



## City Of Gary

### Department of Finance

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RUDOLPH CLAY

Mayor

GERALDINE B. TOUSANT

Deputy Mayor

M. CELITA GREEN

Director of Finance

MICHELE ROBY

Chief Accountant

December 28, 2009

Cristopher Johnston  
Distress Unit Appeals Board  
Senate Ave.  
Indianapolis, IN

Dear Cris:

I indicated in an earlier correspondence that the City was in the process of reconciliation of the PRM Budget Projection Initiatives with projected 16-line statements. At this time, we are unable to reconcile without additional information. Therefore, we will not be submitting additional information prior to the deadline.

The PFM Initiatives combine the Ending Cumulative Balance and the Projected Revenues between the Tax Based Funds, Motor Vehicle Highway, Pension Relief Funds, and Local Roads and Streets. Only the projected expenses are separated. Therefore, we can not accurately complete the 16-line statement for Cash Balances, and Revenues to arrive at the suggested levy.

We anticipate the City will need approximately 90 days to implement many of the initiatives; some may take more and some less time. In cases where a bidding process is needed for outsourcing, we anticipate that implementation will require the most amount of time. In some cases, but not all cases has PFM allowed for reduced savings where implementation results will not be realized beginning January 1, 2010. For this reason, the expenses may be somewhat higher than suggested by PFM.

Last, in the 16-line statement, for 2011-2012 there will be no cash balance at this time in several funds. The prior year obligations have not been fully addressed, therefore, the City can not assume it will have cash balances until we are able to identify the sources of the revenue.

We will meet with PFM on Wednesday this week, at which time we plan to discuss these concerns further. Would you please send notification of the meeting date and time for the hearing.

Sincerely,

M. Celita Green, Controller

Copy: Mayor Rudy Clay