

## **Sterling, Andrew**

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**From:** Gary Votes [garyvotes@yahoo.com]  
**Sent:** Wednesday, January 05, 2011 3:34 PM  
**To:** Sterling, Andrew  
**Subject:** DUAB Information

Some ideas that should be presented to the DUAB:

1. If another year of tax cap exemptions would save the city of Gary, it won't work. The city has had two years to bring its house in order and it has failed.
2. Sen Bill 105 has a good chance of passing into law (has support of the Governor) and it should be allowed to go into effect to deal with Gary's financial issues. Let's wait and not give them a 3rd year. (This is a good strategy inasmuch as the Governor's thinking has changed, too).
3. the City of Gary has not complied with the directions of the DUAB in 2009 and 2010.that would have helped it become viable.

Exemptions for 2009 and 2010 have not worked and has only placed a burden on the tax payers.

4. the City of Gary continues to operate in violation of Indiana law as pointed out in the State Board of Accounts report for 2008 and 2009. Until the city complies with state law, they should not be allowed to be exempt from state law (property tax caps).

5. the City of Gary places the welfare of the public at risk in order to achieve its ends.

(A) Mayor Clay halted garbage collection in order to put pressure on the City Council to support the Mayor's trash bill;

(B) 30 Firefighters have been dismissed to put pressure on the DUAB to get its support in having a third year of property tax cap exemptions.

NOTE: We would be taking a position in order to SAVE the city of Gary from itself (Clay administration) and providing an alternative way to do that.

It can be done but it would require a competent emergency manager to examine each city expenditure independently of the political machine.

Richard Barnes, Ph.D.  
Gary, IN

TO: Distressed Unit Appeals Board  
FROM: Richard Barnes, Ph.D.  
RE: City of Gary's Third Request for Property Tax Cap Exemptions  
DATE: Friday, January 7, 2010

### **To Whom It May Concern:**

For the third year in a row, the City of Gary is requesting to be exempted from the state imposed property tax caps that would again result in the good people of the City of Gary being taxed at a rate that is 50 percent higher than any other city in the State of Indiana.

I am writing to you in opposition to their request and I would encourage you to deny their appeal.

In 2009 and again in 2010, the City of Gary has made an appeal for property tax cap exemptions and they were granted by the DUAB. In that time, however, the City of Gary has not improved its management, its accountability, its priorities in spending, or balanced its budget by bringing expenditures in line with revenue.

There is no indication that yet another property tax cap exemptions will improve the fiscal condition of the City of Gary. One could easily argue that if the City administration has not successfully made the necessary changes in two years of increased revenue from property taxes, what indication is there to suggest that a third year would make a difference?

### **Senate Bill 105**

Senator Ed Charbonneau has introduced Senate Bill 105 to address the financial issues of any government entity that has been declared "distressed." This bill, which has the support of the Administration, would allow for a reconstituted DUAB to appoint an "Emergency Manager" to come in and take over the fiduciary responsibility of the a distressed government entity, with statutory powers to cut spending and balance the budget of the distressed entity.

**I support Senate Bill 105  
and the new role for the DUAB as suggested by the proposed legislation.**

The passage and enactment of Senate Bill 105 would save the City of Gary and protect the bond rating of the State of Indiana.

## I. Irregularities in Park Department Budget & Expenditures

There are many good, middle-class citizens of the City of Gary who are concerned about their homes. Their decision to live in Gary is by choice. But they can choose to live elsewhere and will consider leaving if conditions in Gary become so bad as to provide a "Push" and other conditions, such as the cost of living and the cost of property taxes elsewhere, provide a "Pull." It is my hope that the conditions in Gary can be improved and having realistic and equitable property taxes are two of those conditions.

In examining a review of the budget for the City of Gary, I have noticed several anomalies that are in need of explanation, among which include:

City of Gary 2010 Salary Budget					
Fund: 250-Parks					
Dept: 253 Park Department (p. 39)					
		2009 Salary BUDGET		2010 Salary BUDGET	
		Unit Salary	Total Salaries	Unit Salary	Total Salaries
Aquatics Director	1	34,906	34,906	34,906,	34,906
Head Pool Guard	1	5,043	5,043	5,043	5,043
Pool Guard 3 <sup>rd</sup> Year	8	3,257	26,165	3,257	26,165
Pool Guard 2 <sup>nd</sup> Year	3	3,152	9,456	3,152	9,456
Pool Guard 1 <sup>st</sup> Year	5	2,354	11,770	2,354	<u>11,770</u>
					<b>\$ 87,340</b>

The issue here is two fold. First, dealing with the Aquatics Director and the city swimming pools: no changes or budget cuts have been made between the 2009 and 2010 Salary Budget.

**The City of Gary does not have an Aquatics Director!  
and  
the City of Gary has closed its swimming pools!**

## II. Parking Revenue and Justification for Attendants Jobs

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### City of Gary 2010 Salary Budget

Fund: 250-Parks

Dept: 253 Park Department (p. 39)

		2009 Salary BUDGET		2010 Salary BUDGET	
		Unit Salary	Total Salaries	Unit Salary	Total Salaries
Parking Lot Attendant	5	4,728	23,640	4,728	23,640

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Second, there are five part-time "Parking Lot Attendants" who are paid \$23,640 to collect parking fees at Marquette Park and at Lake Street Beach during the summer months.

I personally set out to determine the exact amount of parking revenue received by the Park Department and the City of Gary in order to evaluate the practice of charging the public for parking at Marquette Park and Lake Street Beach. The thinking was that if receipts for parking are less than the \$23,640 paid to hire parking attendants, it would stand to reason that the City of Gary and the people who visit the parks would be better off if the parking was free.

### Questions as to how Fees are handled

In 2008 and again in 2009, the State Board of Accounts expressed concern as to how the City of Gary handled parking receipts. The audit has pointed out that

#### PARK DEPARTMENT UNTIMELY DEPOSITS

Collections were not always deposited daily as required. Gleason Golf Course collections for green fees and driving range fees were deposited between four and seven days after the receipt date.

Marquette Park Pavilion receipts were deposited up to six days after the receipt date. In addition, deposit information from Marquette Park receipts was not remitted to the City Controller for up to twenty days. IC 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds . . ."

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

## PARK DEPARTMENT INTERNAL CONTROLS

Prenumbered tickets are used as the receipt for parking. These tickets are not issued in numerical order; therefore, we could not verify the accountability of parking revenue.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payors. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Also, visitors and residents in 2010 complained that they were not given proper receipts when charged for park entry. At Lake Street Beach, boaters were charged "the new rate" of \$17 to launch their boat and park their car but given printed receipts for \$10, the old rate charged in 2009. When asked about this, parking attendants said they did not have the new receipts for the new rate of \$17 and had to use "last year's receipts."

### Difficulty getting Information from the City of Gary

December 7, 2010

Several calls were made to the Gary Park Department in a personal request for parking receipt data. I attended the December 7, 2010 Gary Park Board meeting and afterward left a written request for Anissa Smith for information on parking lot receipts. There was no response.

December 10, 2010

Three days later, I called the Park Department requesting the information and was told that Anissa Smith was not in the office. The woman told me that I would have to send a written request to the Law Office, City of Gary, City Hall, and attention, Carl Jones.

December 10, 2010

The letter went out that afternoon. Two weeks passed and I did not hear anything from Mr. Jones or the Law Office.

December 22, 2010

I called and spoke with the receptionist who said she remembered the letter and it was referred to the appropriate office.

When I asked "what appropriate office?" she told me that she didn't have that information in front of her but that someone would call me.

December 28, 2010

A week later, I again called the Law Office and was told that the request had been forwarded to the "appropriate office." When asked "what appropriate office?" I was again told that the information was not in front of her and she could not tell me.

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Email Note:

Tue, December 28, 2010 1:12:17 PM

**Subject:** Getting Parking Receipt Information from the City of Gary

Update on my request for parking revenue from Marquette Park / Lake Street Beach...

I was instructed by employees of the Gary Park Department, that if I wanted to know parking receipts for 2010 at Marquette Park / Lake Street Beach, I would have to send a written request to Carl Jones, Law Department, City Hall.

This morning (December 28th) I called the Law Department and asked to speak with Carl Jones. He was on the other line. I spoke with the secretary and told her the reason for my call and that I had sent a written request for the information.

Again I was told "I remember seeing that letter and it has been forwarded to the appropriate department."

"Which department?" I asked.

"I don't have that on the desk in front of me. But it takes seven to 10 days to get a response," she replied.

"It has already been more than seven days," I noted.

"Well with the holidays and everyone doing their reports for the State Board of Accounts, we have all been real busy," she added.

I told her that I needed the information as soon as possible and would appreciate having it when available.

"Well it will be ten-cents a page for copying," she said.

I told her all I was interested in was summary data, not day to day receipts, and that she could email it to me.

"I will let you all know if and when the information is received." Severtson said.

Richard Barnes

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December 29, 2010

Email Note:

Good morning,

This morning (Dec 29th) I called the Law Department again, requesting information on parking receipts for Marquette Park and Lake Street beach for 2010.

A woman named Kenja answered the phone. Carl Jones was in a meeting. Susan Clay (any relative?) got

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Richard Barnes, Ph.D.

Gary, Indiana

January 7, 2011

on the line and said it had been referred to "the appropriate department". When I asked again (same as yesterday) which "appropriate department"? she said she did not have the information in front of her.

I asked her to call back with the information and left my name and phone number.

I'll keep you posted.

Richard Barnes

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December 30, 2010

Email Note:

Greetings,

Another update... (12/30/10 - 10:40 a.m.)

This morning I again called the Law Department of the City of Gary, as directed by the Park Department, to find out how much money was received by the City for public paid parking at Marquette Park and Lake Street Beach.

This morning when I called, I introduced myself to the clerk and was given over to Susan Severtson, corporate council for the City of Gary. I asked to speak to Carl Jones, the person to whom I had sent the written request for the information but Ms. Severtson told me that he "was on vacation."

She told me that Karon Jones, the head of the Parks Department, was also on vacation and that she would speak to Ms. A. Smith at the Park Department to get the information.

"I left Ms. Smith a written request for the information following the December Park Board meeting," I reported, and she is the one who told me that I would have to submit a request in writing to the Law Department."

Severtson told me, "As soon as I have the information you can come in and review them."

I told her I did not need day-by-day figures but summary data...

Severtson said, "The law states that we make them available, it does not say we have to compile the data."

She said she thought she might have the information after January 7th.

I requested the information to see if the receipts exceeded the cost of hiring and staffing the park attendants. If the receipts were less than the actual costs, it might suggest that the public parking be free and that this is not a revenue stream for the city of Gary.

Richard Barnes  
Gary, IN

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Today (January 5, 2011) I received an email from City Councilwoman Marilyn Krusas:  
Email Note:

Good Morning, Richard,

Yes, I just received the information co-mingled with other revenue info. for Marquette Pk. They used to keep parking revenues in a separate account, but now it is all placed in one account. I told Eric that I would separate the figures this weekend.

I also spoke w/Anissa Smith at the Park Department. I wanted to get the info. from her to check against deposits. **She explained that she could not release the information, all requests are to be sent to the Controller.** (emphasis mine: RB) She did say that she checks the Controller's records against her own. I asked her to recheck what I pull off the Controller's information for me, which she stated that she would do.

It would be terrific if budget information was available in real time on line; however, that is not the case. In fact, I am still trying to receive summaries by sub-account #s; one would think that I speak a foreign language.

It is sometimes difficult to receive information from the City, for a variety of reasons; however, it often helps to copy me on a written request and send me a reminder or call my cell if you are not receiving what you request.

Thank you, Marilyn

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### III. Marquette Park Pavilion also losing money...

The Marquette Park Pavilion, the crown jewel of the city park, was also losing money during 2010 but income and expense figures and the manner in which they were reported, partially through the Park Department and partially through General Services, cloud any visual assessment of the actual situation. It is only looking at the combined data scattered throughout the budget that the information would show that the Marquette Park Pavilion is not making money and actually shows a loss.

#### Marquette Park

Annual Financial Report - City of Gary, Indiana

State Board of Accounts

	2008	2009	Difference	Percent
<b>Receipts</b>				
Charges for Services	\$101,843	\$96,165	(\$5,678)	(-5.6%)
Other	\$125	\$1,748	(\$1,623)	(\$1,623)
<b>TOTAL RECEIPTS</b>	<b>\$101,968</b>	<b>\$97,913</b>	<b>(\$4,055)</b>	<b>(-4.0%)</b>
<b>Disbursements</b>				
Culture & Recreation	\$138,485	\$91,282	(\$47,203)	(-34.1%)
Public Safety	\$0	\$16,283	(\$16,283)	
Capital Outlay	\$112			
<b>TOTAL DISBURSEMENTS</b>	<b>\$138,597</b>	<b>\$107,565</b>	<b>(\$31,032)</b>	<b>(-22.4%)</b>
Excess (deficiency) of receipts over disbursements:	-\$36,629	-\$9,652	(\$26,977)	(-73.6%)
Cash Investment Fund Balance - Beginning	\$48,625	\$11,996	(\$36,629)	(-75.3%)
Cash Investment Fund Balance - Ending	\$11,996	\$2,344	(\$9,652)	(-80.5%)
<b>TOTAL CASH &amp; INVESTMENT FUND BALANCE - ENDING</b>	<b>\$11,996</b>	<b>\$2,344</b>	<b>(\$9,652)</b>	<b>(-80.5%)</b>

*Not known if "Charges for Services" is rental, parking, food, etc*

This report would show a deficiency (excess) of \$9,652 and that the balance of the obligation (\$9,652) was brought in from the Cash Investment Fund.

Additionally, however, the City of Gary Salary Budget shows:

**City of Gary 2010 Salary Budget**

Fund: 250-Parks

Dept: 253 Park Department (p. 39)

	2009 Salary BUDGET		2010 Salary BUDGET	
	Unit Salary	Total Salaries	Unit Salary	Total Salaries
Marquette Manager	46,331	46,331	40,000	40,000

**City of Gary 2010 Salary Budget**

FUND: 101-GENERAL

DEPT: 220-GENERAL SERVICES (p19)

	2009 Salary BUDGET		2010 Salary BUDGET	
	Unit Salary	Total Salaries	Unit Salary	Total Salaries
MAINTENANCE II(Marquette Park)	26,667	26,667	26,667	26,667
MAINTENANCE II(Marquette Park)	26,667	26,667	26,667	26,667
CUSTODIAN-MARQUETTE)	20,592	20,592	20,592	20,592
CUSTODIAN(MARQUETTE)	20,592	20,592	20,592	20,592
<b>TOTAL SALARIES:</b>			<b>\$134,518</b>	

This total for salaries related to Marquette Park Pavilion exceeds income. It should be noted that budget variables at Marquette Park need greater classification on both the income and expenditure descriptors.

## SUMMARY

This initial request for the Distressed Unit Appeals Board is to deny the City of Gary their third successive request for exemption from state mandated property tax caps of 1%.

I would argue that the DUAB now has a course of action available to it that it did not have in 2009 and 2010: Senate Bill 105.

It would be prudent and responsible for the DUAB to wait until the outcome of Senate Bill 105 is known before granting Gary's request for yet another exemption. I believe if it passes with a 2/3rds vote in both the Senate and House, it could have an emergency provision amended into the bill. The new law could take effect as soon as the Governor signs it.

Second, in the previous two years in which the DUAB granted Gary the exemption, there has been no change in the style and transparency of management that would show that things are now different, getting better and that the city can survive this economic crisis.

Third, a simple overview of the proposed city budget for 2010 raises questions about its validity and reliability. Departmental expenditures have been moved, concealed in a shell-game to mislead anyone trying to make sense of the city's budget.

The appointment of an Emergency Manager to take over the financial operation of the City of Gary under the provision of pending Senate Bill 105, is needed in order to create and maintain a city budget based on realistic revenues and accurate and complete financial records. Until such time as that is done, the City of Gary will continue to flounder.

I have demonstrated the difficulty in securing simple parking receipts from the city Park Department. Either the records do not exist or they do not want them made public. In any event, the action of the city has been to violate the Sunshine law, which allows the public access to any public information.

Respectfully submitted,

*Richard Barnes*

Richard Barnes, Ph.D.  
Gary, Indiana

## **Sterling, Andrew**

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**From:** Frencey Wilson [frencey@live.com]  
**Sent:** Wednesday, January 05, 2011 5:32 PM  
**To:** Sterling, Andrew  
**Subject:** Property Taxes/DAUB

Dear Sirs and Mams,

Please do not allow the people in Gary to suffer another tax burden. I beg that you do not give the City of Gary another reprieve. A reprieve will not help the City of Gary. The City of Gary management should develop more fiscal accountability and stop being so wasteful. In this economy, all people and most groups have had to tighten their belts and make better use of what is available. The powers that are responsible for managing the City of Gary should be no different.

The misuse of public funds is sometimes so obvious in our City. Why did Jerry Haymon receive \$75,000 to remodel a Glen Park residence? How does that \$75,000 investment promote the interests and overall wellbeing of the citizens of Gary? The City Council wants a raise for itself while Firefighters are laid off. Needless to say, giving \$75,000 to the Firefighters instead of to Jerry Haymon would certainly promote the interests and overall wellbeing of the citizens. Does it not seem a better use of funds would be to keep Firefighters working instead of paying the City Council more?

Why are public vehicles provided to the Deputy Mayor and the City Clerk when ambulances and fire trucks are raggedy with one headlight and missing tail lights? Why are citizens of Gary footing the bill for Clarence Hightower to drive a city car to Merrillville? Why are these greedy people not buying their own gas and insurance along with license plates since they do drive FREE cars?

Other areas of fiscal mismanagement and violation of public trust can be identified in the GSD office as well as the Animal enforcement division. There have been no envelopes in the drop box access in front of the GSD office for months. This is so tacky. The staff removes the payment deposits. But not a person will put envelopes in the access. Animal enforcement vehicle #534 sits often in the 700 block of Harrison St. The driver of this vehicle could not help but see the carcasses of smashed animals on 7th Avenue between Madison and Jackson St. A similar dead animal was noted on Harrison St. between 1300 and 1100.

My point is merely that a person working in Animal enforcement drives these areas on a daily basis, parks an Animal enforcement vehicle in the neighborhood,

yet will do nothing to remove the carcasses. This is just the tip of the iceberg. It may be true that these are all minor infractions to some, but added together with regular repetitions, these little things do assume the pearl in the oyster syndrome and are not minor at all. These things drain the economic base and are a misuse of public funds.

So please do not allow the City of Gary to once again get another opportunity to misuse more funds. Please allow the City to learn how to work with what is available as Mary Elgin, Calumet Township Trustee was able to do. She declined an appeal. The City of Gary should do the same. Thank you, F. Wilson

Mr. Chris Ruhl, Chairman, and Board of Directors  
Office of Management and Budget  
1 N. Capitol, Suite 900  
Indianapolis, Indiana 46204

Dear Attorney Ruhl, and Board of Directors:

In regards to the City of Gary petitioning the DUAB for relief under IC 6-1,1-20.3-8B2. Please find attached why I am opposed to the DUAB giving any more money to the City of Gary Administration. I have several concerns of mismanagement in some of the leadership.

I am currently a Business Owner in the City of Gary, with my principal place of Business in Gary. I have been in business for 12 years, and my family has owned businesses in the City of Gary for over 70 years. I am also a Gary Resident, born and raised in the City of Gary, grew up in the school system of Gary, and lived here most of my life. I pay taxes on my resident, and pay business taxes.

My concerns are the City of Gary leadership in not following the Fiscal Monitors Report on the Health Insurance for employee. Last year my firm saved the City of Gary, \$641,000.00, in less premiums by changing the HMO coverage from Aetna to Anthem. It is my belief the City has enumeration of unfair methods of competition, and deceptive acts and practices from the Human Resources leadership, as well as Fiancé Director, and Mayor. Each department has been notified, and nothing was corrected on compliance issues.

Instead the city has entered into agreements for professional services with a Highland based company of \$150,000 thousand dollar contract, that was not shopped out for competitive bids. My Gary Business, was denied to be able to quote the PPO insurance, dental insurance, life insurance, etc. This Third party administrator who is also the agent on other products of insurance.

I have been further advised this TPA has paid claims late which has caused several employees credit harm on there credit ratings. I believe that Gary leadership further committed unfair competition to monopoly all benefits in the business of Insurance, and not seek RFP's to lower the costs of insurance. This piece of the budget is currently 7,400,000. Million dollars, Plus additional 25 percent of employees costs. The Professional Service Contract is a Highland based company, and his contract reads to supervise all insurance in the City of Gary. Again, Not a Gary Business.

This is monopolizing the insurance products. It further took the City over 3 weeks to produce only part of my requests for contracts awarded. I will not be treated this way from any leadership that my tax dollars are funded to pay their salaries and lack of competence. This year the City of Gary allowed another Illinois based company, who is the Broker/Consultant on the Dental insurance per Human Resource Director, be the only business to shop out the insurance, as a consultant. No Gary based business was allowed to shop the PPO, or Request for Proposal on insurance benefits. Please take the time to review Fiscal Monitor Report for Employee Insurance. Please read this report on pages 32 to 36 of the 250+ Report. My Insurance Agency, called Quality Insurance Providers, Inc., is certified with the State of Indiana in the Minority Division WBE.

The City officials do not follow their own ordinances, 6972 promotion of Gary Business, is proven that City of Gary officials further goal was to not use any Gary Business, or resident in the City. I feel these officials should be fired for not following there own ordinance as the Ordinance 6972 reads.

I personally and professional feel violated on the behavior of this administration, on monopolizing the employee benefits. The HMO watch report show the claims were 25 % less than premiums, this would reflect a 25 percent profit margin that is profiting over a million dollars less administration fees, and the Human Resource Director did

not want to properly negotiate to bring the price down, and save tax payers dollars. She further cut off all negotiations one month prior, when I wanted our account representative of Anthem to wait and see how claims Vs premiums were before justifying any rate increase, and try to lower the premiums. The big concern is the Human Resource Department sent out insurance cards to all HMO covered employees. The Human Resource Department enrolled employees into a new plan, PPO with out applications on the employees! Effective 1-1-2011. Without applications can they be covered?

The DUAB PMR advised to change the benefits to save money, again this was not done because of the city leadership. They continued to request a 0 deductible for employees, and then put them forced them into PPO plan when they had HMO benefits. The union contract language states employees can pick from a HMO or a PPO.

I feel totally discriminated against from my own city, and from the lack of leadership currently in place.

I feel the City of Gary needs a compliance officer from the State of Indiana or Federal officer to monitor the City's Contracts in this administration so contracts are not given out corruptly.

The Distress Unit Boards recommendations have not been followed on the insurance piece. Last year the TPA was lots higher than the HMO, and the city of Gary did not drop this coverage from a highland based firm.

IC 27-4-1-3 prohibited use of unfair methods of competition and deceptive acts or practices in the business of insurance is prohibited.

I am asking the board to please not raise our taxes, and to recommend to the proper authority to have a monitoring system in place for all contracts to be fair and competitive and follow the laws of the State of Indiana, federal laws and ordinances, which can help Gary Business grow, and Gary Residents to be employed to pay their taxes.

I Pray that you do not Tax the citizens more, and put a compliance officer in place to monitor our city's contracts and spending.

Sincerely,

Lita Filippo

Gary Business Owner, Gary Resident, and Gary Tax Payor

**FACTS:**

I HAVE BEEN THE HMO PROVIDER IN THE CITY OF GARY FOR 10 YEARS (WAS NEVER ALLOWED TO BID ON ANYTHING ELSE)

MY BUSINESS LAST YEAR SAVED THE CITY OF GARY \$641,000.00 AS REPORTED IN THE DUAB REPORT.

THE CITY LEADERSHIP DID NOT CHANGE ANY PLAN DESIGN TO DRIVE THE PRICE DOWN, OR HAVE THEM USE THE CURRENT CLAIMS EXPERIENCE TO PROVIDED A LESSOR PRICE. THEY JUST WANTED TO FORCE PEOPLE INTO THE PROFESSIONAL CLAIMS MANAGEMENT ACCOUNT.

MY PRINCIPLE PLACE OF BUSINESS IN GARY, INDIANA

MY RESIDENT IS GARY, INDIANA

I AM A TAX PAYER IN THE CITY OF GARY FOR BOTH BUSINESS AND RESIDENT

THE CITY SHOULD: INCREASE ECONOMIC DEVELOPMENT WITH USING GARY BUSINESS AND GARY RESIDENTS 1ST

ORDIANCE 6972 NOT FOLLOWED

ALLOW INSURANCE TO BE SELF FUNDED BY SUPPLIERS WHO MANDATE THAT THE BILL IS PAID.

EMPLOYEE'S PORTION PAID

CHANGE THE PLAN DESIGN AND NOT HAVE 0 DEDUCTIBLE

FOLLOW THE RECOMMENDATION OF THE DISTRESS UNIT BOARD

COMPETITION WILL DRIVE THE INSURANCE PRICE DOWN, AND HAVE SUPPLIERS BE COMPETITIVE

I WAS LOCKED OUT OF HE BID PROCESS, AND BROKER FROM ILL, WHO IS CONSULTANT AND BROKER WAS GIVEN THE BUSINESS TO BE THE ONLY ONE THAT CAN QUOTE IT.

LETTER FROM NEGOTIATION ON MEDICAL PLANS SHOW THAT THE MANAGEMENT DOES NOT PAY THE CLAIMS.

STOP DISCRIMINATING AGAINST LOCAL GARY BUSINESS

**SOLUTIONS:**

- 1. COMPLIANCE OFFICER FOR ALL CONTRACTS
- 2. RFP FOR ALL MEDICAL, DENTAL, VISION, INSURANCE
- 3. ELIMINATE DEPARTMENT HEADS WHO DO NOT FOLLOW COMPLIANCE AS THE ORDINANCE STATES 6872

**THE CITY NEEDS A COMPLIANCE DIVISION**

- 1. CITY OF GARY BUSINESS PROMOTION ORDINANCE
- 2. MINORITY BUSINESS ENTERPRISE/WOMEN BUSINESS ENTERPRISE PROGRAM REQUIREMENTS
- 3. BUY INDIANA COMPLIANCE GUIDELINES
- 4. BUY NORTHWEST INDIANA COMPLIANCE GUIDELINES
- 5. COMPLIANCE OVER THE MISMANAGEMENT OF FUNDS DEPARTMENT

OUR WATCH REPORT FOR THE HMO, CURRENT HAS 505 POLICE AND FIREMAN ON IT. EMPLOYEE LEFT THIS PLAN BECAUSE OF SLOW PAYING, WRECKING PEOPLES CREDIT RATING.

THE INSURANCE WATCH FOR 11 MONTHS SHOWED, REPORT FROM ANTHEM SHOWED EARNED INCOME 4,126,276. AND CLAIMS WERE 3,007,552. DIFFERENCE IS OVER A MILLION DOLLARS IN PROFIT LESS ADMINISTRATION FEES. IF NEGOTIATED PROPERLY THE BUSINESS WAS DOING GOOD. ANTHEM DID NOT WANT TO LOSE THE CITY'S BUSINESS.

WITH 1 MILLION IN PROFIT TO ANTHEM, THIS INSURANCE COULD HAVE BEEN NEGATED DOWN. THE CITY'S LEADERSHIP DID NOT WANT THIS.

ISSUANCE OF AN RFP FOR INSURANCE, ON STATE OF INDIANA COMPANIES, WITH COMPLIANCE LAWS, AS PROVIDED IN 2000. THIS SHOULD BE PUT OUT FOR BID AS RFP THAT HAPPENED IN 2000

PENDING ORDINANCE 2005 97-116  
 ORDINANCE NO. 6972  
 AS AMENDED 1-20-98  
 CERTIFICATION DATE \_\_\_\_\_  
 CERTIFIED BY \_\_\_\_\_  
 FAVORABLY \_\_\_\_\_  
 UNFAVORABLY \_\_\_\_\_

AN ORDINANCE TO ADD A NEW CHAPTER TO TITLE  
OF THE MUNICIPAL CODE  
PROMOTING AND ENCOURAGING GARY BUSINESS ENTREPRENEURSHIP

BE IT ORDAINED by the Common Council of the City of Gary, Indiana, as follows:

Section 1. New Chapter

There is hereby added to Title \_\_\_\_\_ of the Municipal Code of the City of Gary, Indiana, a new chapter, number \_\_\_\_\_ and entitled City of Gary Business Entrepreneurship Promotional Program (BEPP) which chapter is as follows:

Section 2. Title

This Ordinance shall be known as and may be cited as the "City of Gary Business Promotion Ordinance".

Section 3. Purpose

It is the public policy of the City of Gary to foster, promote, and encourage Gary business entrepreneurship and to promote local employment and full participation of all Gary citizens, partnerships, companies and corporations in the City's economy through a positive and continuing program within each Department, Division, Agency and Component of the City's government. This policy of promoting Gary businesses shall apply to every contractor, subcontractor or bidder holding or seeking a public contract with the City of Gary as well as to all procurement, bid-letting and/or purchasing activities of the City of Gary for the purchase of goods and services. This policy is also aimed at encouraging the establishment of Gary business enterprise and work-force make-up goals; incremental bonding procedures and other appropriate strategies designed to assist in the expansion of Gary businesses, the enhancement of the City's economic base and the increase of employment opportunities within the City of Gary.

Section 4. Definitions

- a. City of Gary - City of Gary, a municipal corporation located in the County of Lake, State of Indiana.
- b. Business Entrepreneurship - Commercial activity, employment, occupation or profession engaged in for gain, benefit, profit, advantage or livelihood.
- c. Gary Business - Shall mean that for the term of the contract:
  - 1. In the case of a sole proprietorship, the person's principal place of business and residence are located in the City of

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- k. Professional Contract - Any public contract or proposal for professional services, including but not limited to Legal Services; Architectural Services; Engineering Services; Planning Services; Consulting Services and others, where taking of bids is not required and which is done in accordance with the law.
- l. Qualified Gary Citizen - a resident of the City of Gary possessing those skills and ability necessary to perform the job under consideration.

#### Section 5. Business Compliance Officer

- a. There is hereby created the position of Gary Business Compliance Officer (BCO) who shall have all authority necessary to effectively and expeditiously implement the terms and purpose of this ordinance. The Business Compliance Officer (BCO) shall work under the direction of the Deputy Mayor and the Mayor to administer and enforce the Gary Business Promotion Ordinance, established by Sections 2-9, inclusive; establish procedures to effectuate such sections; hold and conduct hearings relative to violations of the ordinance. He/she shall have at their disposal the necessary resources to carry out this responsibility, including the support, cooperation and assistance of the City's several Departments, Agencies, Divisions and other independent agencies who may be under contract with the City of Gary.
- b. Further, the Business Compliance Officer shall, as soon after passage of this ordinance as is practicable, establish procedures for pre-certifying Gary Businesses and maintain a listing of such pre-certified Gary Businesses that may be referred to from time to time by various agencies of the City of Gary in the course of letting contracts and other procurement activities.

#### Section 6. Promotion of Gary Businesses

Because Gary-based and owned businesses have been underrepresented and underutilized in the past regarding receipt of City contracts, the need exists to encourage and promote the participation of such businesses in all contracts let by the City of Gary, its Agencies, Divisions and Components. Therefore, the following conditions shall be met prior to the letting of said contracts.

- a. Non-Bid Contracts
  - 1. That a minimum of two-thirds (2/3s) of the contract dollars shall go to qualified and responsible Gary Businesses.
  - 2. That Contractors may subcontract to another Gary Business for a portion of the work and be credited with Gary Business participation from both the Contractor's portion and the Subcontractor's portion of the Contract.

services, the bids or proposals shall be evaluated as though the prices proposed or bid by a Gary Business were ten percent (10%) lower than actually proposed or bid.

1. Pursuant to the above, the Gary Board of Public Works shall adopt rules to give a preference to a Gary Business that submits a bid under this section if the following factors apply:
    - a. One or more businesses from outside the City of Gary submits a bid.
    - b. The Gary Business submits the lowest, most responsible and most responsive bid amount the Gary Businesses that bid on the contract.
  2. The said preference may not exceed ten percent (10%) of the total amount of the lowest, most responsible and most responsive bid by a Gary Business.
  3. The Gary Board of Public Works shall adjust the lowest, most responsible, most responsive bid by a Gary Business, and if after said adjustment a Gary Business is the lowest, most responsible and most responsive bid, the Gary Board of Public Works may award said contract to the said Gary Business, at the price originally bid.
- f. Other departments, divisions, components and agencies of the City of Gary letting contracts shall follow the procedures outlined in a. 1, 2, and 3 above.

Section 7. Failure to Comply With Regulations and Procedures

- a. In the event that any City official awards a contract for goods or services after this ordinance is in force without complying with the provisions of this ordinance, such contract shall not be binding on the City of Gary, and said City official may be subject to disciplinary action, up to and including discharge; further, the Mayor, with the assistance of the Corporation Counsel or Special Counsel, shall proceed in any court of competent jurisdiction to recover any City funds expended in accordance with the provisions of such contract from the Contractor and/or the City official(s) who awarded the contract without compliance herewith.
- b. Failure on the part of any Contractor, subcontractor to comply with the provisions of this Ordinance will subject the non-complying party(ies) to the following sanctions:
  1. The City of Gary may reject the bid or proposal of the non-complying party.
  2. In the event that the contract has already been let, the City of Gary may declare the same null and void or may

**MAJOR EXPENDITURE REDUCTION FOCUS  
HEALTH INSURANCE POWER POINT CORRECTIONS**

**HEALTH INSURANCE HAS NOT DECREASED FROM 10 TO 5 MILLION AS PROJECTED BY PFM AFTER IMPLEMENTATION OF RECOMMENDED INITIATIVES.**

- NOT TRUE, LAST YEAR SAVED MY FIRM SAVED \$ 641,000.00 DOLLARS IN TAX PAYERS MONEY BY GOING TO ANTHEM AS REPORT STATES
- CITY OF GARY FAILED TO PLACE PLAN CHANGES TO DECREASE COST ON ANTHEM
- CITY OF GARY DID NOT FOLLOW THERE OWN CITY ORDINANCE ON COMPLIANCE ISSUES.
- CURRENT PLAN HAD 0 DEDUCTIBLE VERY RICH BENEFITS, AND UNREALISTIC

**-IN ADDITION, THE CURRENT HMO PROVIDER HAS PROJECTED A RATE INCREASE FOR 2011 OF 28 PERCENT AS A RESULT THE CITY IS EXPLORING OTHER OPTIONS TO ASSIST IN THIS TREMENDOUS FINANCIAL RESPONSIBILITY.**

- NOT TRUE, THE HMO PROVIDED ANTHEM, PROJECTED A RATE OF 23 PERCENT WITH ONLY 9 MONTHS OF CLAIMS EXPERIENCE.
- ON THE 11 MONTH WATCH REPORT OVER 1 MILLION LESS IN CLAIMS VS PREMIUM
- THE CITY HUMAN RESOURCE DIRECTOR SHIRLEY WALLS, CALLED PROVIDER AND WOULD NOT LET THEM LOOK AT THE EMERGING CLAIMS TO QUOTE A LOWER RENEWAL WITH MORE CLAIMS EXPERIENCE.
- SHE FURTHER WROTE A LETTER TO ANTHEM ON DECEMBER 1, 2010 TO CANCEL THE PLAN WITHOUT TRYING TO CHANGE THE PLAN BENEFITS, OR LOOK AT 11 MONTHS CLAIMS TO LOWER PRICE.
- SHE ALLOWED A ILLINOIS BASED COMPANY TO BID OUT ALL THE INSURANCE AS A CONSULTANT, AND BE PAID BROKER FEES ON DENTAL, VISION FOR ALL EMPLOYEES. (CAN NOT BE A CONSULTANT AND BROKER) SHE TOLD ME THAT HE WAS THE DENTAL BROKER
- I PROVIDED A LOWER VISION BID, AND MY LOWER BID WAS NOT USED.
- THE LAW DEPARTMENT SINCE 12-5-2010 HAS NOT PROVIDED ME ALL MY REQUESTS FOR INFORMATION
- THE CITY IS INVOLVED IN A STUDY WITH MIDWEST BUSINESS GROUP ON HEALTH TO ADDRESS HEALTH DATA MANAGEMENT IN A VALUE BASED BENEFITS ENVIRONMENT.
- ANSWER NOT SURE WHAT THIS IS?

- THE CITY BIDED OUT ITS MEDICAL INSURANCE SERVICES, AND MADE A CHANGE TO AVOID THE EXTREME RATE INCREASE FOR 2011. THIS CHANGE INCLUDED NOW SELF-FUNDING THE HMO PLAN ALONG WITH THE ALREADY SELF FUNDED PPO WITH PROFESSIONAL CLAIMS MANAGEMENT.

ANSWER: CITY OF GARY WOULD NOT ALLOW MY FIRM TO GET QUOTES ON SELF FUNDING THE HMO. ANTHEM COULD HAVE PROVIDED THIS SELF FUNDED QUOTE, AND THE CITY OF GARY WOULD NOT LET ME BID THIS. BUT NOW, THEY ARE FORCING WORKERS TO GO TO THE SELF FUNDED PPO WITH PROFESSIONAL CLAIMS MANAGEMENT. THIS IS NOT COMPETITIVE BIDDING. THE CITY WOULD NOT ALLOW ME TO BID OUT THE PPO WITH THEM EITHER, I HAVE EMAILS TO PROVE THIS. IT WAS A CLOSED BID PROCESS. FORCING EMPLOYEES TO GO INTO THE PROFESSIONAL CLAIMS MANAGEMENT.

**CONCLUSION:**

- 1. HIRE A COMPLIANCE OFFICER, OR FEDERAL AGENT TO MONITOR THE CITY OF GARY CONTRACTS TO FOLLOW LAWS OF THE STATE OF INDIANA, AND ORDINANCES**
- 2. PUT INSURANCE RFP OUT FOR BID**
- 3. BIDS BE OPEN IN PUBLIC, AND COMPLIANCE OFFICER REVIEWS**
- 4. ALL DISCRIMINATIONS ON AWARDING OF BIDS BE STOPPED**