commission authority to question the police chief and deputy chief, and

would give the commission access to more information than is available now. "We have an opportunity to do something very real, very practical and very workable," Taylor said. "We have an opportunity to get this off the ground in a way that is achievable, consistent with best practices of municipal government and meets the goals that we all share. That is, improving police-community relations. That's what I'm trying to do." The differences between the task force's recommendations and the city administrator's recommendations were the subject of discussion and debate at a City Council work session on Sept. 13. After putting in months of work to come up with a draft ordinance, members of the task force expressed disappointment that the administrator was recommending a different course of action. Rich Friedman, task force co-chair, argued the administrator's proposal, the city attorney would get to designate a staff attorney to support the commission.

Friedman firmly argued the commission needs to have its own lawyer independent of city hall. "This commission is not like others," he said. "It's not meant simply to do work for which the City Council lacks time or expertise. Rather, it's meant to provide a perspective on policing that is and is perceived to be by the public outside the normal hierarchy of city administration. "Lacking that, the commission will do no good. If it's perceived to be part of city administration, it's not going to perform its function. And a commission can't exercise effective oversight over a police department if the same law office that advises it also advises the police."

Friedman, a University of Michigan law professor who served for seven years at chair of UM's police oversight committee, said the city's police oversight commission could be tempted to act without legal advice if it doesn't have its own independent counsel. "How can the commission assess the validity of police conduct if the only lawyer advising it on the issue is the department's own lawyer?" he said. "And if the city's lawyer says, 'No, you can't do that,' or, 'No, you can't get that information,' well, the commission is not going to have faith that it's getting un-conflicted advice." Dwight Wilson is a member of both the task force and the city's Human Rights Commission, which began pushing the issue of police oversight more aggressively following the 2014 shooting of Aura Rosser, a black woman who was shot and killed by an AAPD officer while police were responding to a domestic dispute inside a home.

The November 2014 incident, in which the AAPD was cleared of any criminal wrongdoing because Rosser allegedly came at officers with a knife, prompted public outcry and protests, with community members issuing demands for more police oversight. Wilson talked about racism and oppression as he spoke before the council at the Sept. 13 meeting. "To be a person of color older than adolescence in our society is to know someone who has been killed, brutalized or humiliated by law officers," he said. "It is also to have been racially profiled multiple times by our employees in uniform and our neighbors in street clothes who hatefully point out our mere innocent presence to law officers."

Wilson said members of the task force collectively devoted thousands of hours to putting together a police oversight ordinance, the one Eaton, Bannister and Kailasapathy are now proposing. "Today you stand at a crossroads where you can choose a continuation of a non-

inclusive, non-transparent, deeply flawed status quo or a glimpse at what justice looks like," he said. "You can make your legacy the building of something worthy of exporting to communities of millions whose jungles are concrete and peace is found only in death. Will you choose melancholy mediocrity or will you dare to be great?"

Lauren Tatarsky, another task force member, said the task force wants a commission that can do its own review of incidents, including those that have never been investigated by police. She said the task force ordinance establishes a process that's complainant-centered with a focus on restorative justice. "Our priority must be to create a system that invites people who have been harmed by police to share that information so that we can create a city where all people are safe and protected," Tatarsky said. "In many provisions throughout the ordinance, we used best practices from some of the most effective oversight commissions throughout the country," she added. "In fact, the ordinance has little to no provisions that have not already been enacted elsewhere."

Dick Soble, another task force member, said the task force set out to establish a procedure for the commission to receive and investigate complaints consistent with state law, the city charter and AAPD collective bargaining agreements. "And we took that into account," he said. "The city administrator said, 'No, you will not receive and investigate -- you will only receive and refer.' And so there will be no opportunity under the city manager's approach for the commission to do any independent investigation, even though the results of that investigation are not binding on the city, the police officer or anybody else."

Lori Saginaw, a member of activist group Transforming Justice Washtenaw and the city's advisory task force co-chair, spoke in favor of prioritizing black people serving on the police oversight commission, saying they have distinct experience with being targeted by police. "Change in a system as old and institutionalized as policing comes from those doing the oversight with the sensitivity and perspective most connected to where the problems arise," she said. "I want to say a radical thing: We are a segregated community in Ann Arbor by education, by income, by wealth and by race privilege. The power structure mirrors that," she said. "To prioritize members who speak directly about harmful and negative experiences with law enforcement will change history in Ann Arbor."

Lazarus said he agreed and disagreed with recommendations in the task force ordinance. "Many times the task force talked about their goals being aspirational, and aspirations mean you need to knock down barriers, you need to knock down walls, and you need to get through those governing documents that sometimes stand in the way of where you want to go," he said. "My job as your administrator is to bring compliant options to this body so that it supports a robust discussion about policy." **Lazarus** said he agrees with the task force on the broader goals of ensuring oversight of the AAPD. "We want to strengthen police-community relations so that the police department serves fairly, compassionately and equitably," he said. "We want to enable independent review of police actions, and we want to ensure that all voices are heard, especially those that haven't been heard in the past." But it's in the details where they diverge. **Lazarus** noted the council's direction to the task force earlier this year called for recommendations that

are mindful of state law, the city charter and collective bargaining agreements. He said some matters require further legal review, but he wants to press forward on forming the commission so not to break public trust and so the commission can be involved in the hiring of the next police chief and the setting of the next police budget. Responding to the task force recommendation to allow the commission to review all AAPD practices and policies to make recommendations for improvements, **Lazarus** said he agrees with that to the extent that releasing policies and practices does not disclose confidential operational information about AAPD. "We have not been forthcoming with those in the past," he said, committing to making those available for review. "There are some cases, though, where things have to be done a little bit differently, because those practices may put the public at risk and police officers at risk if they are disclosed, and we need to be careful." **Lazarus** believes the city administrator should retain the ability to redact certain aspects of operating procedures and tactics that could jeopardize the safety of the public and police officers if released. **Lazarus** said he agrees the commission should work with the AAPD on a policing strategic plan, but whether it's the role of the commission to endorse or approve the plan is a matter for discussion.

As far as exploring non-law enforcement public safety interventions that complement the actions of AAPD, such as crisis intervention teams, **Lazarus** said, he recommends the commission collaborate with AAPD to review practices and recommend improvements. As far as handling investigations, **Lazarus** said the city's collective bargaining agreements with police officers establish requirements for addressing complaints against officers, including timeframes for reporting incidents and compelling officers to appear. **Lazarus** said officers must be notified of complaints within 14 days of receipt, and failure to comply may preclude the city from taking any disciplinary action. Compelling an officer to appear before a commission for questioning also could create challenges in terms of the collective bargaining agreement and would most likely result in grievances, he said.

Ann Arbor News (MI) July 8, 2018

Law enforcement release video of incident that sparked allegations of racist policing Author: Ryan Stanton

Facing public accusations of discriminatory policing over the handling of an early-morning altercation downtown, the Ann Arbor Police Department on Tuesday released dashcam footage showing how officers responded to a 911 call and confronted a group of black men.

The AAPD also has launched an internal investigation to review the matter, City Administrator **Howard Lazarus** said at the City Council's meeting Monday night, expressing confidence that the investigation will be carried out with integrity. **Lazarus**' remarks came after members of a group known as the Collective Against White Supremacy spoke out before council Monday night, raising concerns about the chaotic incident that occurred about 1 a.m. June 24 on First Street near Liberty Street.

Police responded to a 911 call reporting five black men were attacking a white man near the Blind Pig, and the caller said one of the alleged assailants was armed with a gun, according to AAPD. The incident is the subject of an ongoing criminal investigation and no arrests have been made, police said.

A bystander's four-minute video of what happened shortly after the initial responding officers' arrival, as the black men were confronted and handcuffed, was posted on Facebook on June 24. It may be seen at bit.ly/aapdvid18. In the video, the person shooting the video can be heard alleging what was happening was evidence of systemic racism. The Collective Against White Supremacy shared the video on its Facebook page the next day, noting it showed "AAPD handcuffing only the Black community members who were involved in a dispute, but not the white man who was clearly engaging in the physical altercation by pinning a Black man to the ground while shouting 'Get on the ground' as if he is an officer." The new dashcam video released by AAPD shows the white man also was handcuffed shortly after the black men.

Lazarus said he first saw the bystander's video Monday morning and got hold of Police Chief Robert Pfannes to ask him about it. **Lazarus** said he thought the video was extremely damning toward the AAPD, starting with the narrator's false suggestion that there was an inebriated Ann Arbor police officer — the white man police later handcuffed — wrestling with another man on the ground. "The white male fighting in the video is not an Ann Arbor police officer nor a police officer anywhere," Pfannes said in a statement. "He was also handcuffed when a backup officer arrived, but that is not seen in the narrow focus of the private video." Pfannes said the AAPD is generally precluded from commenting on open cases, but because of the overriding public concerns over the video, the department is sharing some information to provide context.

Lazarus said the bystander's video is a little hard to follow, but that it's clear from the narrator's commentary that the white man was sitting on the curb as police handcuffed three black men.

"And I asked the chief about it because it's disturbing and it's counter to what I believe the culture to be here in Ann Arbor," **Lazarus** said.

Pfannes said a reasonable interpretation resulting from the bystander's narration and partial video of the event is that an AAPD officer happened upon a fight between two men and began to arbitrarily arrest nearby black men, but that's not what happened. "Observers of the incident would be unlikely to know the information upon which the officer was responding and relying," he said. Pfannes said several officers were ultimately dispatched to the scene and the bystander's video shows only a small portion of the first responding officer's actions.

"What the private video does not show is that as the first officer, not having an exact location, arrived in the area, he was flagged down by an excited man who pointed to three males as his assailants and stated that one of them 'has a gun.' The lone officer approached those three subjects (initially at gunpoint) and attempted to stop them but was met with very limited success and non-compliance," Pfannes said. "The distributed video does not capture these actions and begins sometime after this point in the incident."

The dashcam video shows the initial responding officer driving down First Street, past the Blind Pig and encountering three black men walking through a city parking lot south of Liberty Street. The video shows the officer ordering them to get on the ground multiple times, but initially they kept walking away.

Another man can be heard pointing out one of the black men, and saying he had a weapon. With his weapon drawn, the officer convinced one of the black men to get on the ground and then approached the other two black men. At that point, the white man who is not an officer intervened to wrestle with the first man on the ground. As the scene became more chaotic, the officer, after handcuffing one of the black men, circled back to break things up and became surrounded by several people at the scene, including the bystander recording the encounter and a white woman whose involvement is unclear. "Sit down. We'll figure out what's happening, but there's six of y'all and there's one of me," the officer can be heard yelling in the video.

At that point, a backup officer arrived and handcuffed another one of the black men at the initial officer's request. The first black man on the ground was then cuffed, followed by the white man. Pfannes said the white woman who can be seen in the video with her hands in the air showed visible signs of injury. "However, due to conflicting accounts and witness statements, all subjects were eventually released at the scene pending the results of the investigation by the AAPD Detective Section," he said.

Pfannes said, an internal investigation was immediately initiated and is being conducted. He said the findings and body-worn camera footage will be released at the conclusion of the investigations. Explaining the incident at Monday night's council meeting, **Lazarus** said, "There were some issues with people not complying with direction from the police, which is why people were handcuffed." **Lazarus** said internal investigations are a serious matter handled by AAPD's professional standards unit, formerly known as internal affairs. "It's a tough place for the police to be in because they want to make sure they protect the integrity of the investigation. They want to make sure everyone's rights are protected in the end," he said. "It's really hard to put yourself in the place of the officer who responded, but it's equally hard to put yourself in the place of people who feel that they were subject to institutional racism."

Lazarus said that's a primary reason why the city has a task force looking at police practices. If the internal investigation shows there's a potential for criminal charges, **Lazarus** said it will be turned over to another entity. He said the AAPD doesn't investigate itself if there is a potential for criminal charges.

"What I've asked the chief to do is to proceed fairly, equitably, but as quickly as he can," **Lazarus** said. "Matters like this, the longer they're left not fully explained and don't have daylight on them, tend to build distrust."

Joey Valle, a member of the Collective Against White Supremacy, made it clear at Monday night's meeting his group was not satisfied with the immediate response, and believes it's an example of racist policing. "An officer of the Ann Arbor Police Department entered a physical con-flict where a white man was pinning a black man to the ground and the officer essentially continued the assaults, taking over for the white man by keeping the black man on the ground," Valle said. "Officers proceeded to handcuff the black men in the area while the white participants remained free. This treatment of the black community members by AAPD is racist, violent and unacceptable."

Valle said it seems AAPD did not enter the scene having considered the possibility that racism may have been a motivating factor in the statements made by 911 callers and bystanders. "If someone calls 911 and says that black men are fighting and have weapons, is AAPD's protocol to arrest the black men at the location based on the phone testimony alone in the face of other evidence?" he asked council members without getting a response. "Your collective silence doesn't cover up what the video shows."

Ann Arbor News (MI) May 13, 2018

Residents to pay more in taxes, utility rates starting in July

Author: Ryan Stanton

The typical residential taxpayer in Ann Arbor will pay more than \$100 more per year in property taxes and utility fees starting July 1, according to the city. That includes about \$40 more per year in property taxes and more than \$67 more per year from increasing water and sewer rates, according to budget information City Administrator **Howard Lazarus** presented to the City Council on April 16.

A more recent memo from the city's staff now estimates the proposed utility rate increases will have an impact of about \$77 per year on the average single-family residential customer.

The city is expecting property tax revenues will increase by about 3.3 percent, even as the city's millage rate is proposed to drop from 16.14 mills to 15.89 mills. No new millages are proposed by the city.

The city is projecting revenues of \$434 million and expenses of \$390 million in its 2018-19 budget year, which starts July 1.

Before the City Council adopts the budget, residents have a chance to share their thoughts. The council will hold a public hearing on the budget during its meeting Monday night. The meeting starts at 7 p.m. inside the council chambers on the second floor of city hall, 301 E. Huron St.

The council also is expected to give initial consideration Monday night to the ordinance change that may increase water and sewer costs for the average resident by about 11 percent, or \$77 per year.

The council will finalize and adopt the new budget at its May 21 meeting. The council will vote at the May 21 meeting on any changes to what **Lazarus** is proposing in his recommended budget.

https://events.governing.com/Governing-Leadership-Forum-Michigan.html May 8, 2018

Building High-Performance Government: A Michigan Governing Leadership Forum 2018

[CB&A Note: Only the information relevant to Howard S. Lazarus is listed below.]

Advisory Board **Howard S. Lazarus** City Administrator City of Ann Arbor

3:15 pm Concurrent Sessions

Innovation in a Transparent World

Government organizations, like their private sector counterparts, are seeking ways to incorporate innovative practices into their work. Bureaucratic culture and fear of public failure often stifles innovation, so government leaders are developing cultural and policy solutions to embrace new ideas while protecting programs and initiatives from unnecessary disruption. This session will focus on best practices for allowing innovation to bloom in your organization. Topics will include: how to find innovation from within, resources that can help create a culture of innovation and other practical tips for leaders who want to unlock innovation in their organization.

Howard Lazarus, City Administrator, City of Ann Arbor

Ann Arbor News (MI) March 15, 2018

Council approves raise for city administrator

Author: Ryan Stanton

City Administrator **Howard Lazarus** is getting an \$8,600 salary increase, plus a \$1,118 lumpsum bonus. The Ann Arbor City Council debated the pay raise before voting 8-3 to approve it Monday night. It amounts to a 4 percent boost in base salary for **Lazarus**, and it's his first raise since being hired as administrator in spring 2016. It increases **Lazarus**' annual base salary from \$215,000 to \$223,600, retroactive to Jan. 1. "I'm going to support this enthusiastically," said Council Member Chip Smith, D-5th Ward, who said **Lazarus** has brought a can-do attitude to city government that's been refreshing. He said **Lazarus** has set a different tone in the city administrator's office, taking a "we'll figure out how to fix that problem" approach. "I've been thrilled with Mr. **Lazarus**' performance, as have the folks in the community I've talked to about it, and I just want to thank him for what he's done so far," Smith said. "Running an organization with a \$100 million general fund budget is inherently complex."

Eaton, D-4th Ward, said **Lazarus** received a good evaluation indicating he has done an aboveaverage job, but Eaton said he had concerns that **Lazarus** is making considerably more money than the city paid the city's last administrator while the city is about to hire an assistant administrator to work under him. The city is in the process of trying to hire an assistant administrator, and the job is expected to pay between \$140,000 and \$170,000. Eaton said the money the city will spend on administration between **Lazarus** and his assistant will be more than double what the city spent before. Steve Powers made \$159,500 as city administrator before he left Ann Arbor for another job in 2015.

Eaton said it seems the city is shifting focus from serving residents to staffing city hall, and he finds that alarming. He said there are streets in his ward that need repaving. Smith argued the City Council continues to expand its expectations of the city administrator's office and somebody has to do the work. Eaton responded to that, saying it's not about one position. He said the city has added about \$1 million worth of new positions in recent years. "And I can think of \$1 million worth of road projects per year that I'd like to see done in my ward," he said. Lumm, I-2nd Ward, also raised concerns about the city's growing administrative overhead costs, though she still supported the raise for **Lazarus**. Bannister, D-1st Ward, also raised concerns about the city's staffing costs increasing and said residents don't want her to approve a raise for the administrator. She said they would rather have the money spent repairing city streets.

Lazarus continues to be eligible for extra payment from the city each year equal to 15 percent of his salary, and that goes into a 401(a) plan. That now amounts to \$33,540 on top of his base salary. Counting his base salary, bonus pay and 401(a) pay, his annual compensation now is more than \$258,000. While not eligible for a pension from the city, **Lazarus** is to receive an annual contribution into a retiree health care reimbursement account, and the first year contribution is to be \$2,500, according to contract language the council updated Monday night.

After the debate over the raise, the council voted unanimously to approve the updated contract. "The City Council believes providing equitable and sustainable compensation is critical to retaining employees that are essential to the city's ability to perform at levels expected by residents and taxpayers," states the council's approved resolution.

Warpehoski, D-5th Ward, said he has appreciated the leadership **Lazarus** has brought to the city. He noted **Lazarus**, who did not get a raise last year, is getting a raise based on an 18-month performance evaluation. He said the city's non-union staff received two raises during that time frame, and **Lazarus**' 4 percent raise is in line with what others received. Warpehoski also cited statistics indicating the city has put more money toward streets. Taylor defended the city's creation of an assistant city administrator position, saying it's going to help the city.

City records obtained by The Ann Arbor News under the Freedom of Information Act show **Lazarus** was paid a total of \$250,435 for his service as city administrator in calendar year 2017. Most of the extra \$35,000-plus he received on top of his \$215,000 base salary was in the form of a \$32,250 matching contribution by the city toward the administrator's 401(a) plan. When **Lazarus** was hired by the city in 2016, the council decided he would not be eligible for a pension. Instead, the council agreed to have the city make contributions equal to 15 percent of his annual salary into a 401(a) plan, as long as **Lazarus** contributed 7.5 percent. The city's contributions to the 401(a) plan are currently 33 percent vested with **Lazarus** and will be 66 percent vested at the end of June and 100 percent vested at the end of June 2019.

Lazarus also received \$780 in payments from the city last year for cell phone expenses, city records show. A breakdown of his other payments from the city in 2017 shows \$177,271 in regular pay, \$21,190 in vacation pay, \$413 in sick pay, \$3,308 in personal leave pay, \$9,510 in holiday pay and \$3,308 in education pay, which added up to his base salary of \$215,000. The city administrator is one of two direct reports to the City Council, the other being the city attorney. **Lazarus** was public works director in Austin, Texas, before coming to Ann Arbor. He was one of two finalists for the Austin city manager job in December, but the Austin City Council chose to hire Minneapolis City Coordinator Spencer Cronk over **Lazarus**. The fact **Lazarus** considered leaving the city for another job did not come up during Monday night's debate over his raise.

Michigan Live February 14, 2018

Case to decide if city can keep taxing solar energy systems

Author: Lauren Slagter

ANN ARBOR, MI - Ann Arbor resident Mark Clevey has found himself at the center of a taxation debate that could have implications for property owners across Michigan who use solar energy. The dispute is over how much value a residential solar energy system adds to a home and whether or not that value should be taxed. The City of Ann Arbor has taken the stance that solar energy systems are improvements to real property and therefore should increase the taxable value of a property, because state law does not specifically exempt solar systems from taxation. Clevey thinks solar energy systems should be considered personal property, which generally is not subject to property taxes. They're waiting for Michigan Tax Tribunal Judge Robin Schleh to give her final opinion on the issue, although her preliminary opinion states solar energy systems should be considered fixtures on real property and subject to property taxes.

Other communities, including Ypsilanti, do not tax residential solar systems, and state agencies have recently offered conflicting information on how to tax residential solar energy. "Every day, this is a moving target, so it gets really interesting," said Clevey, who is the founder of the Ann Arbor Solar Users Network and vice chair of the city's Energy Commission, a citizen body appointed by the City Council. Ann Arbor City Council discussed the issue at a meeting on Monday, Feb. 12, where City Administrator **Howard Lazarus** defended the city assessor's stance and also acknowledged Ann Arbor is "at odds a little bit" with the way taxing solar energy systems is enforced in other parts of the state. "I think this calls for clarification and resolution and reconciliation at the state level, because otherwise you're putting our licensed assessor in an awkward position, and we are in a position where we would be knowingly violating state statute if we did not consider it to be a real property improvement," **Lazarus** said at Monday's meeting.

Clevely and his wife, Nancy Fenton, who live a few blocks south of Ann Arbor's Lower Burns Park neighborhood, installed a solar energy system on their house in May 2016. The taxable value of their house increased by \$5,686 from 2016 to 2017, according to tax records submitted to the Michigan Tax Tribunal. From 2014 to 2015, the taxable value of their property increased by \$1,895. After unsuccessfully asking the city's board of review to adjust the taxable value of the house, Clevey petitioned the Michigan Tax Tribunal in May 2017 for a ruling on whether or not solar energy equipment should be taxed, as well as an adjustment to the assessed value of his property. Schleh issued a preliminary opinion siding with the city on Dec. 27, 2017, following a hearing the month before. The parties involved had 20 days to file exceptions to the preliminary opinion if they wanted, and then the opposing party had 14 days to respond to the exception before the judge gives a final ruling. Schleh found the assessed taxable value of Clevey's property was appropriate because it was less than 50 percent of the true cash value of the property and it fell in line with comparable properties. Clevey said there are not enough residential properties with solar systems at this point to have truly comparable properties to use in the assessment. As far as whether solar energy systems are subject to taxation, Schleh said in her preliminary opinion that solar panels meet the definition of a "fixture" on a house and so they would be considered part of the real property. Fixtures are tax exempt if "owned and used by a householder," Schleh wrote in her preliminary opinion. However, because the solar panels are "used to produce income" - in the form of credits on energy bills - the property should be taxed, she said.

In an exception filed Jan. 10, Clevey's attorney, Samuel Field, said the statement that solar panels produce income is factually incorrect. The economic purpose of the solar energy system is to reduce the annual expense of electricity, but the homeowner does not sell power back to the utility company or make a profit, the exception states. "I am not now, nor have I ever been in the business of selling electricity," Clevey wrote in the exception. "DTE has never paid, and will never pay, me any money for electric outflow. I do not use the solar panels and related solar equipment on my home to 'produce income.'" In August 2017, Lazarus wrote a letter to the Michigan Tax Tribunal regarding Clevey's case and asked the judge not to require an increase in the taxable value of a residential property due to a solar energy system. "Residential solar is an important part of ... our strategy to reduce carbon emissions, unfortunately the position of the Michigan Tax Tribunal (MTT) that these improvements are treated as real property improvements creates a strong economic disincentive to property owners," Lazarus wrote in the letter. "The MTT position also creates a conflict between our Climate Action Plan and our desire to comply with MTT guidance." If Schleh's final ruling still sides with the city's assessment of the taxable value of Clevey's property, Clevey said he plans to appeal the decision to the Michigan Court of Appeals.

While waiting for the outcome of the Tax Tribunal case, Clevey is using another avenue to seek tax relief, based on a memo issued Monday, Feb. 5, by the Michigan Agency for Energy and Michigan Public Service Commission. The energy agency and public service commission say there's an existing personal property tax exemption that should allow property owners to apply for tax exemption on their small-scale solar projects. Clevey said he applied to the city assessor for that exemption this week, and he's waiting to see whether the exemption would apply to property owners in areas where the assessor considers residential solar energy systems to be real property. On Tuesday, Feb. 13, the tax commission rescinded the guidance it gave in 2013 that said solar energy systems should be assessed as part of the real property. A memo from the Michigan Department of Treasury about the tax commission's new stance references the rationale offered in the judge's preliminary opinion in Clevey's case.

Ann Arbor News: Web Edition Articles (MI) January 23, 2018

AAFD not meeting national response-time standards, may set its own

Author: Ryan Stanton

While the Ann Arbor Fire Department has made progress in a number of areas in recent years, city leaders acknowledge the department still fails to meet national standards for response times to fires and other emergencies. The three assistant fire chiefs appeared before the City Council Monday night, Jan. 22, to talk about the issue during a special work session, joined by City Administrator **Howard Lazarus**. While the fire department is working on ways to improve and considering whether fire stations and staffing models are optimally situated, they said, the city also may set its own standards so the AAFD has new targets it can actually meet. "Ann Arbor has the ability to adopt a local standard that would allow Ann Arbor to fall within the ranges that we actually would like to see within our community here," said Assistant Fire Chief Marc Tyler. "It's not that we're looking to decrease the expectation. It's just we want to be able to work within the expectation, and if we have the ability to set that, then that's what we would be able to do." Tyler presented the following numbers showing the city's response times don't meet National Fire Protection Association standards, with the city's combined turnout and travel times around 12 minutes for fires when the national standard is six minutes and 20 seconds.

Lazarus said he thinks the city needs to come up with standards that are relevant for Ann Arbor, reliable and reproducible. "We have to have something that we can measure crews against," he said. "We have to make sure that it's achievable, but it's not settling for a lower degree of protection." Lazarus said the most important thing is seeing a decrease in loss of life and property damage. Assistant Fire Chief Ellen Taylor said the number of structure fires in the city decreased from 144 to 95 from 2012 to 2017, a 34 percent drop. She said vehicle fires dropped from 35 to 25 during that same timeframe, so there are positive trends. "There's a lot of statistics that show there's a great improvement over the last few years for the fire department," she said. Taylor said she thinks an improved fire-inspection program the city started in 2012 has played a big role in preventing fires and the amount of losses when there are fires. She said the annual property losses from fires in Ann Arbor dropped from \$5.5 million to \$581,000 from 2013 to 2016. Council Member Jane Lumm, an independent from the 2nd Ward, said she appreciated the information and acknowledgement that there's room for improvement on response times, but she questioned the idea of the city establishing its own standards. She noted the city tops a lot of national rankings and "best of" lists and she said she doesn't want to see the city lower the bar on this. "I think the national standards - that's a pretty good, darn good benchmark," she said. "That's a standard established by the professionals nationally for what response times should be, so I would question why we'd want to set a different standard." Lazarus said Lumm's point is well taken. "I would share your concern about changing standards from a nationally accepted standard, but you also have to make sure it's relevant," he said. "And I think that's part of the analysis and discussion that we need to engage in, look at best practices elsewhere across the country and see what really suits our needs." About 23 percent of calls are for fires, explosions and hazardous conditions. And about 19 percent of calls fall into other categories, including

"good intent" calls and severe weather. She said the department has 10 members on a countywide hazmat team, the most of any fire department in Washtenaw County. As for fire prevention Taylor said there's a lot of work being done beyond inspections of commercial buildings and rental properties. "It's site plan reviews, it's public education, it's community outreach, it's fire inspections, it's hydrant flow testing for new construction, so there's a lot of events and tasks," she said. Taylor acknowledged the department has failed to meet the goal of increasing fire inspections by 5 percent this past year. She said the city failed to secure grant funding for mobile tablets, which delayed their purchase. She thanked council members for recently approving funding for the equipment, which she said will help the fire-prevention bureau be more effective and efficient. Other issues that have hindered the fire-prevention bureau, Taylor said, include the retirement of the city's fire marshal. "Our experienced, educated, fire marshal retired and that was a hard position to fill," she said, adding it had a domino effect and the city lost some fire inspectors as well. He said that will need to be adopted by the City Council. He said there are national standards, but fire protection is ultimately funded by and the responsibility of local government. "So it is our city's responsibility to determine the level of protection we want and then pretty much work backwards from there of how are we going to sustain that," Kennedy said.

Lazarus said the university will be a stakeholder in this process. In terms of the number of emergency medical service calls in the downtown area, he said, a lot of that has to do with the student population. He said maybe the answer there is to have a smaller fire station with an EMS-equipped unit, or maybe EMS-equipped units out in areas where and when data shows they're needed. "But as we look at where firehouses are going to be located or if they're going to be renovated, we need to make sure that our residents are comfortable with the degree of protection they're going to have, and we also need to marry that up against cost of service," he said, indicating there will be more community engagement. Lazarus told council members the city still has a structural imbalance in its budget. He said revenues are projected to grow at an annual rate of 1.6 percent while expenses grow 2.6 percent, and 65 percent of the costs are personnel costs. "So it's very hard to adjust those," Lazarus said. "A lot of them are governed by union contracts." If the city doesn't take steps to close the gap, Lazarus said, there could be a \$1.18 million budget shortfall in fiscal year 2019-20 and \$25 million by fiscal year 2034-35. "Clearly we're not going to get there, because we have the requirement to balance the budget every year," Lazarus said. "But there is the need to start taking turns now that will keep us from going over the cliff in the future." Lazarus cited figures indicating public safety accounts for more than half the city's \$76.2 million in recurring general fund expenses, with police and fire costs around \$42.5 million this year. "It makes up a pretty substantial portion of our general fund," he said, indicating most of that is in salaries. The city has roughly 740 full-time employees, including 236 in the area of public safety. Those 236 employees represent about 62 percent of the city's 382 full-time employees funded by the general fund, which is separate from, for instance, the water and sewer funds. "So police and fire do make up a substantial portion, both in terms of FTEs and cost," Lazarus said.

Ann Arbor News (MI) October 5, 2017

City settles suit over firing of recycling operator

Author: Ryan Stanton

Ann Arbor is settling a lawsuit stemming from last year's firing of the city's recycling plant operator. Following a closed session, the City Council voted unanimously to approve a settlement agreement Monday night, authorizing City Attorney Stephen Postema to take action to finalize it and seek dismissal of the lawsuit against the city. U.S. District Court Judge Stephen Murphy issued a nine-page opinion and order granting the city's motion for partial dismissal Aug. 31. ReCommunity, the North Carolina-based company that operated Ann Arbor's recycling plant from 1993 to 2016, filed a lawsuit in federal court in July 2016 claiming the city wrongfully terminated its contract. The city and the company shared profits from the sale of recyclable materials when revenues exceeded operating costs. ReCommunity claimed the city created an excuse to get out of a contract that was no longer financially advantageous for the city following a downturn in the marketplace for recyclable materials, while the city claimed safety breaches led to ReCommunity's firing.

The resolution the council approved Monday indicates the parties negotiated a settlement agreement under which ReCommunity agrees to dismiss and release with prejudice all claims, including all claims it brought or could have brought against the city, and the city agrees to release with prejudice all claims, including claims it submitted against the surety bond for the contract, and all claims it brought or could have brought against ReCommunity. Additionally, the resolution says, "The city's rights to indemnification and to coverage as a third party insured under the contract for claims arising under the contract remain in effect." In its lawsuit, ReCommunity sought compensation for damages, claiming to have suffered lost profits and reputation damages. The settlement includes no monetary award.

The city's recycling plant has not been fully operational since ReCommunity was fired and unsorted recyclable materials that are collected curbside in Ann Arbor still are being trucked out of town to other facilities for processing. Waste Management temporarily handled the city's recycling operations after ReCommunity was fired and now Recycle Ann Arbor has taken over, though the city still has had safety issues at the plant.

"The improvements council approved at its last meeting are almost complete, resulting in a cleaner and safer working environment," City Administrator **Howard Lazarus** wrote in a Monday update, referring to work being done to address concerns at the plant.

Ann Arbor News (MI) September 28, 2017

City looks to lessen fire risk at recycling facility

Author: Ryan Stanton

Ann Arbor officials say they still are not sure what caused a fire at the city's recycling plant last month, but they have identified possible causes, including spontaneous combustion of accumulated materials inside the facility. Another possible cause is friction caused by the baler feed conveyor and waste material in and around the conveyor.

City Administrator **Howard Lazarus** highlighted those concerns in a Sept. 12 memo to the City Council, noting steps the city is taking to address the fire hazards at the Platt Road plant. More than a year after the city fired the previous operator of the city's recycling plant because of safety concerns, including multiple fires, the city—now working with local nonprofit Recycle Ann Arbor— still is working to address lingering safety issues. In his memo, **Lazarus** also noted a steel push wall in the recycling plant—next to the tip floor where recyclable material from collection trucks is unloaded—is dislodged from its structural supports and damaged in multiple locations, presenting a safety concern. "A structural inspection of the push wall has been performed by a structural engineer indicating the repairs that need to be made to the wall," he wrote. "The condition of the wall, and the need to not operate adjacent to it, has allowed for the accumulation of additional material to occur in proximity to the wall."

Since the Aug. 8 fire, the city has provided a city staff member to serve as a "fire monitor" during operations until all accumulated material is removed from the facility, **Lazarus** said, "In addition, staff has solicited quotes from contractors to provide services to remove the waste material and dust that has accumulated in the facility to mitigate this identified fire hazard, as well as quotes to repair the damaged steel push wall," he wrote. In order to remove the hazards and address the wall as soon as possible, **Lazarus** said he approved emergency contracts to address those conditions. As loading operations at the city's recycling plant need to be suspended during that work, the City Council voted this week to approve a short-term agreement with the Western Washtenaw Recycling Authority for up to \$36,000 in recyclable processing services.

The city expects the waste removal and steel push wall work will be done between before Oct. 1, affecting one work week. The short-term deal with the Western Washtenaw Recycling Authority is for up to two weeks.

Lazarus hinted at other potential upcoming work at the city's recycling plant in his memo. "Another aspect of the response to the fire incident and review of the facility is that city staff determined that the conveyor system that feeds the baler at the facility cannot be safely operated at this time," he wrote, indicating the baler was used by the plant operator, Recycle Ann Arbor, to bale and load commercial recyclable material under a "hybrid" method of operations. Under the city's new contract with Recycle Ann Arbor, the hybrid plan includes baling commercial cardboard and hauling it to Taylor Recycling in Taylor, and loose loading other single -st ream recyclables and hauling them to Rumpke Waste and Recycling Services in Cincinnati. Recycle Ann Arbor argues it's better not to bale and compact recyclables that haven't been sorted. Since the recent fire, Recycle Ann Arbor has operated at the recycling plant using the original 100 percent "loose loading" method of operations included in its contract, **Lazarus** said. Materials are loaded on trucks to be hauled to other facilities for processing because the city's plant isn't fully operational and hasn't been for more than a year.

"Though the loose loading method is more costly to the city than the hybrid method, it is the only method that can be performed safely at this time," **Lazarus** wrote. "To determine if the baler is able to be operated once again, the existing baler feed conveyor will be inspected following the waste removal and clean-up work to determine if the conveyor is repairable and, if so, at what cost." **Lazarus** said staff also will explore the costs to replace the conveyor and look at the economics of repairing or replacing the baler feed system to enable returning the baler to operation and allow Recycle Ann Arbor to again use the hybrid method of operation, versus continuing to do all loose-load operations.

Ann Arbor News (MI) August 7, 2017

New tax could help Ann Arbor go solar, switch to electric vehicles Author: Ryan Stanton

ANN ARBOR, MI - A new countywide tax could help make Ann Arbor greener, including switching to electric vehicles for city employees and adding solar panels atop city buildings. It also could fund other environmental initiatives, make pedestrian routes safer for children walking to and from schools, and help ensure affordable workforce housing is included in new developments. Those are some of the many initiatives mentioned in a new memo from City Administrator **Howard Lazarus**, outlining how the city could use a partial rebate from a proposed countywide tax.

Ann Arbor officials already made it clear they want to put a potential influx of new tax revenue in 2019 toward affordable housing, pedestrian safety and climate action. That was articulated in a City Council resolution last month. Now the city is identifying what specifically in those three categories could be funded with the estimated \$2.2 million to \$2.5 million in new annual revenue the city could receive over eight years. Washtenaw County commissioners voted last month to put a countywide tax proposal for mental health and public safety services on the November 2017 ballot. If approved by voters, the tax would be levied in December 2018 for use in 2019, as commissioners decided to delay the potential collection of the tax for a year. It would be an eight-year, 1-mill tax that's estimated to raise more than \$15.4 million in the first year, with funds divided this way:

- 38 percent for Washtenaw County Community Mental Health to address what county officials say is a mental health crisis due to losses in state funding, including services focused on stabilization and prevention, meeting mental health needs in an appropriate setting, reducing the burden on the county jail and improving care
- 38 percent for the Washtenaw County Sheriff's Office to ensure continued operations and increased collaboration with the mental health community
- 24 percent for jurisdictions that maintain their own police force (currently Ann Arbor, Chelsea, Milan, Saline, Ypsilanti, Pittsfield Township and Northfield Township) in proportion to their respective 2016 populations

Per the City Council's resolution, the money coming to Ann Arbor if the tax is approved is expected to be allocated this way:

- 20 percent (potentially \$500,000 per year) to improve pedestrian safety, including police traffic enforcement, crosswalk improvements, pedestrian-activated crosswalk signals known as rectangular rapid flashing beacons or RRFBs, and streetlights
- 40 percent (potentially \$1 million per year) to help the city with its goal to significantly increase the availability of affordable housing in the city, including workforce housing for people with decent-paying jobs in addition to low-income housing

• 40 percent (potentially \$1 million per year) to help the city advance the goals of its Climate Action Plan and reduce the community's greenhouse gas emissions to combat climate change

Now that the tax proposal is officially on the November ballot, **Lazarus** said it's appropriate for the city's staff to provide more specific recommendations on how the money could be spent. He said what's proposed in his Aug. 1 memo is still subject to change based on public input and council guidance. For the funds intended for pedestrian safety, the city's staff recommends an emphasis on safe routes to school, **Lazarus** wrote in his memo, noting the city already has been working with Ann Arbor Public Schools to coordinate and prioritize projects. "Components of these projects include street lighting, rectangular rapid flashing beacons (RRFBs), programmable electronic speed limit signs, pavement markings, and school zone signage," he wrote. "We would also recommend incorporating neighborhood traffic-calming measures be included as we look at the routes to and from elementary schools. Where appropriate, we would also improve bicycle connections to schools using the returned funds." **Lazarus** said the city's staff is working with the AAPS Transportation Safety Committee to put together a work program.

Lazarus said the city's staff proposes setting aside some funds to cover the cost of the city's water and sewer connection fees for new affordable housing developments. He said the costs can be extensive, depending on the number of units included in a development. "While these fees are appropriate and necessary to preserve the financial health of the utilities, they can also detract from the competitiveness of proposals for federal funds and tax credits," he wrote. "Staff recommends funding be set aside to provide for these connections for future projects." **Lazarus** said some of the funds also could be used to help the city complete an affordable housing master plan. "Staff recommends that funds be set aside and used to develop a detailed statement of work and then solicit proposals to prepare the document," he wrote. Other funds could be used to ensure workforce housing is included in new developments. "As part of new developments, the city looks for the inclusion of workforce housing," **Lazarus** wrote. "Some funding may be set aside for the city to participate in providing units in the desired income range."

As for using some of the money to meet goals of the city's Climate Action Plan, **Lazarus** said the recommendations in this area are framed in the context of the Ann Arbor Climate Proposal. Members of the city's Environmental Commission, Energy Commission and Ann Arbor Climate Partnership last year submitted a 16-page proposal to the city, outlining ways to make progress on the city's climate action goals by funding various programs. With this year's budget, **Lazarus** noted, the council approved \$100,000 to launch a new neighborhood partnership program. He said the city's staff is incorporating a strong environmental component into the initiative, consistent with the "A2 Green Grants" concept outlined in the Climate Proposal. The proposal suggested creating a pot of money so the city could accept applications and provide "green grants" for community-driven projects that enhance and strengthen neighborhoods, including community rain or food gardens, neighborhood emergency preparedness and revitalizing public spaces with native plants.

Lazarus said the city's staff recommends funding the program in future years using about \$250,000 annually from the new countywide tax if it's approved. Other funds, **Lazarus** said, could go toward what's described in the Climate Proposal as "Charge Up Ann Arbor!" "One of the goals under this initiative is the conversion of the city's fleet to include electric vehicles," **Lazarus** wrote, noting the City Council recently provided him a directive on that. "Staff recommends that funding be set aside into a reserve account to provide for the necessary physical improvements to provide for the maintenance and repair of electric vehicles, cover the increased cost of purchase, and to provide for charging stations at city facilities." **Lazarus** noted the Climate Proposal also included three other climate action programs known as Rain Ready Ann Arbor, Energy Smart Ann Arbor, and A2 Solar for All. The Rain Ready proposal calls for "practical and affordable improvements to minimize flood losses for residential properties and neighborhoods." The Energy Smart proposal calls for doing more to reduce energy consumption in residential and commercial buildings, including helping property owners with energy audits and advising them on tax credits and incentives available for energy-efficiency improvements.

The A2 Solar for All proposal includes two components: the group solar purchase program that the city already launched this year to help guide residents through the process of going solar, and creating a community solar program to offer residents, including renters, and businesses the chance to purchase affordable shares in third-party solar arrays for as little as \$300. "Funding for these initiatives could be provided from a single sinking fund with an initial investment of ~\$650,000 over several years," Lazarus wrote in his memo, referring to Rain Ready, Energy Smart and A2 Solar for All. "The management approach for these programs would require additional development." Lazarus said the city's staff also recommends setting aside funds for the city's hydroelectric facilities and dams that are in need of capital repair, as well as several city facilities, including city hall, that are or will be in need of capital replacement of heating and cooling systems. Funds from the new tax, if approved, would enable the city to pursue more energy-efficient systems for city facilities, including the installation of solar systems, Lazarus said.

Ann Arbor News (MI) March 26, 2017

City wants 'firewall' between city police, immigration matters Author: Ryan Stanton

After a meeting this week between some Ann Arbor City Council members and the city's administration, there's clear agreement "there should be a firewall between federal immigration enforcement and our local policing activities," council member Chuck Warpehoski said. Warpehoski, D-5th Ward, made that statement as he gave a public update on the issue at this week's council meeting. He previously announced his intention to bring forward a resolution April 3 to address issues related to city policing and immigration enforcement and to provide expanded protections for immigrants in the community. The resolution is expected to be a companion piece of legislation to an ordinance the City Council is expected to approve April 3. The proposed ordinance, which still awaits final approval following a public hearing April 3, spells out when the city's police officers and other public servants can ask about someone's immigration status.

Warpehoski planned to bring forward the companion resolution at the same meeting, but he indicated March 20 it won't be ready until the council's April 17 meeting. He said he and Council Member Jack Eaton, D-4th Ward, along with Mayor Christopher Taylor, met with City Administrator **Howard Lazarus** and City Attorney Stephen Postema on Monday to discuss the matter. "And there's 90 percent agreement on 90 percent-plus of the issues, but it's going to take us a little bit more time to get through that remaining little bit, so we are now looking at April 17 as our anticipated deadline," he said. "I will say that it's been very positive working with staff on this," Warpehoski added during his public remarks. "There's clear agreement on the sense that there should be a firewall between federal immigration enforcement and our local policing activities, and if the city police were to get entangled with that, it would cause a lot of problems, including an erosion of trust. So the delay is not at all about that general sense of respect for all of our residents and seeking protection for all. It's just working out some of the details."

Ann Arbor officials, who are being lobbied by immigrant rights advocates to respond to President Donald Trump's immigration policies, are planning to make it clear, in case it wasn't already, that the city, while it intends to comply with federal law, isn't going to have the city's police officers or other public servants getting involved in federal immigration enforcement. That's also the position of the city of Ypsilanti and Washtenaw County Sheriff's Office. The proposed ordinance confirming the city generally does not solicit information about immigration status already is the practice of city police, as are other things the council is considering more formally codifying or making official policy.

For instance, **Lazarus** told council members they could support ordinance language clarifying that the city will not enter into any agreement to have local police assist in the enforcement of federal immigration law and the city still would not be violating any federal laws. **Lazarus** said the council also could approve ordinance language confirming Ann Arbor police do not detain

people based on federal immigration detainer requests, because compliance with such requests is voluntary. He said that already is set forth under a council resolution from 2003. City officials said they aren't trying to stop federal immigration enforcement officers from doing their jobs in Ann Arbor. They just don't think the city and its police should be involved in federal immigration enforcement.

Michigan Daily, The: University of Michigan (Ann Arbor, MI) February 15, 2017

Investigation probes potential conflicts of interests in allocation of city contracts Author: Brian Kuang, Ishi Mori, Sophie Sherry

City Administrator Howard Lazarus requested an internal investigation into potential conflicts of interest in the awarding of city contracts, according to emails obtained by the Daily and verified by Lazarus and members of City Council. In an email addressed to City Council and the mayor on Saturday, Lazarus wrote he had requested the city's purchasing department to inquire whether ethics rules were violated in awarding approximately \$1.3 million in city contracts to companies affiliated with seven political appointees to city boards and commissions between 2010 and 2016. Lazarus also wrote this was initiated in response to a concerned email from Ann Arbor resident Patricia Lesko and a formal request from City Councilmember Jack Eaton (D-Ward 4). Eaton confirmed the authenticity of the email obtained by the Daily. The Daily also confirmed these numbers were consistent with City finance records. "I received the e-mail below from Ms. Lesko late yesterday afternoon, and the request from Mr. Eaton this afternoon," Lazarus wrote to the City Council members on Saturday. "Kindly note that I have asked Purchasing staff to inquire into the means by which the contracts with the organizations cited have been awarded. We will also look at the dates of service of the individuals identified with the dates of award. Finally, this provides an opportunity to review and validate our contracting procedures with regard to conflicts of interest." In an email to the Daily on Monday, Lazarus confirmed an internal investigation had been initiated, and it would determine whether any ethics rules were violated. He said the investigation will also review the city's contracting process.

Councilmember Chuck Warpehoski (D–Ward 5) said it would be premature to conclude ethical rules had been violated before the internal review is completed. "On the one hand, we want to take the concern seriously, on the other hand we also don't want to assume malintent until it's been found," Warpehoski said. "(But) I've seen no evidence of impropriety."

Eaton echoed Warpehoski and added that the investigation would provide an opportunity to examine the consistency and oversight of the city's contracting process. "Part of the review Mr. **Lazarus** has requested will be a review of contracting procedures," Eaton wrote in an email to the Daily. "If we find our policies to be deficient, we will take steps to address those deficiencies. Council member (Sumi) Kailasapathy (D–Ward 1) and I are discussing an ordinance that would address the ethical standards for members of boards and commissions." Ann Arbor residents have raised allegations that several prominent members of the Downtown Development Authority, Planning Commission, Local Development Finance Authority and Public Art Commission have been benefitting from approximately \$1.33 million worth of city contracts. According to Lesko, the city's finance records reflect that once certain members were appointed to their respective boards and commissions, the companies they own or work for began obtaining city contracts they had not received prior. Following resident concerns, Lesko began to investigate on the city's website. All the city's vendor contract records are available to

the public through A2OpenBook. Lesko sifted through contracts filed between 2010 and 2016, first looking solely at McWilliams' media agency Q+M, formerly Quack!Media.

Lesko argued there needs to be more oversight on city contracts that involve city-affiliated personnel to prevent conflict-of-interest cases. "What I've said to Mr. **Lazarus** in my email is that they need to do some investigating going back at that case, so that the public knows over the last ten years how much money total in city contracts ... have gone to city board and commission members," Lesko said. "I think every time something comes to City Council where city staff are recommending a former city staff member or a current board or commission member or their employer, Council must be told in public."

Warpehoski noted that, though stringent oversight is necessary, having local business leaders on city boards and commissions can have a positive impact. "I don't think we should have a policy where the only way to serve on a board or commission is to give up your hope of being able to do any business with the city or the DDA or the AAATA," Warpehoski said. "I want our local units of government supporting local businesses. I want local business leaders sharing their expertise of local government and contributing in that way. But I don't think that should give anybody any special treatment."

According to Lesko, just 10 percent of the contracts were above the threshold price of \$25,000 that would have required a City Council vote. City Administrator **Lazarus** has the discretion to award contracts under the \$25,000 threshold. In many cases, the council looks to insight from appropriate boards and commissions for recommendations on contracts. "More frequently, staff will seek input from a board or commission during the development of a statement of work prior to commencement of the formal solicitation process to help define an approach to achieve a City goal," **Lazarus** wrote in an email.

Michigan Daily, The: The University of Michigan (Ann Arbor, MI) February 7, 2017

Residents express frustration with inadequate school safety report

Author: Andrew Hiyama

Several members of the citizen group A2 Safe Transport attended the City Council meeting Monday evening, using the public comments portion of the meeting to urge council members to take more action on pedestrian safety and express their displeasure with a school safety report released last Wednesday. A resolution passed by the council in November directed the city administrator to "evaluate all pedestrian crossing locations near Ann Arbor schools and within 60 days, provide a preliminary report to Council with prioritized recommendations and rough cost estimates." The safety report, released several weeks after the 60-day mark, does not contain any specific evaluations of crossing locations, prioritizations or cost estimates. The only recommendations included in the report concern reduced speed limits in several areas near schools.

City Administrator **Howard Lazarus** attributed the shortcomings of the report to unreleased budgetary figures for the next fiscal year. "In deference to some council members who may point out that the report by itself does not completely satisfy the request from Council, we're still working on some of the budgetary figures," **Lazarus** said. Stephanie Preston, an A2 Safe Transport member, took issue with **Lazarus**'s explanation, however, criticizing the council's delays. "Dr. **Lazarus** said (the report) does not completely satisfy (the request), and I think that's a gross understatement," she said. "The city has enough money. You need to implement some safe crosswalks. It doesn't need another step of study, and process and grants. We don't want any more studies. We want crosswalks to be improved. Please put it in the next budget cycle." **Lazarus** explained part of the process is establishing community expectations he can hold the report to. **Lazarus** said he would be presenting a draft budget to City Council in a work session on Feb. 27.

Following Preston, several other members of A2 Safe Transport echoed her calls for action instead of more plans. Member Judith Hoffman, whose son attends Community High School, pointed out easy ways to take immediate steps toward greater pedestrian safety. "I checked today; there is still no speed limit sign on Division, all the way from Packard to Kingsley, a street where there's a school where kids are crossing the street in the dark," she said. "Please put a sign up that says school zone. It's very simple, not a complicated way to address the problem, at least in the short term. I only hope that we are not here on October 25th of this year talking about how to fix and make school crossings safe." After an Ann Arbor student, Qi-Xuan "Justin" Tang, was killed in October in a collision with a vehicle while crossing the street on his way to school. The installation of streetlights on Fuller Road — the road the collision occurred on — was reprioritized from "second tier" to "first tier" in the November resolution.

Councilmember Chuck Warpehoski (D–Ward 5) said he understood residents' frustration with City Council, but argued residents and city government need to work together for improvement.

"This is why that sense of 'we need a new approach to this' is so important, so that we can have the passion and the commitment to pedestrian safety that's at this meeting and find a way to reason together and work this out rather than shout at each other," he said. "I hear the concerns that the report we received is incomplete. I'm not asking you to tone down the passion or vigorous advocacy, but I am looking for ways that we can, if we have to fight, fight nice, and find ways to work together so we can be on the same work plan to improve safety for everyone." Ann Arbor News (MI) September 21, 2016

City official on sewage spill:We feel we have let the public down Author: Ryan Stanton

Ann Arbor officials still haven't released many details about a mishap that's believed to have sent up to 600,000 gallons of sewage into the Huron River, but they confirmed it was related to construction work being done on Geddes Avenue near the entrance to Gallup Park. "It did occur pursuant to construction that was being done by contract," City Administrator Howard Lazarus said at the City Council's meeting Monday night, describing it as an unfortunate incident. "It is always our intent to be protective of our natural environment," he said. "When something like this occurs, we all feel that we have let the public down in protecting our natural resources, and we will be ever more diligent in making sure that, to the best of our abilities, it does not occur again." A sanitary sewer overflow was discovered in a construction area on Geddes Avenue near the entrance to Gallup Park about 7 a.m.Monday. The city issued a news release about the incident about 5 p.m. Monday, saying the cause of the overflow was determined to be construction debris that had accumulated in a sanitary sewer pipe, blocking flow. It remains unclear exactly how the debris got into the pipe, exactly what work was being done and how the problem was discovered. The City Council voted last year to award a \$6.9 million contract to Midland-based Tri-City Groundbreakers Inc. for the Geddes Avenue reconstruction project. John Schmidt, of Tri-City Groundbreakers, said Tuesday morning he was headed to the site and would provide comment after he had more information following a project meeting. He declined to comment until then. Jennifer Lawson, the city's water quality manager, and Paul Matthews, the city's assistant public works manager, couldn't be reached for comment.

City officials said the blockage was immediately removed and flow was restored Monday. They believe the overflow occurred between 3 p.m. Saturday and 7 a.m. Monday. "It is an unusual occurrence, and we will do everything we can to make sure that all of our contractors and all of our crews comply with all requirements for protection of the environment," **Lazarus** said Monday night. In accordance with regulatory protocols, city staff contacted the Michigan Department of Environmental Quality to report the incident.

The city also suspended Geddes Pond stillwater paddles and Argo-Gallup canoe trips until water test results are obtained. **Lazarus** said central questions in the city's investigation include whether actions to protect the construction site were reasonable and whether it's possible a third party —such as a trespasser on the site or someone driving on the road when it was closed— could have caused the breach in the sewer pipe. **Lazarus** said the city has received a photograph from a resident showing a car on the road and said the city is looking into it. Robert Kellar, a spokesman for the city, said he had no new information to share, but city staff was working on a complete event summary that will be provided to the City Council and made public.

The sewage spill occurred near the railroad embankment where crews are constructing a retaining wall on the north side of Geddes to the east of a nonmotorized pathway entrance to

Gallup Park. The area was treated with white powder lime to neutralize the sewage and accelerate decomposition. **Lazarus** said he believes the sewage reached the river via overland flow. He said the city has collected water samples upstream and downstream from where the overflow occurred, testing for E. coli and other bacteria. He said the test results did show elevated bacterial counts. Until the counts come back down, the city has suspended Geddes Pond stillwater paddles and Argo-Gallup canoe trips.

Michigan Daily, The: University of Michigan (Ann Arbor, MI) September 5, 2016

City begins first steps to launch an independent audit of the Ann Arbor Police Department Author: Brian Kuang

Ten months after the city Human Rights Commission published a 42-page report calling for an independent audit of the Ann Arbor Police Department, the city manager's office has started taking the initial steps toward meeting the HRC's recommendations. The report called for a review of department practices as well as the creation of a civilian-run police oversight board. It was created in wake of a community push for police oversight reform of the the 2014 shooting death of Ann Arbor resident Aura Rosser, a Black woman, by an AAPD officer.

Different recommendations will follow different timelines. In a memo released on Aug. 31, City Manager **Howard Lazarus** released a tentative plan for hiring a police auditor, who would conduct an audit of the AAPD's internal review protocols and communicate the results. Under **Lazarus**'s timetable, the request for contracting an auditor would be written with community input and released by the end of October. The auditor would be contracted by the end of December with City Council approval. Once hired, the auditor will evaluate AAPD community engagement processes through the end of June 2017, with a final report communicated by the end of July 2017 and a follow-up performed in February 2019. However, the other main recommendation — the oversight board — won't start being implemented until August 2017.

Lazarus said in an interview Friday that he chose to delay the implementation of an oversight board until after the completion of the audit to allow for sufficient public input and to ensure transparency. He added that all major stakeholder groups he has communicated with — the HRC, AAPD, National Association for the Advancement of Colored People and the local police union — have all responded favorably to his framework. "I want to make sure there's sufficient time for public discussion, and I want to not be guilty of over-promising and under-delivering," Lazarus said. "This is an important effort, and I don't want to rush through it. I don't want either side to think we just went through the motions to get to a pre-determined outcome." Lazarus also emphasized that public discussions regarding the creation of a civilian review board — which would have the power to independently investigate complaints against the AAPD — will also not begin until August 2017, using the audit's findings as a framework. This decision comes after the HRC and AAPD Chief Jim Baird publicly disagreed during the summer on whether a civilian oversight board is necessary in Ann Arbor.

In a June memo to City Council, Baird expressed reservations that the push for increased police oversight in Ann Arbor was tied to national events as opposed to actual local problems. He suggested that concerns about a lack of transparency in how the AAPD investigates complaints against its officers are overblown. While not outright ruling out support for a civilian oversight board and the HRC's other recommendations of the creation of crisis response teams, Baird urged that no further action be taken until after the completion of an audit. Amid a renewed national outcry over police brutality in July, the HRC put out its own statement calling for the

implementation of a review board to begin independently of the audit of the AAPD. The HRC also noted it was not directly criticizing the AAPD, but rather emphasized the goal of its recommendations is to build police-community trust.

In an email interview, HRC chair Leslie Stambaugh expressed support for the timeline outlined by **Lazarus**. Though she acknowledged some people may be concerned by the long timeframe before the creation of a review board, Stambaugh wrote she was confident this would allow for an effective implementation. "At this point, any timeline might seem too long to some, but the one described here is realistic and promises to be both inclusive and effective," Stambaugh wrote, also noting that her commission intends to be active through the entire process. "I think the fact that this process is designed to be inclusive early on should create a good foundation for implementation down the road and appreciate that the City Administrator made it his priority in the first two months of his administration." Ann Arbor News: Web Edition Articles (MI) July 27, 2016

Fired recycling plant contractor files federal lawsuit against Ann Arbor Author: Ryan Stanton

The private company that operated Ann Arbor's recycling plant for the last several years is suing the city. Resource Recovery Systems LLC and FCR LLC, commonly known as ReCommunity, filed a complaint in federal court on Wednesday, July 27, claiming the city wrongfully terminated its contract. The company claims the city breached its contract, broke promises and unjustly enriched itself at ReCommunity's expense through wrongful actions to escape a contract the city believed was no longer financially advantageous. Additionally, the city's actions put dozens of employees out of work and created additional burdens for city taxpayers, ReCommunity claims. City Attorney Stephen Postema said on Wednesday afternoon he hadn't seen the complaint yet and he has no comment at this time. City officials have said they terminated the longstanding contract with North Carolina-based ReCommunity, which was in the 20th year of a 26-year agreement, because of poor performance and safety concerns, including fires at the plant. ReCommunity was under contract to operate and maintain the city's Materials Recovery Facility, where recyclables are processed, at 4150 Platt Road. ReCommunity had a contract with Ann Arbor to manage the city's recycling facility and transfer station since 1993. The city and the company shared profits from the sale of recyclable materials when revenues exceeded operating costs.

ReCommunity claims the city created an excuse to get out of a contract that was no longer financially advantageous for the city following a downturn in the marketplace for recyclable materials. "In 2014, when the worldwide price of oil began to decline, sales revenues for recyclables also dropped steadily until reaching all-time sustained lows in 2015," ReCommunity stated in a press release issued Wednesday. "The city's recycling contract included a requirement that the city pay ReCommunity when sale revenues fell short of the amount of ReCommunity's cost to operate the site. It also included a requirement for the city to reimburse ReCommunity's costs for the repair and replacement of recycling equipment from a fund that the city knew was insufficient to cover costs of needed repairs." ReCommunity claims the city maximized its profits when market prices were up, receiving nearly \$3 million since 2011, and then refused to pay required shortfall payments and invest in critical equipment when the market was down. When City Council members realized last year the city's costs related to recycling were expected to increase by \$1 million, ReCommunity claims the city decided to engage in efforts aimed at escaping the contract and entering into a new one that provided less financial risk and greater financial reward to the city. "To effect its plan, the city retained a consultant to develop a new contract, continued to default on its payment obligations, refused to invest in critical equipment and initiated a series of inspections designed to find any and all discrepancies to manufacture a basis for terminating the contract," ReCommunity claims. "Due to the shortfall in the repair fund, ReCommunity was forced to spend over \$500,000 in repairs without being reimbursed by the city, including constant work on the old baler which would break down regularly, causing operational issues, employee turnover, and deferred housekeeping." After ignoring or rejecting

numerous proposals from ReCommunity to work together to find solutions, the city started writing "default letters" to finalize its termination plan, ReCommunity claims. "Recognizing a weakness in its initial default notice alleging failure to obtain approval for the third-party recyclables that contributed to the city's revenue share. Ann Arbor then stated that an incurable default existed based on alleged safety violations detected during the daily inspections by the city and its consultants — who were directed to find problems," ReCommunity claims. ReCommunity claims it immediately addressed the alleged safety issues and took steps to reduce third-party volumes coming into the facility. ReCommunity also claims it paid more than \$550,000 for a new baler, relying on city assurances that it would pay a portion of the costs. Instead, ReCommunity claims, on the day that the baler was fully installed and operational at ReCommunity's sole cost, the city completed the final step of its plan and issued a termination letter. As the news of the contract termination was announced at a recent City Council meeting, the council voted to approve spending \$116,507 for the city's share of costs for the baler, estimated to cost \$582,535 in total. The 21-page complaint was filed in U.S. District Court. ReCommunity is being represented by attorneys from Honigman, Miller, Schwartz and Cohn LLP. ReCommunity is seeking to recover all damages associated with the city's actions, claiming to have suffered lost profits and reputation damages. ReCommunity claims it had contracts to process third-party recyclable materials at the plant and that it made \$1.8 million in revenuesharing payments to the city since January 2011 from the sale of third-party recyclables. Due to falling commodity prices, the lawsuit states, revenues per ton recently fell short of the "trigger price" — a threshold of \$54 per ton for revenue sharing — shifting the historic flow of payments from ReCommunity to the city in the opposite direction. Due to that shift, ReCommunity claims Ann Arbor owed \$183,566 to ReCommunity as of July 2016 and has yet to pay.

"As commodity prices continued to fall, the city began alleging safety violations at the plant and criticizing ReCommunity's management in a transparent attempt to manufacture a basis for escaping the contract," the lawsuit states. "As the monthly net negative amounts continued to accrue, the city caused the fire department and various other inspectors to visit the plant, where they reported purported violations, including such inconsequential issues as dirty lights, cardboard on the ground, and trash on the site." On April 21, 2016, owing nearly \$250,000, the city sent ReCommunity a letter citing an alleged breach of contract based on the fact that ReCommunity sourced materials from certain third parties, the lawsuit claims. "Ann Arbor wrongly claimed that it had not approved of these third-party agreements, the tonnages were beyond the plant's capacity, and the materials were causing safety violations and concerns," the lawsuit states. "The city had previously accepted payments from ReCommunity for its share of revenues from these third-party contracts, raising its newfound objections only when faced with its contractual obligations to pay the net negative amounts."

At last week's council meeting, City Administrator **Howard Lazarus** relayed what he characterized as a success story about what's happening right now while operations at the recycling plant are temporarily disrupted. "Since the cancelation of the operator's contract, 100 percent of the recyclables picked up within the city of Ann Arbor have been routing to recycling facilities or stored for routing to recycling facilities for processing," **Lazarus** said. "I know last time I mentioned there may be some material that may temporarily have to go to landfill, but that

did not occur." **Lazarus** said city staff will be bringing resolutions to the City Council for approval on Aug. 4 to confirm emergency purchase orders with Waste Management, Royal Oak Recycling and the Western Washtenaw Recycling Authority related to changes in the city's MRF operations and materials handling. **Lazarus** said the city is working with a consultant called CB&I to develop a new contract that is fair and reasonable and has proper incentives for all parties to ensure materials are properly handled. He said the consultant also will be providing a tip-floor throughput analysis of MRF operations. "Because we believe that the former operator was exceeding plant capacity, and that was the root cause of some of the operational issues," **Lazarus** said.

The City Council approved a \$121,780 contract with CB&I in January for services related to developing a new MRF contract. City officials have acknowledged the marketplace for recyclable materials has changed such that the city desired to reexamine the existing business model and contract structure, stating a desire to optimize the financial impact
Ann Arbor News (MI) July 3, 2016

New city administrator hits the ground running

Author: Ryan Stanton

Ann Arbor's new city administrator is officially on the job, and he's busy getting to know the issues facing the community. That includes challenges related to new development, transportation and housing affordability, just to name a few.

Howard Lazarus, 59, is a retired military man and professional engineer who has worked all across the country. He comes to Ann Arbor by way of Austin, Texas, where he was the public works director for eight years. Even though Austin is significantly larger, **Lazarus** said Ann Arbor and Austin have a lot in common—both being college towns with similar values. **Lazarus** previously worked as the engineering director for Newark, New Jersey, and held jobs in the military and the private sector. From his new office on the third floor of Ann Arbor's City Hall, **Lazarus** serves as the top administrator of a city government with 729 full-time employees and more than \$370 million in annual expenses. His starting base salary is \$215,000.

During an interview Wednesday, **Lazarus** said he's excited to be here. He and his wife are looking to buy a home close to the center of the city so he can walk or bike to work. City Council members say they're impressed with his energy and enthusiasm, and he appears to be hitting the ground running. "I'm really impressed that he's doing ward tours," said Council Member Jane Lumm, an independent from the 2nd Ward. **Lazarus**, who is taking tours of Ann Arbor's five wards with council members from each ward, said there is more development happening and more opportunities for redevelopment than he imagined —downtown and in other areas. He already has toured the Nixon Road corridor, where hundreds of new housing units, including luxury condos and apartments, are planned.

With more growth, **Lazarus** said, comes challenges with mobility, congestion and affordability. He has experience with that from his time in Austin. "Whenever you're looking at new development, it needs to be done in a way that is respectful of what exists. And, you have to make sure that we can marry public investment with private investment so that the impact on the community is not only mitigated, but it's enhanced," he said. "My role as the administrator really is to help facilitate that discussion." **Lazarus** said he sees opportunity for redevelopment of properties in the downtown, including surface parking lots that aren't maximizing their potential. "And then there are areas, older neighborhoods, where homes are being sold and new homes are being built as the old ones are torn down," he said. "You have to be careful about and be concerned about what that does to affordability." **Lazarus** replaces Steve Powers, who left in November after more than four years as Ann Arbor's city administrator. In Austin, **Lazarus** was responsible for a 720-person department that planned, designed and executed a capital improvement program with a value of more than \$2 billion, and an annual operating budget of \$91 million. He also oversaw the maintenance of more than 7,800 lane miles of roadway, inspection and repair of bridges, and the planning and implementation of bicycle, pedestrian and

child safety programs. The Ann Arbor City Council hired **Lazarus** following a national search. He will report directly to the council. In his biography, submitted to the council during the hiring process, **Lazarus** said his hard work in high school earned him an appointment to the U.S. Military Academy at West Point, an experience that has defined his life.

He said he left West Point armed with knowledge of civil engineering and Army leadership training, setting off on a career of service to his nation. He was an active-duty officer with the U.S. Army Corps of Engineers from 1978 to 1992. He met his wife, Carol, during his first assignment at Fort Rucker, Alabama, and they moved around, living in the Washington, D.C.-area, Hawaii, Kansas, Baltimore, back to West Point and Colorado. While still on active duty, he was an associate professor of environmental engineering at West Point from 1987 to 1990. After that, he continued his career with the Army Corps of Engineers as the deputy area engineer in Colorado Springs, and then as operations director at Fort Carson in Colorado.

After the first Gulf War, **Lazarus** took an early retirement option and sought stability for his young family through a change in career. **Lazarus** said leaving active duty remains the hardest decision he ever had to make, but it gave him and his wife the opportunity to provide their two daughters with an exceptional education and childhood. His first job after leaving active duty in 1992 was as a program and project manager for Ebasco Services, an engineering and construction company in the New Jersey power engineering and delivery market. He did contract work for the U.S. Environmental Protection Agency from 1992 to 1996 and has experience with groundwater contamination issues, something Ann Arbor faces with the Gelman dioxane plume.

Using his master's degree in environmental engineering and chemistry from Johns Hopkins University in Baltimore, Maryland, a degree he obtained while still on active duty, **Lazarus** worked on environmental cleanups of abandoned hazardous waste sites and environmental assessments for federal facilities. His career took another turn in 1996, when he received a call asking if he would be interested in becoming Newark's engineering director. Newark was a city in distress, **Lazarus** said, and the engineering department suffered from mismanagement and corruption. Over the next four years, **Lazarus** said, he and his team were able to turn things around. They completed the New Jersey Performing Arts Center, Riverfront Stadium and other high-profile projects. He said they restored the reputation of the department and laid the foundation for expansion of light rail service and construction of Prudential Arena.

In the private sector, he worked to execute a \$312 million public-private development of 2,242 homes on a military reservation in south central Missouri, including affordable housing components. He eventually decided to return to public service, taking a job as Austin's public works director in 2008. By that time, his daughters were in college. **Lazarus** said the eight years he and his wife spent in Austin were exceptional, and he once again had the opportunity to turn around a troubled organization. "The public works department when I got there had some challenges," he said. "It had financial challenges in that its fund balances were all negative. There was a lack of confidence in the leadership. There were ethnic tensions between the Hispanic and African-American workers in our field operations group, and a lot of the engineers

and project managers were demoralized." **Lazarus** said community relations weren't good, either, and there were suspicions whenever the department did anything. "And the department was not well-respected by its peer organizations within the city government," he added. "I think we turned those things around. The department is on good financial footing now." In addition to his duties running the public works department in Austin, **Lazarus** served as an ex-officio member of the city's Planning Commission, Regional Mobility Committee and Construction Advisory Committee. And for most of 2010, he was Austin's interim assistant city manager.

Lazarus said he knows how to prepare budgets, develop personnel programs and policies, engage with neighborhood and trade associations, serve on boards of intergovernmental entities, manage relationships with elected officials, oversee information-technology initiatives, and partner on public-private ventures. **Lazarus** believes Austinites and Ann Arborites share a common trait in that they practice "advanced citizenship" and want to be engaged with their local governments. He said he takes special interest in meeting with different community groups and those relationships have been essential in advancing difficult projects and ensuring awareness of sensitive issues. **Lazarus** said he also understands the importance of town-gown relations in a city such as Ann Arbor, home to the University of Michigan. In Austin, he coordinated infrastructure projects with the University of Texas, including projects to improve bicycle and pedestrian safety near campus, accommodate parking needs for off-campus housing, and realign city streets for a new medical center.

In Newark and Austin, **Lazarus** said he had experience working with union representatives on personnel issues. He said he's aware of the talks of a new Amtrak train station and the proposed Connector light rail system in Ann Arbor. He also has read the Southeast Michigan Regional Transit Authority's plan for expanded regional transit, including Ann Arbor-to-Detroit commuter rail. "I'm excited about the idea of a commuter rail," he said. "I think that serves the public very well." **Lazarus** said he looks forward to implementing the Ann Arbor City Council's policy direction with regard to expanding affordable housing. **Lazarus** said Austin's housing affordability challenges, like in Ann Arbor, are partly a function of supply and demand. "You have 120 people per day moving into the city. You have an annual population growth in excess of 3 percent. There's a shortage of rental properties," he said. "And then the stresses you have, which is similar to Ann Arbor, is you have some very good, traditional neighborhoods within walking distance of a very vibrant downtown, and that's where people want to live ... and it's putting a lot of price pressure on properties."

Ann Arbor is trying to rework its zoning code to better incentivize affordable housing as part of downtown developments, though city leaders are under the impression developers will just choose the option allowing them to pay fees into an affordable housing fund. "The benefit to having affordable units in all development is it gets you away from having large low-income housing projects, which in the past have shown to be problematic and, to be honest, contribute toward inequality in the schools, and it also tends to stigmatize the children," **Lazarus** said. "So, I think nationwide it's been a challenge to have mixed-income developments, but there are opportunities and ways to do it by offering incentives to development and providing affordable

units. The city of Austin recently put some money aside to ensure affordable units within a community are going to remain affordable."

Lazarus said he's looking forward to learning more about Ann Arbor's plans for a new greenway trail through the city, what's known as the Allen Creek Greenway, and ways to improve the existing Border-to-Border Trail. He believes it's important to have a well-connected system of urban trails that can help address traffic congestion and issues of air quality and noise pollution. "In the city of Austin, I was responsible for the urban trails and for implementation of the bike program, as well as the sidewalk program," he said. "We developed an urban trails master plan that I think was pretty leading edge in terms of defining what an urban trail is. Urban trails are important because they not only provide recreational opportunities, but they do provide a means for transportation as well, and it integrates nature into people's everyday lives. He added, "There are a lot of people like me who don't necessarily feel comfortable riding adjacent to traffic, so when you look at trails and bike routes, there ought to be some physical separation, and you can achieve that a number of ways."

Ann Arbor News (MI) May 3, 2016

New administrator salary set at \$215K Author: Ryan Stanton

ANN ARBOR, MI -- The city of Ann Arbor is planning to significantly increase the amount of money it pays its city administrator. The City Council voted unanimously Monday night to approve a contract with **Howard Lazarus**, whom the city plans to hire following a national search. **Lazarus**, the public works director in Austin, Texas, was the City Council's choice for the job following recent interviews with four finalists. The contract approved Monday night calls for paying **Lazarus** a starting base salary of \$215,000. That's \$70,000 more than the starting base salary for Steve Powers, who was hired as city administrator five years ago. Council members acknowledged \$215,000 seems like a lot of money, but they said it takes money to attract top talent.

Powers had a starting base salary of \$145,000 in 2011, and that went up to \$159,500 before he left last November. In his new job as the city manager in Salem, Oregon, Powers had a starting base salary of \$210,000, plus other perks.

The contract approved Monday night is the result of negotiations between **Lazarus** and the city. It provides for \$40,000 in relocation expenses as **Lazarus** makes the move from Texas to Ann Arbor in the coming months. **Lazarus** will start with a bank of 80 hours of paid vacation time and accrue additional paid vacation time at the rate of 160 hours annually. Additionally, **Lazarus** will get four personal leave days per year, and accrue paid sick leave at a rate of 10 days per year. He will receive a monthly cell phone stipend on the same terms as nonunion city employees, and he will have available a city vehicle for official use or will be reimbursed for use of his private vehicle. He will not be eligible for a pension from the city. Instead, the city will make a contribution of 15 percent of his annual salary to a qualified 401(a) plan sponsored by the city, as long as **Lazarus** contributes 7.5 percent.

Lazarus has been the director of public works in Austin since 2008. He also served as acting/interim assistant city manager for Austin for 10 months in 2010, and was the director of engineering for the city of Newark, New Jersey. **Lazarus** earned a master's degree from Johns Hopkins University in Baltimore, Maryland, and an undergraduate degree from the U.S. Military Academy in West Point, New York. In his role as public works director in Austin, **Lazarus** has been responsible for a 720-person department delivering planning, design and execution of a capital improvement program with a value of more than \$2 billion; development and oversight of an annual operating budget of \$91 million; maintenance of more than 7,800 miles of roadway, inspection and repair of bridges; and planning and implementation of bicycle, pedestrian and child safety programs.

Council Member Sabra Briere, who served on the search committee, said sometimes the city has to pay more to attract high-quality candidates. "Earlier this year, after we initiated the search

process, we were told that if we wanted to get the best possible candidates, we needed to consider increasing the salary range," she said. "Some of us remembered how that wasn't a significant issue the last time we went through this and have had to swallow deeply to accept that we're not just the most attractive place in the world to come to and that sometimes we have to pay more to get high-quality candidates."

The City Council established a salary range of \$160,000 to \$175,000 for the city administrator position last fall. The council then decided in February to authorize going above \$175,000 to attract more candidates. Briere said the city learned during the search process that it had several excellent candidates who were already earning above what the city paid. "And if that isn't a wakeup call, it should be," she said, suggesting it's an issue the city might confront as it fills other positions in city hall in the coming years. Briere said the \$215,000 salary takes into account what **Lazarus** is making or would make if he stays in Austin, cost of living differentials, and the increased burden of being city administrator. She encouraged her colleagues to look beyond the salary and accept the opportunity to work with **Lazarus**.

Council Member Jane Lumm, who also served on the search committee, said \$215,000 is not an unreasonable amount. She said it takes into account that Ann Arbor has a higher cost of living, and that's what it takes. Council Member Jack Eaton, D-4th Ward, said **Lazarus** was his first choice among the four finalists so he's pleased with his selection, but he said the contract was "pretty rich" and the price tag took his breath away. "Talent costs money," responded Council Member Chip Smith, D-5th Ward, noting Ann Arbor is competing against some of the biggest cities in the country for talented individuals such as **Lazarus**.

Austin Monitor (TX) November 16, 2015

Austin receives bicycle-friendly city award

Author: Tyler Whitson

The League of American Bicyclists has awarded Austin with a gold "Bicycle Friendly Community" award in recognition of the city's efforts to make bicycling a more accessible transportation option to people of all ages and comfort levels.

The city will hold a press conference this morning at 8:30 a.m. with remarks from Mayor Steve Adler, City Council Mobility Committee Chair Ann Kitchen, Austin Transportation Department Director Rob Spillar and Public Works Department Director **Howard Lazarus**. T

he League of American Bicyclists recognizes 54 cities as bicycle-friendly communities, and the five levels of the award are diamond, platinum, gold, silver and bronze.

Austin Monitor (TX) August 14, 2015

Public Works earns APWA accreditation

Author: Elizabeth Pagano

Austin's Public Works Department has won American Public Works Association accreditation, which recognizes public agencies that go beyond national standards. After working for a year to earn the new status, the department joins 100 other agencies in the country.

In a statement to the press, Public Works Director **Howard Lazarus** said, "Our sincerest gratitude goes to our City Manager, Marc Ott, who supported and encouraged us to pursue this accreditation. This is just one reflection of many in our effort to be the best managed City in America.

We also give thanks to the true heroes of this award – the public works staff – who work hard every day to help make Austin a great city." The APWA accreditation plaque will be formally presented on Aug. 20 at 5:30 p.m. at City Hall.

Austin Monitor (TX) June 18, 2015

Austin City Council, Austin Water Utility, Water Treatment Plant 4 Council to consider settling with WTP 4 contractors

Author: Jo Clifton

After years of public discussion and argument, the city built Water Treatment Plant 4 and it began operating six months ago with little fanfare. There is just one piece of business remaining for completion of the plant and its financing. City Council will consider today whether to settle a claim with the construction manager at risk, MWH Constructors, Inc., and subcontractors Southland/Mole Joint Venture, Laughlin Thyssen, and STR Constructors. Working with a mediator, staff has negotiated a settlement for approximately \$4.6 million over claims for startup costs that MWH says it incurred outside the scope of the contract with the city as well as claims from the three primary subcontractors. If Council approves the settlement, the final cost of the plant will be \$528.1 million, according to Austin Water Utility Assistant Director David Anders. The original Council appropriation for the project was \$508 million in 2007 or 2008, he said. Then in 2012, Council added \$15.5 million for a transmission main, bringing the total to \$523.5 million. Add this \$4.6 million amendment, and the total rises to \$528.1 million.

Howard Lazarus, director of the Public Works Department, told Council in a memo that the \$4,644,753 settlement represents a \$10 million reduction from the claims presented by the prime contractor and subcontractors at the end of the last mediation session. At that point, he said, MWH and the subcontractors were seeking \$14 million beyond the current contract. In his memo, **Lazarus** explained that the settlement is "an opportunity to settle all outstanding disputes on this project." If approved, the utility will sell commercial paper to fund the settlement and the utility's capital budget will be increased by that amount. Anders explained that the city is "financing all of WTP 4, including this additional \$4.6 million, primarily through the issuance of commercial paper as an interim financing mechanism."

That commercial paper will be outstanding for about a year to 18 months, Anders said, and then the city will issue long-term revenue bonds to pay off the paper. At this point, he continued, it is much cheaper for the city to issue the commercial paper than the revenue bonds because the city will only have to pay about one-half percent interest on the paper. All of this financing is part of the utility's long-term debt-financing plan, which is paid for through customers' utility bills. Anders stressed that the commercial paper, because it is so cheap, will have no impact on utility rates. He added that the cost of financing the extra \$4.6 million would be less than \$400,000 a year.

Lazarus reports that since the plant was completed, it has treated and delivered more than 3.8 billion gallons of water "and provided the Austin Water Utility with the ability to draw water from Lake Travis, the deepest and highest quality water source in the Highland Lakes chain. "The plant has achieved all of the design goals, improved responsiveness to an unexpected water system disruption (and) allowed AWU to implement short-term shutdowns of aging

infrastructure assets — such as the Davis Water Plant — in order to perform much-needed repairs and improvements to these facilities." Environmentalists had many objections to WTP4; however, **Lazarus** wrote, "(t)he project was completed in an environmentally sensitive area with no incidents, with an exceptional safety record, and a seamless commissioning and startup process."

http://www.downtownaustin.com/news-article/Lazarus-named-national-top-ten-public-worksleaders-year-list June 3, 2013

Lazarus Named to National Top Ten Public Works Leaders of the Year List

The American Public Works Association named City of Austin Public Works Director **Howard** Lazarus to the group's National Top Ten Public Works Leaders of the Year list.

Lazarus was presented the award and recognized by the City Council in May.

Each Top Ten leader will also be honored during the group's awards ceremony at its 2013 International Public Works Congress & Exposition in Chicago in August.

Congratulations to Howard Lazarus and thank you for all you do for downtown Austin.

Austin American-Statesman (TX) October 23, 2012

Nearly a third of \$1.2 billion from recent Austin bond elections remains unspent Author: Sarah Coppola

The City of Austin has yet to spend nearly a third of the \$1.2 billion in bond money that voters approved in four bond packages over the past 15 years. That means dozens of projects — from swimming pool renovations to street repairs — aren't done. City officials say most of the remaining projects are being designed, are under construction or will break ground soon, and that the city will spend most of the remaining \$356 million in the next three years. The City Council will ask voters in November to OK an additional \$385 million bond package to renovate branch libraries, build a fire station, renovate an arts center and build low-income housing, among other projects. City officials note that bond projects tend to be large and complex, and that many factors can delay them, from having to move utility lines to redesigning features when unforeseen problems crop up. "You can encounter all types of issues when you get deeper into a project," said Mike Trimble, the city's capital planning officer for the past two years. "Our goal is to move forward and make sure bond dollars are spent as intended." Critics say voters should be wary of approving another bond package until the city wraps up more of the prior projects. Laura Pressley, who ran an unsuccessful campaign for City Council this year, said, "If we approve another \$385 million, will it take another 14 years to get those projects done?"

Project timing Cities seek voters' permission to sell bonds to pay for larger projects, such as buying parkland or building police stations. Bond debt is paid with property taxes, so cities usually spread out bond projects over three to eight years so they don't take on the debt all at once. Austin voters OK'd all 15 bond measures in the 1998, 2000, 2006 and 2010 elections. The 2006 bond package was the biggest, at \$567 million. The largest chunk of unspent money is \$86 million from 2006 to design and build a new central library. That project was expected to take several years, and it is on track and on budget, said John Gillum with the library department. Construction will start in fall 2013. About \$23 million was also in the 2006 package to replace the dilapidated downtown municipal court and create a Northeast Austin police station. Staffers asked for \$28 million for those projects, but the amount was whittled down by a citizen task force and the City Council. The city has bought an old Home Depot in Northeast Austin, hoping to retrofit it into the court and police substation, or build both from scratch there. But \$13.4 million in bond money remains, not enough to finish the two projects, Deputy City Manager Michael McDonald said. "The initial staff request was \$28 million, so this was underfunded from Day 1," he said. "We will have to find additional funding elsewhere." Another large slice of money — \$75 million — is left from a 2010 bond package of \$90 million in transportation projects, such as road repairs and bike lanes. City leaders pitched that smaller-than-normal bond package as so-called shovel-ready projects that could be finished quickly. Most of the remaining projects are being designed, built or will break ground in the next two years, Public Works Director Howard Lazarus said. Construction began this summer on a boardwalk along Lady Bird Lake, the most high-profile project in the 2010 measure. The lowest and winning bid to build that project was \$3.3 million higher than expected. Sherri Greenberg, director of the Center for Politics and Governance at the University of Texas, said it is not unusual for a city to have

projects and unspent dollars from previous bond packages, even as far back as a decade. "Bond packages are multiyear and the projects can be divisive or complicated. Maybe the need shifts or you run into a problem or you don't have the money to staff a new building," said Greenberg, who oversaw bond spending as the City of Austin's capital finance manager in the late 1980s.

Other bond money that remains includes: Parks

» \$4.5 million from a 1998 bond package to add amenities at Roy G. Guerrero Colorado River Park and build a hike-and-bike trail along Walnut Creek. The city delayed the Guerrero park project because it didn't have enough staff to adequately maintain the park, said Marty Stump, with Austin's parks department. The amenities — restrooms, a picnic pavilion, trails, parking, a playscape and multipurpose fields — are under construction, he said. The holdups on the Walnut Creek trail were difficulties acquiring easements and disputes with a contractor about the trail's design. The city and contractor parted ways. The trail's south end is under construction.
» \$35 million out of \$85 million is left from a 2006 measure for parks projects. Four remaining projects — a new North Austin recreation center, a new clubhouse at Morris Williams Golf Course and renovations to Conley-Guerrero Senior Activity Center and Pickfair community center — are being built, Stump said. Money is slated to be spent on new playgrounds at Little Stacy Neighborhood Park, Dove Springs District Park and a pocket park on Rainey Street, Stump said. But the city is redesigning those play areas to incorporate ideas from a task force that suggested ways to create more inviting urban parks, he said.

» About \$9 million remains from 2006 to buy new parkland. Two possible deals recently fell through, and the department is looking for other land, Stump said.

» Nearly \$8 million is left from a 2006 measure to design and construct renovations to city pools. The city hired one company to do the specialized work at Deep Eddy, Bartholomew and West Enfield pools, Stump said. But the designs, labor and material costs were higher than expected, he said. For example, parks officials realized Bartholomew's old bathhouse would have to be replaced, not just repaired. So the city has renovated Deep Eddy and will start work at Bartholomew this fall, but it won't have enough money left to revamp West Enfield Pool. It could do that project if the November bond package passes, Stump said.

"The delay is disappointing," said Ken Pfluger of the newly formed group Friends of West Enfield Park. "The pool still functions, but (its shell) is shifting and cracking and will need to be rebuilt in the not-too-distant future."

Road work» \$42 million remains from the 2000 bond package to add new lanes to Todd Lane, Ben White Boulevard and Howard, Rundberg, Davis and Deer lanes. Lazarus said Todd Lane was held up because of problems purchasing rights of way. The city is working with Travis County on Howard Lane and is waiting on the county to start construction, he said. The Rundberg Lane work had to be redesigned because the city had trouble buying land for an extra lane and because some Capital Metro funding fell through. The city ended up doing more environmental studies than expected for Davis and Deer lanes because they are near a nature preserve, he said.

» The city in 2009 sped up plans to reconstruct older streets using \$83 million from the 2006 bond package, partly to save money while construction costs were low during the economic downturn. Reconstruction can include resurfacing roads, upgrading underground utility lines and

replacing sidewalks, curbs and ramps. All but a handful of those 38 projects are finished or under construction, Lazarus said. About \$20 million remains to reconstruct parts of West Eighth Street, Oltorf Street and several streets in the University Hills neighborhood. The Oltorf upgrades are under construction, Lazarus said. The city redesigned the West Eighth Street project to convert part of it to a two-way street and add a center turn lane to improve congestion. Construction on that street will start this month, and the University Hills' work will start next spring, he said.

Drainage » \$37 million is left from a 2006 bond measure for \$95 million in drainage improvements. Such projects can take years because they usually involve several phases engineering, design, permits, construction — and can require approval from other property owners, said Watershed Protection spokeswoman Lynne Lightsey. All of the remaining 2006 projects are being built or will break ground this year or next, she said. The projects include features to stop erosion along Fort Branch Creek, water quality protection projects in the Rosewood area and storm drain upgrades in parts of the Shoal Creek, Williamson Creek, East Bouldin Creek and Lady Bird Lake watersheds. The city delayed \$7.4 million in flood-control projects along Boggy Creek to incorporate new information from city and federal flood-plain studies, Lightsey said. Bond sales The City of Austin sells bonds once a year, usually only for the amount of money it needs to pay for projects that are under way or are about to begin, said deputy chief financial officer Greg Canally. Austin has sold all the bonds from the 1998 and 2000 elections, and most of the bonds from 2006 and 2010, which means Austin taxpayers are paying for that debt even though some projects aren't finished. "It's puzzling that bond proceeds have not been spent from 1998 and 2000," said investment adviser Michael Belsky, who has spent three decades in the municipal bond industry and was mayor of the Chicago suburb of Highland Park for eight years. "But it's not uncommon," he added, for bond projects to have complications that delay them. Since 1998, the portion of Austin's property tax rate that is used to pay off bond debt has decreased, from 21 cents to 12 cents per \$100 of property value. The decrease is mainly because property values have gone up; otherwise, the city would have had to raise the rate to pay off the bonds. The average-value Austin home in 1998 paid \$223 in city taxes for bonds and other debt, while the average-value home in 2012 will pay \$295, according to city and Travis Central Appraisal District data. The 12-cent rate will stay roughly the same over the next six years if the \$385 million bond package passes, because the city will be retiring old debt as it adds the new debt, Canally said. If the bond election fails, that debt tax rate would decrease 2 cents over six years, starting in 2015, when the city has sold all of the remaining bonds from the 2006 and 2010 packages, he said. The city pays the same principal and interest on bonds it has sold, regardless of when projects get under way or whether they're delayed, Canally said. But the city may have lost some of that money's value over time, because — for example — building a facility this year would probably cost more than building it in 2000. A City of Austin financial policy says that the city won't hold a new bond election if it has more than two years of bonds left to sell from previous elections. Under that timeline, Austin shouldn't hold another bond election until 2013. But the policy is only one factor the city considers in timing bond elections, Canally said. Mayor Lee Leffingwell noted that the city can't use the \$356 million in remaining bond money for purposes other than those listed in those elections. So a November bond package is needed to pay for a different set of projects that are worthy and necessary, he said.

Austin Monitor (TX) June 12, 2012

"Cost overruns" for WTP 4 subject of management emails

Author: Michael Kanin

A series of emails between City of Austin management and the director of the Austin Water Utility show the utility knew about potential "cost overruns" with its controversial \$508 million Water Treatment Plant 4 and informed management about them as early as last December news that raises questions from at least one Austin City Council Member about why City Manager Marc Ott didn't know about the situation earlier. On May 23, Assistant City Manager Rudy Garza wrote an email to utility director Greg Meszaros that he "previously briefed (City Manager) Marc (Ott) that we would be coming for a budget amendment." Garza, who recently retired, then pointed to a list of items he discussed with Assistant City Manager Robert Goode as part of a reorganization of city management staff last December. The utility has said that it plans to come before Council for more funding for the plant. The email referenced "amendment in July" dealing with the plant among the items on the list. In Fact Daily obtained the emails via a public information request last week. Meszaros revealed the potential construction cost issues sometime after noon on May 23 at a meeting of the Council's Audit and Finance Committee. He told Council members that, though he still expects the plant to come in close to the \$508 million cost budgeted, a set of issues may force the utility to ask Council for more money. (See In Fact Daily, May 24, 2012.)

Garza's email to Meszaros was sent just before 1pm that same day. It was part of an email exchange between city executives that reveals concern about Meszaros' presentation. The sequence appears to have started with an email city Department of Public Works head **Howard Lazarus** sent at roughly 4:30pm the previous day. On May 22, **Lazarus** sent an email to Ott "at the request of...Goode and in collaboration with...Meszaros." It informed the City Manager of Meszaros' intent to tell Audit and Finance Committee members he planned to ask for "an increase in the MWH contract amount from the current \$359M to \$385.6M." MWH was contracted by the utility to manage construction of the plant.

Ott responded at almost 9pm that evening: "Guys, this is concerning to me," he wrote. "I know it's not a lot of money but I understood that we would not need to go back to Council for additional authorization. **Howard**/Robert, please see me before the committee meeting." City of Austin spokesperson Samantha Park said that this was the first that Ott had heard of the potential budget problem. At 7:30am the next day, a few hours before Meszaros' presentation, Goode responded to Ott: "Rudy told me about this many months ago ... this was evidently projected for quite some time," he wrote. "He told me that bottom line we should be ok, it's really a cash flow issue. Not sure why he didn't talk to you about it."

Meszaros had formally told Goode about the issue in a May 16 email. "Robert, I am working with the WTP4 project team to prepare a transaction to take to Council to increase our MWH construction contract authorization to account for anticipated cost of work, allowances and

contingencies," Meszaros wrote. "Our working estimate is an increase in the MWH agreement from \$359M to \$380.6M. This increase in authorization plus our estimate for soft costs (\$144.7M) brings the total for WTP4 to \$526M. "Embedded in this amount is approximately \$24M in allowances and contingencies," he continued. "We do not anticipate the need to use all of this amount and our expectation is that the final project cost will be near our original \$508M budget."

However, it seems from Garza's email that Goode probably knew about the situation in December. Garza's email further implies that Ott had heard about the budget issues before May 22. Garza announced his retirement in April. His last official day was June 1. Council Member Bill Spelman, who serves on the Council's Audit and Finance Committee, told In Fact Daily that he has seen the emails. He wondered, if Meszaros, Garza and Goode all knew about the issue, then "why the devil didn't the City Manager?" "I am very disappointed that whoever made the call, didn't make the right call," Spelman added, further noting that "keeping it a secret until the last possible moment" was not the best approach. "(We) needed to have a longer conversation about this," Spelman concluded. He further noted that it appears as though "(Meszaros) was prohibited from doing what his good instincts were telling him to do."

Mayor Pro Tem Sheryl Cole continued to express her worry about the situation Monday afternoon. Cole, who chairs the Council's Audit and Finance Committee, noted that the May 23 briefing was the first that Council members had "learned of any potential cost overruns." "This information was highly alarming and we are now intent on identifying opportunities to lower costs in the project to avoid an overrun of the overall project budget," she said in an email. Water utility spokesperson Jason Hill maintains that the plant remains on target. "This is not an overrun," he told In Fact Daily. "We are looking at ways to deal with contingencies and cash flow. At the end of the day, the project is on budget and on time," Hill said. Austin Monitor (TX) March 29, 2010

Audit finds room for "significant" improvement at Code Compliance Author: Michael Kanin

Failure by the city's Code Compliance Department (CCD) to follow its own rules has led to "inconsistent and inequitable treatment across cases," according to an audit released last week. Insufficient documentation, the auditors said, could mean that "CCD may not be able to ... document compliance with requirements established by federal, state and city mandates." They made their report to the Council Audit and Finance Committee. The findings were part of a report from the Office of the City Auditor detailing four broad categories under which it says the department can improve its services. The findings come with seven specific recommendations, all of which have been agreed to by the department's staff. Auditors acknowledged that though CCD had made improvements, much remained to be done." The audit itself stands on what we were presented," City Auditor Kenneth Mory told In Fact Daily. "Obviously there are some issues that need to be addressed and some of them are significant." "We did see a lot of good things in place there," added Assistant City Auditor Corrie Stokes. "But we didn't see a consistency in making sure" that CCD's policies and procedures "were being followed." "These departures from policy undermine (the code compliance department's) mission," according to the report.

Auditors also found problems with the department's response to complaints received by the Solid Waste Services call center. According to the report, a portion of those calls never made it to the CCD or were otherwise not handled properly by call center staff. The audit also singled out the department's data reporting system. That application, used to track property abatement cases, had, according to the report, "limitations ...that impacted data quality and information retrieval." In their last finding, auditors suggested that CCD "should consider using available tools to improve the coverage of code compliance issues." These include offering "tenant and property owner assistance," a more proactive approach to code enforcement that would "(improve) neighborhood quality of life through code enforcement," escalating penalties for repeated non-code-compliance, and a rental inspection program that could "mandate systematic housing inspection" that would target "the neighborhoods and communities that are most at risk for substandard housing."

The audit's seven recommendations included:

§ suggestions for more comprehensive monitoring and training of CCD staff
§ an update of the department's policies and procedures that would specifically mention the importance of "keeping accurate data" and a direction to work with Austin's Office of Communications and Technology Management to find a system that could integrate the IT side of Dangerous Buildings and Housing, Zoning Code Compliance, and Property Abatement case management.

§ directions for a uniform response for "parking in yard" complaints

§ instructions for CCD to work with the city Law Department to determine whether tenant complaints could be passed directly on to the City of Austin Housing Authority; and § a request that CCD work with its assistant city manager, currently **Howard Lazarus**, to establish "a team to evaluate practices in other cities to determine what approaches will be beneficial in Austin ."

Each of these came with a proposed implementation date and the name and phone number of the city official who would be responsible for that corrective phase. Judging by the dates given, CCD seems able to implement changes that would correct much of the auditors' negative findings by the end of the 2010 calendar year.

At the hearing, Council Member Bill Spelman asked CCD Director Willie Rhodes to check in at the next Audit and Finance Committee meeting with a more specific timetable. Rhodes reiterated that his department agreed with the recommendations in the audit. "We've been operating like this for 5-6 years now," he told In Fact Daily via email. "It's logical to take the next step and implement these recommendations." Austin Business Journal July 21, 2008

N.J. engineer tapped as chief of Austin Public Works

The city of Austin has selected **Howard Lazarus**, a longtime professional engineer and former Director of Engineering and Public Works in Newark, N.J., to head up this city's public works department.

Lazarus was most-recently vice president of Shaw Housing Privatization Ventures in Trenton N.J., a Subsidiary of The Shaw Group. He brings more than 25 years of experience in public and private engineering. **Lazarus** replaces acting director Joe Ramos, who will continue as an assistant director and will be assigned special projects. **Lazarus'** first day is August 18.

"Mr. **Lazarus** brings a broad perspective that includes not only oversight, but design and in-thefield experience," says Austin City Manager Marc Ott. "I am confident as we move forward on transportation and capital improvement projects, his background will serve as a catalyst for getting projects moving forward in the most cost-effective manner."

The public works department has 517 employees and an annual budget of \$68 million. The department is responsible for building and maintaining Austin roadways and bridges; traffic signals; street signs and markings; sidewalks and bike facilities. Public Works also provides engineering, construction management and inspection services for city projects.

Star-Ledger, The (Newark, NJ) October 9, 2005

Ex-Newark construction official probed Four days after buying a house, he issued it a CO, records show

Author: Ian T.Shearn

The state Department of Community Affairs is investigating a former Newark construction official who issued a certificate of occupancy for a house he purchased just days before. On Sept. 30, officials with DCA's regulatory affairs division confiscated files from the Newark Building Inspections Department for an 11-house development on Chestnut Street in the Ironbound section. An inspection of the files by The Star-Ledger, before they were confiscated, shows former Construction Official Joseph Giordano bought a three-family house from a development company owned by Jacinto Rodrigues, chairman of Crown Bank and a prominent developer in the city. Records show Giordano, who oversaw inspections and permits for the entire project, purchased the house four days before he issued the certificate of occupancy. E.J. Miranda, a DCA spokesman, confirmed "a review is in process," but declined to elaborate. The DCA's actions came days after The Star-Ledger informed the agency of the sale. DCA guidelines prohibit construction officials and their subordinates from inspecting or taking enforcement actions against any properties in which they have an economic interest. Giordano could not be reached for comment. John Anstiss, the city's current construction official, referred requests for interviews to Mayor Sharpe James' public relations officer, who declined to comment in response to a list of written questions. Rodrigues, in a written response, defended the sale, but declined to answer further questions.

When Rodrigues submitted his proposal for the project in 1999, city Engineering Director **Howard Lazarus** told planning officials the developer had failed to provide documentation from the state Department of Environmental Protection that the former industrial property was not contaminated. "No construction permits will be issued," **Lazarus** wrote in a Sept. 23, 1999, memo to the Central Planning Board, "until this documentation is received."

Joe Seebode, assistant DEP commissioner for site remediation and hazardous waste, said last week the DEP never issued any such documents. DEP records do show that in January 2000 Rodrigues voluntarily entered into a memorandum of agreement with the DEP to address unspecified pollution concerns on the property. Rodrigues promised to conduct an investigation for any on-site pollution and, if necessary, do a cleanup. But he did neither, and three years later - after the houses were already built - DEP rescinded the memorandum of agreement with warnings of enforcement action. DEP has taken no action since terminating the memorandum, Seebode said. City records also show Rodrigues' company - Jac & Jac Enterprises - began building the houses without proper permits. Following a Feb. 28, 2000, inspection, Giordano issued a stop-work order on two houses under construction and ordered Rodrigues to pay fines totaling \$2,000, records show. One of the houses cited was 109 Chestnut, the home Giordano would later purchase. The stop-work order, signed by Giordano, also required Rodrigues to submit soil testing results for the property. There is no record in the file showing the fines were

paid or the soil testing done. In response to a list of written questions, Rodrigues on Tuesday responded by fax that he needed more time to locate files on the project. When asked via fax how much time he needed, he did not respond, nor did he return follow-up phone messages left at his office over the next three days. He did note in his faxed response that Giordano, who bought the house for \$327,500, "paid more than some of the other buyers." (The average sales price for the 10 other houses - most of which sold within months of each other - was \$349,800, according to land records.) Last year, Giordano more than doubled his investment, selling the house for \$660,000. He then bought another house for \$422,000 in Warren Township, Somerset County, where Rodrigues also lives. Why the city wanted soil testing for the property is unclear, but the entire block - like many in the Ironbound - it was once home to various industrial companies. After reviewing files for the property, Seebode said there is nothing to suggest the site is contaminated and, thus, does not warrant any action from the state.

ESSEX COUNTY BOARD OF TAXATION v. CITY OF NEWARK, et al. Annotate this Case

This case can also be found at 340 N.J. Super. 432. NOT FOR PUBLICATION WITHOUT THE APPROVAL OF THE APPELLATE DIVISION

SUPERIOR COURT OF NEW JERSEY APPELLATE DIVISION A-1236-99T2 ESSEX COUNTY BOARD OF TAXATION,

Plaintiff-Respondent/ Cross-Appellant,

v.

CITY OF NEWARK, a municipal corporation of the State of New Jersey; KENNETH A. GIBSON, Mayor of Newark; EARL HARRIS, MICHAEL BOTTONE, ANTHONY GIULIANO, MARIE VILLANI, JAMES ALLEN, ANTHONY CARRINO, HENRY MARTINEZ, DONALD TUCKER, Individually and as members of the Municipal Council of Newark; and FRANK D'ASCENSIO, City Clerk of Newark,

Defendants-Appellants/ Cross-Respondents, and SHARPE JAMES, Mayor of Newark, Defendant-Respondent,See footnote 11 and

JOHN GREXA, Finance Director of Newark and JOSEPH FRISINA, Tax Assessor of Newark, Defendants.

Argued: March 13, 2001 - Decided: May 25, 2001 Before Judges Stern, A. A. Rodr guez and Fall.

On appeal from the Superior Court of New Jersey, Law Division, Essex County, Docket No. ESX-L- 21672-73 P.W.

... The City opposed the Tax Board's application with the affidavit of **Howard S. Lazarus**, Director of Engineering of the City of Newark. **Mr. Lazarus** outlined the efforts taken by the City to complete revisions to the tax map and stated "the City has taken steps by contracting with companies and dedicating certain staff members to work on completion of the tax maps." With one exception, **Mr. Lazarus** further stated, "[i]t is the City's intention to resubmit these maps for review of the required comments [by the Division] and changes on August 15th [, 1998.]"...

[CB&A Note: The remainder of the case can be read here: https://law.justia.com/cases/new-jersey/appellate-division-published/2001/a1236-99-opn.html] Star-Ledger, The (Newark, NJ) March 30, 2000

Newark's engineering chief resigns Lazarus was central in sports-arena effort Author: Nikita Stewart

Howard Lazarus, the city of Newark's engineer and a key administration member in the city's efforts to build a downtown sports complex, resigned yesterday. **Lazarus**, who has headed the engineering department for four years, had just returned this week from a five-day, unpaid suspension for reasons he and Mayor Sharpe James declined to disclose. James issued a statement yesterday: "We have received and accepted the resignation . . . and a search for a new director has commenced. We wish him well in the private sector."

The mayor said **Lazarus**' departure would not impede the city's efforts to build an 18,000-seat arena for the New Jersey Nets and Devils. MaryAnne Adjepong, assistant director of the department, will serve as acting director, James said. As he sat in his fourth-floor office in City Hall, **Lazarus** continued to be evasive. He said he sent a letter to the mayor yesterday. "For personal and professional reasons, I would like to seek employment outside municipal government," said **Lazarus**, 43, reciting the words from his letter.

He denied rumors that he was leaving because of a difference of opinion on the city's push to move the arena plan from Broad and Market streets to closer to Penn Station. He also denied that he did not support the city's push to offer land to the General Services Administration to build an FBI building on the Passaic River waterfront. **Lazarus** said he supports both projects. However, he took a long pause when asked if he had a dispute with Business Administrator JoAnne Watson. "I don't have any malice toward anybody," he said.

He said he was looking forward to spending more time with his family at their Livingston home. As city engineer, **Lazarus** sat on a number of boards, including the Downtown Special Improvement District, the Newark Economic Development Corp. and the state Transportation Planning Authority. The mayor appointed **Lazarus** director in April 1996. At the time, **Lazarus** was an engineer with Foster Wheeler Environmental Corp. He earns \$100,618 a year, according to the proposed 2000 city budget. Star-Ledger, The (Newark, NJ) January 8, 1998

Builders' complaints lead to clerk's possible firing Woman awaits ruling on discipline hearing

Author: Dawn S. Onley

A clerk in a Newark permit office is awaiting the results of a formal disciplinary hearing that could mean the loss of her \$25,000-a-year job in an office troubled by complaints from builders. Jacqueline Cooper, a clerk in the public buildings division, says she's in hot water because she refused to let a builder bypass state Uniform Construction Code procedures to obtain permits. Jack DaSilva, a longtime builder in Newark, says Cooper should be fired because she is rude and unprofessional. Last year, DaSilva's complaints resulted in Cooper's one- day suspension without pay. The latest incident also grew from a complaint by DaSilva on Oct. 9, when the owner of Lucky Realty sent an employee, Joseph Manso, to city hall just before 4 p.m. to pick up a certificate of occupancy. The permit office closes at 3:30 p.m. and Cooper said she politely told Manso, who had entered the office through an employee entrance, that he would have to come back when the office reopened. "I said, 'The office is closed, Sir,' about two or three times. I walked away leaving him there because we've been trained rather than have a confrontation with someone, walk away," Cooper said. Manso's version of events is quite different. He said he was met with malice. "I told her I was just told I could pick up a CO (certificate of occupancy). She said 'I don't care who told you this, this office is closed.' " KisChia Hicks, another clerk in the division, had spoken to Manso earlier that afternoon and made arrangements for him to pick up the permit, according to a letter Hicks sent to her boss, Construction Official Charles Bishop. But when Manso came, Hicks was not around and Cooper said she didn't know about her co-worker's plans. Since that day, things have escalated into what Cooper described as dueling memos between herself and Engineering Director Howard Lazarus, which culminated into a departmental hearing last Tuesday. Cooper - a feisty 48-year-old army veteran - and Bishop sat in the same room with DaSilva, Manso and representatives from the city's law and personnel departments as Lazarus conducted the hearing. Michael James, president of labor union Council 21 was also present. He insists Cooper did nothing wrong. "I hope the director does right by the evidence presented at the hearing and has no disciplinary action taken against Ms. Cooper," James said this week. "She did exactly what she was told to do." Lazarus has 20 days to decide whether to discipline Cooper. "I'm not going comment on an ongoing disciplinary action. It's inappropriate," Lazarus said. The city's public buildings division is not new to controversy. Two years ago, contractors complained to state officials that the division was in disarray, with files regularly misplaced, paperwork lost and long delays in obtaining permits. The state temporarily banned the division from issuing any permits. Last May, Cooper was suspended one day without pay after numerous builders, including DaSilva, stormed into a city council meeting complaining that Cooper was discourteous. Later Lazarus forced division employees to undergo customer service training. Lazarus said yesterday that despite the most recent fracas, the division is much better than when he and Bishop first arrived in 1996. "I think we're making some good strides," he said.

Star-Ledger, The (Newark, NJ) May 22, 1997

Newark allots \$87,000 to complete lead `safe house' Emergency contract replaces departed builder Author: Dawn S. Onley

The Newark City Council approved an \$87,000 emergency contract last night to finish a "safe house" for lead-poisoned children and their families. In a project to remove lead hazards from a five-unit house on Huntington Terrace, R. De Petro Properties Inc. of Brielle was selected to replace JDK Construction and Management Inc. The Union firm hired in July walked away from the project in April because the city was late in payments, said company President Joseph Kohler. The Huntington Terrace property is to be one of two houses in which families of children poisoned by lead would live while their homes are cleared of contamination and hazards. The other safe house, on Lehigh Avenue, is to be completed in early June, municipal officials said. Newark was awarded U.S. Housing and Urban Development grants five years ago totaling \$3 million to lower the city's high lead poisoning rate. The awards were the first grants of their type. While the city struggled to establish the safe houses, the Newark Housing Authority provided vacant public housing units during the past year to serve in their place. Nearly a dozen families have been relocated into the apartment units while their residences were made safe.

Yesterday, HUD spokesman Robert Kaplan said the federal agency is pleased with the progress city officials have made in tackling a cumbersome lead problem in their old housing stock. Meanwhile, the renovations by Kohler at Huntington Terrace over the past year were troubled from the start. Kohler said the units he was hired to renovate were used by drug addicts, and his workers had to clear thousands of empty crack vials and hire security guards. He added the city had no blueprints and made repeated changes during the renovations. At first the project was slated to house four apartment units, then six units, then five, he said. Kohler said it would have been faster and cheaper to have simply built a structure. He complained the city routinely paid him 60 days late, and withheld \$54,000 in payments for work completed.

Newark Engineering Director **Howard Lazarus** said Kohler was paid on time until he walked off the job April 1. He remained off the site for more than seven consecutive days, which constitutes a violation of the contract, added **Lazarus**. He said Kohler was formally terminated on April 10. According to **Lazarus**, Kohler was compensated for any last-minute changes the city requested on the project. "There's no provision in the law to penalize somebody, but we have every right to hold money to cover the work that was not performed," **Lazarus** said. **Lazarus** said Kohler "got himself into a financial bind" when the city asked him to redo damage to the roof and walls caused by a heavy spring rainstorm. "He was made to re-perform, and he didn't get any compensation," **Lazarus** said. "There was a leak in the roof and it caused leakage to the second floor of the building, and he had to do it over."

Star-Ledger, The (Newark, NJ) January 29, 1997

James is in a state of euphoria over his achievements in '96 Author: George E. Jordan and Dawn S. Onley

[CB&A Note: Only the information relevant to Howard S. Lazarus is listed below.]

Police: The city followed through on its promise to hire more police officers. The dismissal of Celester was followed by the promotion of long-time police veteran Joseph Santiago, who immediately ordered the mass transfer of 233 officers to street patrol from specialized units and desk duty. The result has been a marked improvement in police response to emergency 911 calls and a 15 percent drop in major categories of crime - the first decline in Newark in years.

The untold story of the Newark police is maintenance of the fleet of unmarked and marked police cruisers. Newly-appointed Engineering Director **Howard Lazarus** closely monitors repairs, and now an average of 90 percent of the police cruisers are in working condition on a daily basis. Last summer, the number was as low as 65 percent, forcing police officers usually assigned to a car to patrol on foot.

Star-Ledger, The (Newark, NJ) April 26, 1996

Newark mayor appoints new director to clean up human services agency Bureaucratic bungling led to loss of federal funds

[CB&A Note: Only the information relevant to Howard S. Lazarus is listed below.]

James also announced the appointment of **Howard S. Lazarus**, an engineer with Foster Wheeler Environmental Corp., as engineering director.

Lazarus, a graduate of U.S. Military Academy at West Point and Johns Hopkins University, has worked for 16 years coordinating multimillion-dollar projects for the Navy, Army and Environmental Protection Agency.

He said that after a successful career in the private sector, he was looking to use his talents in a city like Newark, with an aging infrastructure, where he believes he can make a difference. "He brings with him all the discipline of the private sector, to make sure our infrastructure projects are done in a cost-efficient manner," James said in an interview.

Lazarus' appointment comes a month after the state Department of Community Affairs temporarily blocked Newark engineers from issuing building code or fire code permits, which idled the construction and home renovation industries. "I'm looking for growth and a chance to do public service engineering," said **Lazarus**.

He joins the city as Newark prepares to spends hundreds of millions of dollars repairing aging storm sewers, building a new fire station at Irving Turner Boulevard and Clinton Avenue, a new police station in the Central Ward and continuing to press forward with a proposal to build a \$300 million light-rail link between downtown and Newark International Airport.

The appointments of Barnett and **Lazarus** require City Council confirmation. James granted Barnett, who lives in Montclair, and **Lazarus**, of Livingston, waivers of the residency requirements for city employees "because of their extraordinary qualifications, the absence of local candidates and their current property financial obligations."

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