

## Russo, Stephanie

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**From:** Mark Christopher [ktw58@hotmail.com]  
**Sent:** Friday, January 22, 2010 12:31 PM  
**To:** Russo, Stephanie  
**Subject:** Please Read

Ms. Russo,

Please read and pass along this article (including the reader comments). The comments relay such a basic truth that I really think the folks on the DUAB need to sit back for a second and consider it: If Gary's taxes are higher than the surrounding communities, more and more residents and businesses will simply flee the City, further reducing tax collection and revenue. Lower taxes will (eventually) mean more people will pay them, thus replacing some of the lost revenue. You cannot solve Gary's revenue problems simply by raising taxes because folks will just keep moving away!

<http://www.post-trib.com/news/lake/2004860,g-taxcollex-122.article>

Thanks,  
Kurt Weiss  
Gary, IN.

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## Gary far behind on taxes

(<http://www.post-trib.com/news/lake/2004860,g-taxcollex-122.article>)

January 22, 2010

**BY ANDY GRIMM, (219) 648-3073**

CROWN POINT -- Gary taxpayers are a combined \$31 million behind on their 2009 taxes, a shortfall that means the already cash-strapped city, schools and township agencies will have even less money to work with this year.

Tax collections to date, six weeks after the deadline for 2008 pay 2009 bills, totaled just 72 percent for the Gary-Calumet Township taxing unit.

"This is not good news, obviously," said Gary Controller Celita Green, who received a check for \$54 million from tax collections, nearly \$7 million less than the city had been expecting.

That check would have been even lighter if it hadn't included several million in late payments from previous tax years.

The city government already has cut millions from spending because of shortfalls created by state-mandated tax caps, and Green said the city budget already was calculated based on an 80 percent collection rate.

"This just increases what we will have to cut. We've got to go back to the drawing board, but you get used to it after a while," she said. "It is difficult when you're cutting for tax reform and also for late payments."

Countywide, only Lake Station and New Chicago had collection rates lower than 90 percent.

Whiting collections were recorded at 62 percent, a figure that was artificially low because of a reassessment of some BP property.

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## **Russo, Stephanie**

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**From:** police\_chief@comcast.net  
**Sent:** Friday, January 22, 2010 7:01 PM  
**To:** Russo, Stephanie  
**Cc:** Cassandra Stigger; Ayanna N Wright  
**Subject:** Letter to City of Gary  
**Attachments:** Insurance Benefit Reduction.docx

Stephanie,

Thanks for all your assistance with my requests. Attached is a letter sent to the City of Gary. It is felt that the DUAB should be aware of how the lower paid employees are being treated and the rationale employed. Please pass this info to the members. Thanks.

Douglas M. Wright%2C Chief of Police (Retired)%0D%0A(219) 939-0631 Residence%0D%0A(219) 902-6963 Cell%0D%0A(219) 939-0654 Fax

"A goal without a plan is simply wishful thinking - unfulfilled"

January 22, 2010

Shirley Walls, Director, Human Resources  
City of Gary, City Hall  
401 Broadway  
Gary, Indiana 46402

**RE: Your letter dated January 13, 2010, Subject: Insurance Selection and \$30.00 Union Benefit**

Director Walls:

I am in receipt of the above referenced letter and strongly disagree with the action taken as well as the rationale employed. You are aware, as I am that a grievance regarding this action has been filed.

The City of Gary has consistently abused the membership of the AFSCME Locals while disregarding the procedures outlined in the Master Contract. No notice was given nor any discussion held informing the membership that this contract item was being deleted.

While you easily note a statement from the PFM report citing the discontinuance of the \$30.00 monthly benefit as justification for this action, you labeled it a requirement. At the same time it appears that you are conveniently ignoring their suggestion that city administration should be reduced, e.g., replace the Deputy Mayor and Chief of Staff with a Chief Operating Officer. That reduction alone would realize a much larger savings than the one you implemented.

Additionally, other departments could be reduced or eliminated to save the city significant dollars. For instance, the park department has transferred many of its employees (mostly union members) to the General Services operations – what justifies the retention of a \$62,000.00 Park Superintendent? The PFM recommended privatizing the Hutson-Campbell facility – why retain the

management team and associated salaries? The Genesis Center Board of Directors recently gained two new members that will receive an annual stipend of \$1236.00 each (as reported in the Post-Tribune) while the PFM recommended closing the facility and discontinuing all stipends for boards and commissions. Why was that recommendation ignored?

I could go on and on, however I am sure you get my point. It is beyond comprehension why the lowest paid employees (union members) are singled out to bear the brunt of any budget reduction prior to considering other more logical alternatives.

And finally, to ferret out from all the recommendations contained in the fiscal monitor report this statement about the insurance benefit for union members to use as justification for your action is myopic.

Sincerely,

Cassandra Stigger, AFCSME Staff

CC: Ayanna Wright, President, Local 4009  
Willie Wallace, President, 3492 & 3492-1  
David Warrick, Executive Director, AFSCME Council 62  
William R. Grothe, Esq., AFSCME Council 62 Attorney  
Arlene Colvin, Chief of Staff

**Russo, Stephanie**

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**From:** Nora's Miller Email List [noraglenn@threedognet.com]  
**Sent:** Sunday, January 24, 2010 4:21 PM  
**To:** Gary Votes  
**Cc:** Russo, Stephanie  
**Subject:** Re: MCC predicted property tax shortfalls...

----- Original Message -----

**From:** Gary Votes

**Sent:** Sunday, January 24, 2010 8:20 AM  
**Subject:** MCC predicted property tax shortfalls...

**Don't count on it:  
Even after cuts, Gary could still end up short**

**Hired gun assumes city will collect 100% of property taxes owed**

By Dan Carden - [dan.carden@nwi.com](mailto:dan.carden@nwi.com), (317) 637-9078 | Posted: Sunday, January 24, 2010 12:05 am | [\(3\) Comments](#)

INDIANAPOLIS | An assumption built into a report by Gary's state-mandated fiscal monitor could leave the city's budget several million dollars short even if the municipality enacted every one of the report's budget-cutting recommendations.

Consultant Dean Kaplan's plan to reduce city services in order to balance the budget explicitly assumes Gary will collect 100 percent of the property taxes it is owed.

Using this assumption, Kaplan built a budget for Gary that would bring city services in line with revenue limits imposed by property tax caps. His recommendations included closing several fire stations, requiring employees to pay higher health insurance premiums and transferring many city services to Lake County.

The problem? Last year only 72 percent of the property tax bills in Gary were paid, according to the Lake County auditor.

That means even the pared-down Gary budget proposed by the fiscal monitor still would come up millions of dollars short because the city will be spending money it cannot expect to collect.

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MCC predicted this would happen when the PFM report was released in December 2009 and challenged the basic assumptions that PFM was making for its "financial model" .

I wrote the following and made the presentation to the DUAB at the January 6th meeting:

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"PFM concludes by claiming the these selected assumptions would **create a reliable baseline with simple assumptions.** But in summary, the reliable baseline is neither valid or reliable.

<!--[if !supportEmptyParas]--> <!--[endif]-->

**First Assumption –**

Property tax revenues

*“, the full amount of each year’s property tax billing is assumed to be received,*

False: The City of Gary has never collected the full amount of each year’s property tax billing.

If this were the case there would be no foreclosures, no county tax sales for unpaid taxes.

<!--[if !supportEmptyParas]--> <!--[endif]-->

Claim: “since there is limited information available”

False: Local news reports and Lake County Treasurer of data available was never checked.

TESTIMONY Submitted to DUAB, Jan 6, 2010

by Dr. Richard Barnes, MCC

(See attached article)

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On Friday, Doug Grimes and I appeared as guests on Dan Lowery's tv talk show on South Shore Public TV in which I reported the problems with PFM's assumptions about Gary's future. I have a graphic (also attached) that shows the accumulated deficits of actual property tax shortfalls, far beyond anything that PFM suggested.

Once again, the report of PFM is flawed inasmuch as they made faulty assumptions and used faulty assumptions to predict Gary's future revenue.

It is much worse than anyone could have imagined and I seriously doubt that the City of Gary will ever be able to recover from the downward spiral it finds itself in. We need to look at alternatives for the future of Gary's financing.

When members of the MCC appeared before the DUAB in Indianapolis on January 6th, our testimony was limited to 3 minutes each compared to the City of Gary and PFM who were allowed up to two hours to present their case. We were trying to show the shortcomings of PFM's report and why their assumptions about Gary collecting 100 percent of property tax revenues were wrong. Instead of looking at the numbers we were presenting, one board member accused us of being in "La La Land" and summarily dismissed our testimony.

The City of Gary is broke. There is no way another round of exemptions from property tax caps for Gary property owners is going to remedy the inevitable financial collapse of the city. It will only be making matters worse.

Respectfully submitted,

Richard Barnes, Ph.D.  
Gary, IN

**Russo, Stephanie**

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**From:** KRISeKRIS00@aol.com  
**Sent:** Monday, January 25, 2010 9:58 AM  
**To:** Russo, Stephanie  
**Subject:** Paint by Numbers: Letter to the DUAB 1/23/2010

**To: DUAB Members and other interested parties:**

**Our perfect little symbiosis (not so perfect, to tell you the truth!)**

Corruption thrives on chaos. Chaos thrives on corruption. Which came first? Does it matter? Not really at this point, but what does matter is that we strive ardently to defeat both. We need to first identify the state of each, and then work to divide the two. Once divided, it will be easier to determine the depth and breadth of each problem. But as it stands now, all we can determine is that we have an enormous problem in the abstract. It is therefore difficult to see, and harder to grab a hold of. But separated and labeled, this will no longer hold true. Once the ginormous "monster", is dismantled into a bunch of little monsters; then the oversight and care of each little monster can be properly delegated. Once divided, it'll be apparent that these little monsters aren't so tough anymore. In fact, they may no longer even seem like monsters. They may now be more afraid of you than you are of them. Now they'll be weak. They'll have lost all of their advantage. They're now vulnerable. They may surrender.

And as the little monsters needed to huddle together to give the impression that they were instead one big monster, the former big monster has also lost all of its strength, because now all can plainly see, that it was never a big monster after all; it was just an interdependent pile of little monsters, all drawing from the same food supply. All feeding together. All insatiably dependent on tax dollars. So then, not only do we suffer from our tax dollars being misdirected and absorbed by this organism, but this same organism causes direct harm. Besides this direct harm which can be easily identified, the indirect harm that it also causes is vast and immeasurable. But certainly plain to see! No one could deny it or be so obtuse as to not be able to recognize its existence and see the damage it does and has done and continues to do.

The DUAB had been able to make the observation that "government" had seemingly become our primary industry in Gary. Well, while that may be true--that local government has become one of our primary industries, they were somewhat remiss having completely overlooked another one our primary industries: the illegal drug trade. Now it would be somewhat difficult to quantify which of these two industries is larger; which grosses more dollars; which directly employs more people; which more people in Gary actually participate in; but I think that everyone can draw their own conclusions. The drug trade is certainly far more pervasive. In Gary in particular, it is nearly impossible to detect for sure where one industry (drug trade) stops, and the other industry (local government) starts. The boundary which should be clear; which should be unmistakable, unfortunately is neither. So then, I would posit that the illegal drug trade is far larger than another primary industry which the DUAB somewhat adroitly identified: local government. And I would state this, because it would be my assertion that the illegal drug trade is nearly wholly inclusive of local government. This is not to say that all public officials are drug dealers; or that they are drug users. But, this is to say that a whole lot of people within local government know a whole lot about the existence of this lucrative business; this damaging, dangerous business, with all of its deleterious effects on local society. And while knowing all about it, they consciously choose to do not a thing to stop it. No longer is there any way to hide behind the curtain and deny it. Look around. Look everywhere around! Can it possibly be denied? It



cannot. You cannot pretend that this relationship does not exist. You cannot afford to be so naive--for anyone's sake. You're in it now. You can't just walk away from this problem. You can't turn your heads and pretend it doesn't exist. We all wished it didn't. But it does.

Where apathy lives, corruption thrives. Where corruption thrives, chaos is not far to follow. Where chaos is the condition, the drug trade flourishes. Where the drug trade flourishes, we find pervasive social apathy...and again; where apathy lives.... Can anyone deny that this most circular of problems; this cyclical devastation, doesn't aptly describe the social condition of our city? No one can! It is fact.

Could there be a more vicious or voracious circle? Not really! This is likely the very most dangerous social condition that could exist within civilized society: no checks and balances as it pertains to street crime and other low-level criminal activity. There is also a direct linkage to the wholly pervasive level of political corruption: all of this street crime provides cover for the higher-level political corruption; and to the white-collar crime that also pervades every available nook and cranny. The seemingly uncontrollable, and certainly uncontrolled level of street crime, provide the perfect distraction, the ample camouflage, for all of the other dangerous crime, the other destructive crime--the political corruption--to thrive unchecked. Who could suggest prioritizing investigation of political officials, their operatives, their cronies, and their beneficiaries, while there are bodies piling up? As there is this overwhelming level of street crime; of theft; of violence; of drug-related crimes; and all sorts of other types of criminal activity; who, or what law-enforcement agency more specifically, has got the time or the resources to effectively investigate and enforce the *system* of law and order? No one does! And now, add to the problem of not enough resources, the fact that most local law enforcement does not have not the will or the inclination to do so either.

So, with this fact in hand; where do we start? With the apathy? With the corruption? With the chaos? With the drug trade?

*All of the above!*

If no one did anything at all, some corruption would develop; but also, some good things would happen. But now, not only does a great deal of corruption happen, but no good things naturally happen. No good things are allowed to naturally develop and flourish. Why? Because the City of Gary, has been perverted and contorted to become nothing more than a vast enforcement mechanism; which is only occasionally and very selectively used. But true to its distorted form, it seems to only use its little remaining might to enthusiastically repel many potential good things, and just as enthusiastically promote and protect all of the bad things.

Fortunately, you have the tool to get the job started at your disposal. Quit funding the mechanism--the organism--which effectively acts as a support system--whether knowingly or unknowingly, to engage in this symbiotic (if not synergistic) relationship with this undesirable, illicit activity. When this local government can no longer afford to actively and deliberately impede and repel all normal, natural development; things will begin to improve. When it can no longer afford to oppress and intimidate its citizens and its business community; things will begin to improve. When a far more effective system of law and order is welcomed wholeheartedly and supported unconditionally--without any prejudice or caprice; things will start to get better. The improvement and redevelopment of Gary does not require you to micromanage it. The people of Gary know what they want. They are no different than anyone else. In fact, they are probably stronger than most, as they've been living under such adverse conditions for so long, that they are plenty strong. How else could they still be standing after so many decades of outright punishment--punishment at the hands of those ostensibly in place to help their daily existence and palliate their hardships through the provision of no more than normal municipal services? The answer is a testament to their inner strength. This inner strength sits waiting. Waiting for the moment it is safe--safe to emerge, safe to wake from its self-induced coma.

Saving our city is not a task that anyone expects you to do alone. We don't need the State to save us. But we do need your help, so that we can save ourselves. We need the State to get the ball rolling; because as we always try to get the ball rolling by ourselves, it is always immediately met by an opposing force--equal to or of a greater energy than we can muster by ourselves. We need more power to get it moving. Once it is moving, we can keep it moving. And just as importantly, we need you to disable this force which will try to oppose it--which will try with all of its might to stop it, to obstruct it. Because this is what always happens. While this bloated, inert organism cannot seem to muster the strength to perform much of any useful function to Gary's citizenry, it comes alive when something threatens its status quo. It is amazing that this amorphous blob; this helpless hierarchy of inertia, wakes anytime someone other than someone directly connected to the blob, attempts to do anything within its reach. Not only does it do a lot of bad things, but worse, it stops anything good from developing. It isn't just horrible enough that this self-serving mass forces these high taxes on its citizens, while also providing them none of the services their neighbors in the adjoining municipalities receive as a matter of course; it is so much worse than that; this non-serving entity; as entirely useless as it is at providing anything good to the city and its citizens, is equally--no, make that far better yet, as acting as a deterrent to anything good that might accidentally, or deliberately try to grow with its reach. Anything legitimate; anything that sounds like it might be remotely legitimate, is shunned. Is run through the ringer. Is jerked around, is jacked around, is worn out until they finally tap out. Until they have had it. Until they scurry back to safety. Until they beat a fast retreat to wherever it is that they came from. Do you think that legitimate developers and outsiders (be they black or white) have overlooked Gary entirely because it is predominantly African-American? What...are you kidding me? (These days, *white society* can't seem to get enough of black people!) Of course that's not the reason. The reason everyone stays away is the corruption. The reason everyone stays away is because every time you turn around some public official has their hand out for a payoff. The reason that everyone stays away is because it's twice or three times harder to do every little thing. The reason everyone stays away is because there is no effective deterrent to crime. But more than any other reason everyone stays away, is because this administration is actively and deliberately chasing them away with every bit of its might.

Now of course they would like you to think otherwise. Rudy Clay and Joel Rodriguez are always reciting ad nauseum, silly, non-existent proposals; chimerical ramblings. Rudy Clay has the audacity to recount tales of fancy that have no possibility of ever coming to fruition. But the long and the short of it is this: once legitimate people and developers start coming to Gary--and I mean really start coming--their party--the gang rape of the city and its various treasuries by their pals and cronies, will be forced to cease. Over their dead bodies! At all costs, they will resist this shift, this change for the better. They cannot survive in the light of day; these ghouls, these bloodsuckers; these grave robbers; these parasites that are masquerading as public servants. Public servants: could anything be further from the truth?

In case you didn't notice, the City of Gary has already collapsed. It has already imploded. For all good intents and useful purposes, it has already ceased to exist. The problem is: no one, apparently, not PFM nor the DUAB seemed to recognize it. So now, upon PFM's recommendation, the DUAB may be poised to suggest that more of the taxpayers' hard-earned money-- money that they need just to survive--be poured down this rathole; down this bottomless pit. We'll have to forgive you for not recognizing the degree to which things had deteriorated last year; but this year, with PFM's report in hand; with another year of your own research; with another stack of letters from citizens of Gary-- unanimous in their verdict; you no longer have the excuse of ignorance to hide behind. This year, there is no excuse. This year, all of the cards are on the table--face up!

It has already been determined by virtually everyone involved, that Gary has no shortage of great physical attributes. It has a prime location. It is transected by the busiest highways in the United

States. It is 30 minutes from Downtown Chicago. It has 11 miles of lakefront and 4 miles of the most wonderful beach this side of the Gulf of Mexico! How could things be such a disaster if there weren't some deliberate effort to keep it this way? Why does every developer--make that every legitimate developer--that ever comes to this city, go scurrying off to wherever it is that they came from as fast as they can? Why is it that every phony, shyster, carpetbagger, flim-flam, dead-broke "developer" (using the word in its loosest of definitions) is embraced by this administration? Why is pay-to-play the only game in town? Why does this administration so enthusiastically support every cockamamie scheme that rolls into town, yet just as enthusiastically actively deter any and every legitimate proposal that actually tries to locate in this city?

## **Ridiculous you say?**

At first read, sure...it may sound outrageous. Impossible. But then, you haven't been here watching everything unfold. You may not recognize the names. You may not be able to see the invisible, yet all-too-real connections. But make no mistake; they are there. No doubt about it.

If actually having a criminal background isn't a prerequisite of the employee per se, it certainly DOES appear to be a prerequisite that the employee have close affiliations of some kind with someone with a criminal background. One hardly has to possess the skills of a CIA agent to figure this out. Especially since so many city employees and local government types seem to take a certain pride in the fact. While you PFM people were poring over the city's records, and evaluating all of the many functions of city government and city services; didn't you ever make the observation that a good lot of the city's personnel seem like thugs? Hmmm...I wonder why that is? Well...maybe because they ARE!!!

And it's not just that they seem to pop up incidentally every so often. They are everywhere! They are so pervasive, that having a criminal ties of some sort, or close connections to someone that does, really seems to be a prerequisite to employment in local government circles. I am not being facetious, either. Is it any wonder that there is no set hiring process? Weren't you scratching your heads when you found no set process to recruit employees? When is the last time the City ever placed a help wanted ad in the paper? Or the rest of local government for that matter? So, how then does the City hire? From within of course! You have got to know someone. You have to be a friend of someone's friend. You have to be related. Skills--what skills? Training--what training? Education? You don't need no stinkin' education! In fact if you've got one..."we don't want ya'. We want to make sure that we own you. We want to make sure of your allegiance. Like the Russian Mafia: we want to be your family. Your only family. We don't want you to ask any questions. Just do what we say. Follow our orders. And don't complain. If you comply with these basic rules, we'll make sure that you are taken care of. You scratch our back, we'll scratch yours--not as much as you scratch ours, but at least a little bit. Enough so that you'll barely be able to get by."

Like so many inner-city youths; one often attaches themselves to some gang for protection; for comfort; for security; for a sense of family. These same dynamics are in play here.

## **What could be worse?**

Here is what IS worse!: Far worse than a city or an urban area having a manageable level of what we would think of as conventional organized crime infiltration, in Gary, the primary component of the organized crime which does exist, exists and is promulgated from within the framework of local municipal government. So, while we could argue the benefits or detriments of the standard fare of conventionally thought of organized crime that normally is found to exist--and coexist--within and

around most urban centers of our society; we also could argue that "organized crime", is preferable to disorganized crime. And we could probably make the case that it is the lesser of two evils.

But what is worse than organized crime--or disorganized crime for that matter; far, far worse; is what I shall refer to as "institutionalized crime". This is criminal activity without ANY checks or balances. This is like organized crime, except without any chance of getting caught. Even in the most heavily organized crime-influenced places in America; in Chicago in the thirties; in Cicero; in Stone Park; in Melrose Park; in New York; in Miami, in Watts; in Detroit; in none of these places has the organized criminal element so effectively and so completely pervaded what should be "legal society". Only in East Chicago have we seen an equal level of pervasiveness; however, I didn't list East Chicago because I see the current situation in Gary as a transition--an infiltration--of the most thoroughly corrupt ever Pastrick regime. The Pastrick regime didn't go away, they just moved east a few miles. And it wasn't a hostile takeover. They were invited--and boy did they come! You didn't have to ask them twice! They have permeated every level of city government. Everywhere you look, an East Chicago connection can be spotted. The Pastrick regime, East Chicago politics; are both synonymous with organized crime and political corruption. And so goes the Clay regime. The Clay regime is effectively the Pastrick regime. The only difference is that Clay can't do anything without permission from above. From the west, from the east, wherever they happen to be hiding out. So besides being completely corrupted, the Clay regime is that much more inefficient. (But I guess that would be a good thing, huh? Evidently, he can't even do the wrong things right!) Does anyone with a pulse really need any more evidence to be convinced of this?

And far worse than some sort of conventional relationship of some kind between organized crime and legal government--tacit, and usually denied as though it may be--this institution; this institutionalized crime "family", has the power to tax, to tax to ensure its continued survival. This is where it really can't get any worse. The system that citizens rely on to provide safety, security, a reasonable quality of life; this in exchange for a price; a price charged to them through the collection of taxes, through the collection of their property taxes; instead, is the system which causes them the most harm. Their tax payments ensure the perpetuation of this institutionalized crime; these tax payments ensure the perpetration of acts which are both harmful and costly to them. None of the benefits for which these public monies have been earmarked to provide, are ever received. Heck...bring on the Cosa Nostra, we'll take them over this in a heartbeat! (At least we'd have a fighting chance!) There is no more dangerous condition than this! This is a RICO on steroids!

So, again, rather than to fight crime and provide for a reasonable quality of life, the citizens' financial contributions are instead hijacked by this institutionalized criminal element and used to bolster and support ITS survival. Not that of the citizens! It seems apparent, that far more resources are devoted to preserve and protect the drug trade than there are resources sincerely dedicated to its eradication.

The police department seems far more adept at maintaining and preserving the criminal landscape, than they do at making a real attempt at reeling in street crime. Really, what we see in Gary is akin to "Wild-West policing". That is to say: the GPD has accepted the fact that there exists rampant street crime, and rather than to be proactive, and implement strategies to curtail it, they simply have resigned their function to be a reactive one. And not all that reactive I might add!

How could one NOT make this observation? Why else would the Department maintain such a top-heavy and inert structure? The crime is taking place out on the streets, not in the upper floors of 555 Polk. If the police were serious about stopping crime, they could do it anytime they choose. At least the majority of it; of course there'll always be some level of crime, especially in an urban city like Gary; but on its worst day, it shouldn't be at anywhere near the levels we are experiencing today. Not by a longshot!

## **We want it all!**

We want full implementation of the tax caps as legislated and we want it now! Of all places, why should we in Gary have to wait? The sooner people no longer look at Gary as being different, the sooner Gary will embark on its road to recovery--to regain its stature as a premier Indiana city. Haven't we suffered long enough? Do you think that prolonging this condition any longer will somehow serve any useful purpose? If so, I'd like to hear that argument!

So again, not only does the relief to the City translate directly to higher taxes to Gary's citizens and other Gary taxpayers, worse than that, it guarantees that normal growth will continue to be deliberately impeded and obstructed by the political mechanism which it just as directly funds. What else could explain *nothing* happening in Gary? Don't kid yourself; this didn't just happen by accident; this happened by design. By someone's diabolical design. What you witness in Gary is the socioeconomic condition of choice by a good lot of our public officials and their pals. It is this very socioeconomic condition that best lends itself to corruption and the theft and embezzlement of public funds. Gary is like Haiti, but without the earthquake! In Gary, we may not have had the 7.0 quake, nor the aftershocks per se; but we have similar seismic events that shatter the lives of Gary residents on a regular basis in incredibly destructive ways. We have systemic corruption. We have pervasive social apathy. We have virtually no local economy. We have individuals in positions of power that lack the necessary skills, training, and education to perform their jobs properly. We have a system of taxation that is arbitrary, capricious, random, and unfair. Hey...we're used to getting the crap beat out of us, but when is enough, enough?

Quite often, when there is an excess of money, there may be a tendency to spend it carelessly; but when there is no excess, and instead a shortage of money, one is forced to spend money far more wisely. Nothing teaches one faster about how to spend money wisely than being broke! The people managing the purse strings for the City of Gary make drunken sailors look like coupon-clipping housewives.

Gary is a disaster area. Who could argue that? But as such, its citizens can't figure out for the life of them, why the State is even pondering letting this administration have the ability to again raise our tax rates. It sure as heck didn't do us any good when they empowered them to do so last year, and we know full well it won't do us a lick of good if they are empowered to do so again this year! Until this regime, or any similar subsequent regime that plans to continue doing business in any fashion which remotely resembles the status quo, is no longer supported, nothing will change--no matter how much of our money you give them access to! Submitting to their requests only ensures that nothing will change. By denying their requests, at least you've got a fair chance that things will improve. (In my opinion, a 100% chance) But whatever you do, don't just give them the power to reach deeper into our pockets and walk away. Don't you dare again empower them with the ability to further pillage and destroy this city and call it a day. You're in it now! For better or for worse, you're in it all the way!

## **And we can have it all!**

The minute--make that the instant--this city stops doing things wrong and is forced, in this case by economic restraints, to stop doing things wrong, things will change like night into day. Once people get the signal that Gary is a safe place to live; a safe place to invest, it will become a feeding frenzy of positive activity. And this frenzy of development and investment, will have an immediate effect on the marketability and the market prices of real estate assets. We could see an exponential increase in taxable assessed values. That wouldn't really take much; as now, the majority of real estate in Gary has virtually no marketable value. At present, you literally can hardly give it away! And that's what the whole problem is, right? Not enough value. It doesn't have nearly as much to do with tax

caps as it does to having barely any taxable assessed value in the city. So what do you think will better stimulate the needed increase in taxable assessed value? Raising taxes, or lowering taxes? And with lowering taxes, simultaneously crippling the mechanism which actively works to restrain the same needed investment and development? This shouldn't keep anyone scratching their head too long. The answer to making something more valuable, is often as simple as this: Quit making it less valuable!

Just by not doing the wrong thing, you will be doing the right thing. I think you are all smart guys, so this little puzzle shouldn't be all that hard for you to figure out. Just quit overlooking the solution that may seem so obvious. (Hmmm...that surely can't be the answer, it's too easy. Or is it? Maybe it's a trick question?) No...I don't think that's the case at all. The solution IS straightforward. You just need to focus. Just don't allow yourselves to be fooled. Let your good senses guide you.

You need to draw the bead on the target; but most of all, you need to be ready and willing to shoot. If you are not willing to shoot, then drop the gun and run away. Because it is more dangerous sometimes to be holding a gun, if you aren't prepared to fire it. If your opponent also has a gun, they may be more prepared to fire back at you. Or, they may instead take the gun away from you. You may get shot with your own gun. But don't let any of that happen. Be decisive. Be accurate. And act with no trepidation. Shoot this monster; right between the eyes!

But of course, just not giving the City the relief from the tax caps that they have requested, is not the Silver Bullet that will instantly fix all of the ills that I have heretofore described; but it will be a start. And if we don't at least start down this right road, we'll certainly never get to the end of it. We now ask you; plead with you: Put us on that road. Like the wobbly young child first learning to ride their bicycle without the training wheels. Walk along side of us for a little while. Help give us the balance and stability we need for a bit; then give us a good shove in the right direction, and let go! You'll see...we'll get the hang of it--quick! And as you swelled with pride when you watched your child slowly gain speed and go down the street in front of your house, you can also take the same pride in knowing you just helped set an entire city back on its proper course. It may not be quite the moment of watching your first child learn to ride their bike, but it should be close.

### **Nothing to fear!**

And lastly; don't be afraid to do the right thing--the thing you know is right. And the State should not be afraid that they'll have to takeover the day-to-day affairs of running our beloved city. There are legions of individuals waiting on the sidelines, just waiting for you to make the right call--individuals lining the sidelines eager to get on the field and run the plays--willing to do the heavy lifting. Just make that call--then: game on!

With the tax caps being approved to be written into the Constitution, the DUAB has overnight become somewhat of a lame duck. The end of your duties is in sight. So, you now have two distinct opportunities before you: you can do nothing for the citizens of Gary, and be at first reviled, and later forgotten; or you can do something important; something memorable; something truly good and helpful; something historic.

Do something historic! Make history! Be revered and forever remembered by the good citizens of Gary!

Cordially,  
Kris Edwards

PS. *Go Colts!!!!*

## **Russo, Stephanie**

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**From:** Gary Votes [garyvotes@yahoo.com]  
**Sent:** Tuesday, February 02, 2010 6:00 PM  
**To:** Russo, Stephanie  
**Subject:** Re: Request to Present to the DUAB on January 6th

Yes, thank you for confirming. Earlier messages sent to you were reported "blocked" on your end.

Our interest in updating the DUAB on Gary's financial plight continues. Of interest is a finding showing that 4.64 percent of Gary's household income now goes for property taxes, compared to 1.83 for statewide Indiana. I hope you can share these concerns with members of the Board. We are continuing to monitor the situation here.

[http://nwitimes.com/news/local/lake/article\\_a5e12531-bb83-56ed-9373-5fd68d7dbf45.html](http://nwitimes.com/news/local/lake/article_a5e12531-bb83-56ed-9373-5fd68d7dbf45.html)

Also, the article above that confirms my concern about PFM's claim of "100 percent property tax collection" for Lake County.

This article was printed four weeks after we raised the issue. PFM should not be retained for any further consulting for the City of Gary.

Thank you for taking this email.

Richard Barnes, Ph.D.  
Gary, IN

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**From:** "Russo, Stephanie" <srusso@sba.in.gov>  
**To:** Gary Votes <garyvotes@yahoo.com>  
**Sent:** Tue, February 2, 2010 3:08:34 PM  
**Subject:** RE: Request to Present to the DUAB on January 6th

I don't understand your email below. Are you just confirming that I am receiving your email? Thank you.

**Stephanie N. Russo**  
Executive Assistant to Ryan Kitchell and Chris Ruhl  
Indiana Office of Management and Budget  
State House Room 215 | Indianapolis, IN 46204  
Phone: 317.232.5617 | Fax: 317.233.3323 |  
Email: [srusso@sba.in.gov](mailto:srusso@sba.in.gov)

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**From:** Gary Votes [mailto:garyvotes@yahoo.com]  
**Sent:** Tuesday, February 02, 2010 4:05 PM  
**To:** Russo, Stephanie  
**Subject:** Re: Request to Present to the DUAB on January 6th

Email check...

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**From:** "Russo, Stephanie" <srusso@sba.in.gov>  
**To:** Gary Votes <garyvotes@yahoo.com>  
**Sent:** Wed, December 30, 2009 1:37:00 PM  
**Subject:** RE: Request to Present to the DUAB on January 6th



Dear Dr. Barnes,

Thank you for your message and request. The public will be allowed to speak but due to the extensive testimony received at the hearings last year and the submissions through both regular and electronic mail, the Board will limit testimony from the public to 3 minutes per person. I suggest you forward material in advance of the meeting so the Board members will have time to review prior to your receiving your remarks.

Thank you.

**Stephanie N. Russo**  
**Executive Assistant to Ryan Kitchell and Chris Ruhl**  
**Indiana Office of Management and Budget**  
State House Room 215 | Indianapolis, IN 46204  
Phone: 317.232.5617 | Fax: 317.233.3323 |  
Email: [srusso@sba.in.gov](mailto:srusso@sba.in.gov)

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**From:** Gary Votes [<mailto:garyvotes@yahoo.com>]  
**Sent:** Wednesday, December 30, 2009 12:44 PM  
**To:** Russo, Stephanie  
**Cc:** D2ogg1@aol.com; Dan Lowery; Carole Carlson; Jerry Davich; Jon Seidel; Carol Smith  
**Subject:** Request to Present to the DUAB on January 6th

Good morning,

We are preparing a presentation to the Distressed Units Appeals Board for your January 6th meeting and respectfully request that we be placed on your agenda.

I will be representing the Miller Citizen's Corporation of Gary, Indiana and would appreciate an opportunity to present new information that would inform board members prior to making their decision to grant the City of Gary further property tax cap exemptions. I am a vice president of the MCC and was recently appointed by the board to head the DUAB Committee.

Would you please put the MCC on the agenda for a 10 minute presentation to be followed by questions and answers from your board.

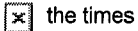
We are opposed to property tax cap exemptions for the City of Gary and will make a presentation based on the negative financial and economic impact this second year exemption would have on the citizens of our community.

- We will provide demographics and data on the City of Gary from Lake County and other government sources.
- We will also provide reports from published scholarly research and academic studies showing the impact of higher property taxes on the economic viability of a community.
- We also have questions about the reliability and validity of the PFM report inasmuch as they did not have all of the financial data needed to make an accurate report as financial monitor.

These are items not included in the PFM study and I think you will find our report extremely relevant to any decision the DUAB might make.

Respectfully submitted,

Richard Barnes, Ph.D.  
Gary, Indiana  
219 938-7360



Hired gun assumes city will collect 100% of property taxes owed

## Don't count on it: Even after cuts, Gary could still end up short

By Dan Carden - dan.carden@nwi.com, (317) 637-9078 | Posted: Sunday, January 24, 2010 12:05 am

INDIANAPOLIS | An assumption built into a report by Gary's state-mandated fiscal monitor could leave the city's budget several million dollars short even if the municipality enacted every one of the report's budget-cutting recommendations.

Consultant Dean Kaplan's plan to reduce city services in order to balance the budget explicitly assumes Gary will collect 100 percent of the property taxes it is owed.

Using this assumption, Kaplan built a budget for Gary that would bring city services in line with revenue limits imposed by property tax caps. His recommendations included closing several fire stations, requiring employees to pay higher health insurance premiums and transferring many city services to Lake County.

The problem? Last year only 72 percent of the property tax bills in Gary were paid, according to the Lake County auditor.

That means even the pared-down Gary budget proposed by the fiscal monitor still would come up millions of dollars short because the city will be spending money it cannot expect to collect.

Kaplan did not return a telephone call last week asking for an explanation. In an addendum to his report, Kaplan writes that he made the 100 percent assumption because he saw a city report claiming a 99.6 percent collection rate between 2003 and 2006.

Gary Mayor Rudy Clay said he couldn't believe it when he heard Kaplan explain his plan.

"For the fiscal monitor to present to the Distressed Unit Appeals Board that the city of Gary is going to collect 100 percent of the property taxes is the mother of all screw-ups because it's never going to happen," Clay said. "Not only in Gary, it's not going to happen in any city in this state."

Nearly all Lake County cities collect on more than 90 percent of property tax bills, but none reach 100 percent, said Michael Wieser, director of finance in the county auditor's office. Nonpayers, foreclosures, assessment errors and appeals all contribute to reduced collection rates, Wieser said.

In fact, Gary's current budget is based on a 90 percent to 95 percent collection rate, said Celita Green, city controller.

The state's Distressed Unit Appeals Board required Gary to hire a fiscal monitor at a cost of \$320,000 to recommend ways for the city to adapt to state-mandated property tax caps. The caps have knocked the Steel City's annual property tax revenue down to barely \$30 million from more than \$60 million.

The mayor said last week he's doesn't think the report was worth the price.

"A lot of what the fiscal monitor recommended is what we were doing anyway," Clay said. "All we get from the fiscal monitor now is invoices."

Last year, the state's distressed unit board allowed Gary to charge higher property tax rates than any city in the state to cushion the blow of the new property tax caps, which were diminishing city revenue. On Jan. 6, Gary asked the board to continue that relief again this year while it works to reduce its budget.

A decision on Gary's 2010 request is expected in the next few months.