

## Objection Petition to the City of Gary's proposed budget for 2011:

The following objection petition is properly and timely filed and signed by ten or more taxpayers as is required according to Indiana state law, and also complies with the legal notice published by the City of Gary. A copy of this legal advertisement is attached herewith.

\* Count one of the objection petition: We the undersigned, believe and allege, that the 1.711 billion-dollar net assessed value figure to be grossly inaccurate. Since 2005, the City of Gary's net assessed valuation has been listed as approximately 1.7 billion dollars. The proposed budget for 2011 is based on a listed net assessed valuation of 1.711 billion. According to IC 6-1.1-17-0.5, several adjustments to the total net assessed valuation should have been applied to arrive at a more accurate figure of how much property tax revenue can realistically be expected to be collected in the year which will fund this 2011 budget. We the undersigned believe that few, if any of the adjustments required by law were made to this total net assessed valuation, and therefore, the budget which has been based upon the tax collections supported by this fictitious and unrealistic net assessed valuation, cannot be adequately funded; and this proposed budget should therefore be rejected on these grounds.

\* Count two of the objection petition: We the undersigned, believe and allege, that the 1.711 net assessed valuation is grossly inaccurate for the following reason: Since 2005, the listed and advertised total net assessed valuation for the City of Gary has remained relatively static, at or around 1.7 billion dollars. However, in 2008, it was discovered that the Calumet Township Assessor's office had taken it upon themselves to raise USX's assessed value on their real property upwards of 500-million dollars; while State law capped USX's assessed value on their real property at or around 115-million dollars. This discovery was brought to the attention of both the Calumet Township Assessor, the Lake County Assessor, and the City of Gary's Finance department. Therefore, we the undersigned object to this proposed budget because we believe that the net assessed valuation figure that it is based on is grossly inaccurate because it has not been changed to reflect the actual taxable assessed valuation of USX, and is believed to still contain the errant assessed valuation for USX's real property and should therefore be rejected on these grounds.

\* Count three of the objection petition: We the undersigned, believe and allege, based on the admissions of the Calumet Township Assessor's office, that there are still 1000s of properties with appeals pending from the Calumet Township Assessor's office dating back as far as 2006. We believe that once these are successfully prosecuted, there will need to be recalculations of several years of real property tax liabilities to reflect the adjustments. We also believe, that once these appeals are completed, and the total net assessed valuation for the City of Gary is adjusted to reflect the corrected values, that there will be a substantial difference between the listed net assessed valuation and the true net assessed valuation upon which taxes will actually be collected. We the undersigned believe that the City of Gary has not taken the portion of the net assessed valuation which are awaiting appeal into

consideration; and has instead based the budget on the *total* listed net assessed valuation; and will therefore not yield the expected amount of property tax revenue. We the undersigned, therefore believe that this budget proposal should be rejected on these grounds.

Count four of the objection petition: We the undersigned, believe and allege, that many millions of dollars of false assessed valuation has been added to numerous high-value and other properties. Through the examination of records provided by the Lake County Assessor, we have determined that numerous properties have had the assessed valuations increased by the Calumet Township Assessor's office by millions of dollars under the guise of Trending. However, these assessed valuations which were increased by the Calumet Township Assessor's office, were not done in compliance with guidelines set forth by the laws and regulations of the State of Indiana; and therefore, there is a strong likelihood that any property which underwent a significant increase in assessed valuation that was not supported by the laws and regulations governing the proper determination and subsequent application of Trending ratios, which are then to be used as multipliers in determining a properly "Trended" assessed valuation; will appeal its errant assessed valuation. It should be expected, that if and when the Calumet Township Assessor's office (or their successors) eventually hear the appeals of the errantly assessed properties, which were inflated without just cause, it should be expected that the assessed values of these will be restored to their former values; before they were improperly "Trended"; and as such, the total listed net assessed valuation of the City of Gary, which now *does* include these assessed values--which were inflated without just cause, either arbitrarily or deliberately--should then be considered to represent assessed valuation that there is not a high probability that any property tax will be collectable therefrom. Because this proposed budget is based on a net assessed valuation which *does* include the assessed valuations of numerous properties whose assessed values have been errantly increased--either arbitrarily or deliberately and without just cause--and now have assessed values which have been included in the aggregate amount which was used to determine the net assessed valuation of the City of Gary. Since this budget is based on the anticipated collections from the total listed net assessed valuation, and as we believe this listed net assessed valuation is grossly inaccurate for the reasons listed, this proposed budget should be rejected on these grounds.

\*It should be noted that the examination of every property were beyond our capacity. We did however check the assessment records of over 2000 properties. If we were to extrapolate our findings over the total number of properties which are used to comprise the net assessed valuation for the City of Gary, we would expect that there could be several-hundred million dollars of errantly increased net assessed valuation. In all cases of the addition of this false assessed valuation, the reason listed on the record of the Lake County Assessor is "Trending".

\*\*As many of these significant increases took place over the same period during which the discovery of the error pertaining to USX's errant listed assessed valuation was reported to the Calumet Township Assessor's office and the office of the Lake County Assessor, it is possible that there was a need to supplant the 400-million dollars in net

assessed valuation for USX, which had to be removed according to State legislation.

\* Count five of the objection petition: We the undersigned, believe and allege, that even if the 1.711-billion dollar figure was in any way accurate, that it would still not be able to fund this budget. If we were to use--for demonstration purpose only--the City's figures; 1.711B NAV, and then multiply it by the highest tax rate of 3% (which we know not to be the case) and then use a 100% collection rate (which we know to be impossible); we still only come up with \$51 million; still far short of the City's budget proposal, when taking into account all of the other local taxing districts which would be funded by the available proceeds from tax collections based on this assessed valuation; on this collection rate; and on this tax rate. It seems We believe that the administration of the City of Gary still does not take the situation seriously and insists on doing business as usual. We the undersigned, believe that this proposed budget cannot be funded based on even the most optimistic projections; and should therefore be rejected on these grounds.

We the undersigned, believe, that if for these same demonstration purposes, we instead use more realistic figures upon which to base any projections, that the shortfall will be even far greater. If instead of using the highest rate, and the 100% collection rate, we instead used the middle rate of 2%, which could be thought to be an average of the low and the high rates, and then multiply it by the recent historical collection rate for Gary which is around 70%, then we instead get a projected income from property taxes of closer to 24 million. And please bear in mind that this is still using the 1.711B NAV figure which is believed to be grossly inaccurate. Therefore, we the undersigned, believe that using these numbers, which reflect more realistic income projections, that this budget cannot be properly funded by the anticipated collections from the actual amount of property tax revenue which is more likely to be collected; and should be rejected on these grounds.

\*\*It should be noted that even though the capped base rates for Lake County are 1.5%, 2.5%, and 3.5%, the extra 1/2% must go to pay down long-term debt and is therefore not available to the various taxing bodies to use to fund general operating expenses. Therefore, all income projections derived from the collection of property taxes should be based on the base rates of 1%, 2%, or 3%.

\* Count six of the objection petition: We the undersigned, believe and allege, that a certain amount of the City's listed net assessed valuation may be contained within TIF districts, and therefore the property taxes collected therefrom will not be available to support the General Fund. This will further affect the shortfall of this proposed budget. We therefore believe that the listed net assessed valuation upon which this budget proposal has been based is inaccurate to such a degree that it cannot be properly funded and should be rejected on these grounds.

\* Count seven of the objection petition: We the undersigned, believe and allege, that for the purposes of preparing this 2011 budget, that the anticipated collections should be based upon recent historical collection rates of the past five years for the City of Gary, which are known to be approximately 70%. Due to the state of the

economy in general, and the even worse state of the localized economy, the collection rate for the City of Gary should not be expected to rise dramatically; and therefore, all income projections should be based upon the estimated collection rate of 70%. We the undersigned, believe that this budget proposal was not based on this 70% figure, but was instead based upon a much higher collection rate that will not likely be achieved. Therefore, we believe that there will not be enough property tax revenue collected to fund this proposed budget and that it should be rejected on these grounds.

\*\*It should also be noted that this 70% number is 70% of properties which are considered to be "on the tax rolls". This would refer to properties that have performed within the last several years. There are certainly many properties in Gary which are not on the tax rolls, yet are still added into the NAV figure; therefore, the true rate of collection factored against the total NAV figure may be even less than 70%.

\*\*\* There are approximately 17,000 parcels in Gary that are listed as tax-exempt by the Lake County Auditor.

\* Count eight of the objection petition: We the undersigned, believe and allege, that over the course of the last calendar year, that numerous high-valued properties have been shifted from taxable to tax-exempt status; and that no adjustments to reflect these recent changes in taxable status have been made to the total listed net assessed valuation. Additionally, there has been legislation before the city council this year to approve more transfers of high-valued properties from taxable to tax-exempt. The city council *did* approve preliminary legislation to support this action. For these reasons, we then believe that the listed net assessed valuation upon which this proposed budget is based is to be inaccurate to a degree that will it not provide enough revenue from property tax collections to fund it. We the undersigned, believe that it should be rejected on these grounds.

\*\* When the City's budget proposal is added to the budget proposals of other taxing units within the same district, the shortfall will be even greater. The Gary Airport, the Gary Sanitary District, the Calumet Township Trustee, the GPTC, the Library, the County, the School District, and the Department of Redevelopment will all have to share from this anticipated amount which should be based on the more realistic anticipated total collection amount; which will likely be nearer 30 million than the 60-70 million that would be needed to fund their budgets as proposed.

\* Count nine of the objection petition: We the undersigned, believe and allege, that in November of 2009, several thousand properties in Gary were sold by means of what is known as a "Commissioners' Certificate Sale". As a result, according to law, all outstanding liabilities are to be removed from the tax duplicate. It should be noted that the assessed values of these properties are still included in the listed net assessed valuation figure that the City is using in their calculations. It should also be noted that when the City issued and sold tax anticipation warrants, the current liabilities from these several thousand properties were included, even though they are now uncollectable. For this reason, the City of Gary may have to repay these tax anticipation warrants out of its General Fund. Additionally, as the assessed values of these properties which were

recently sold by means of this "Commissioners' Certificate Sale" have been included in the listed net assessed valuation for the City of Gary, there will be a shortfall in the anticipated collections as the taxes for these properties for all prior years are now uncollectable as a matter of law.

In September of this year, the Commissioners held another Certificate Sale at which they sold Commissioners' Certificates on several hundred more properties in Gary. The past and current liabilities for all of these properties sold by this method will be required to have all past liabilities removed from the tax duplicate as a matter of law. Therefore, we the undersigned believe that the sale of these thousands of properties by means of this Commissioners' Sale was not taken into consideration, and that if it was, the total net assessed valuation would need to be adjusted considerably and after making these necessary adjustments, will not provide enough revenue to fund the proposed budget and should be rejected on these grounds.

\* Count ten of the objection petition: We the undersigned, believe and allege the following to be true and applicable: Beginning on September 14, 2010, the Lake County Treasurer commenced holding a Treasurer's tax sale. On this particular tax sale, over 10,000 properties were listed for sale that are located within the taxing district of the City of Gary. It is unlikely that a significant percentage of these properties will be brought current before the sale. Only the properties that are sold will provide any revenue available to the City. This list contains properties that are at least two years delinquent. It does not reflect the properties which are less delinquent. Surely there are significant numbers of properties which are only one or two installments behind. As required by IC 6-1.1-17-0.5 (4), any properties that there is a high probability that the taxpayer will not pay taxes in the following year, are to be subtracted prior to determining the total net assessed value for the particular taxing district. We would then contend that properties that are now being offered at a tax sale, and have not been redeemed prior to said tax sale, and have been offered at tax sale and have gone unsold, have a fairly high probability of not being brought current within the next calendar year; which will fund this proposed budget. We the undersigned, believe that this law was not followed when the Lake County Auditor prepared the net assessed valuation for the City of Gary's taxing district. For this reason, we the undersigned, believe the listed net assessed valuation for the City of Gary to be grossly inaccurate, and as such, do not believe that there will be enough actual taxable valuation to support this proposed budget. and that it should be rejected on these grounds.

\* Count eleven of the objection petition: We the undersigned, believe and allege, that with a cursory effort, one can see how the Calumet Township Assessor's office has inflated the assessed values of many high-value properties and other properties. It should be expected that these properties will appeal these errant values which were raised significantly under the guise of Trending. There are hundreds of millions of dollars in false assessed value that have been added to these properties. With the correction of these errantly trended properties, the total NAV will be reduced accordingly. As these errantly trended values may go back several years, this will affect any tax anticipations from years gone by. If they were paid, they will be due refunds. If they were not paid, the past collection amount which may still be on the books as a

receivable, will need to be either erased or adjusted as necessary. The affect it will have on current finances is obvious. We therefore believe that due to the tremendous number of errors in assessment to properties within the City of Gary's taxing district, that once any significant number of these errors are corrected, that there will be a shortfall that will then not provide enough revenue to fund this proposed budget, and that it should be rejected on these grounds.

\* Count twelve of the objection petition: We the undersigned, believe and allege, there to be numerous other billing errors and irregularities which will need to be corrected. Once these are corrected, the total anticipated collections will be affected downward. It may also require past billings to be adjusted downward. If the bills which these errors affect have been paid, refunds or credits will need to be issued. If they have not been paid, the liabilities will need to be adjusted downward. Both situations will obviously affect the current finances of the City adversely. For these reasons, we believe that the revenue projections upon which this proposed budget was based to be inaccurate to a significant degree, and as such, will not yield enough revenue to fund it and that it should be rejected on these grounds.

\* Count thirteen of the objection petition: We the undersigned, believe, that one of the City's largest taxpayers, the Majestic Star Casinos, is in Chapter 11 Bankruptcy. The revenues normally anticipated from this revenue source may not be collectable within the near term. It should also be noted that the real property value of the casino complex was increased dramatically within the past several years under the guise of Trending by the Calumet Township Assessor's office. This property is believed to be under appeal and it is likely that the listed real property assessed value will be restored to its value before it was improperly Trended. If this is in fact the case, several years of real property tax liabilities will need to be recalculated. This will affect both the current budget, and the past budgets for which tax anticipation warrants were sold based on this as a collectable amount. Additionally, as required by IC 6-1.1-17-0.5, the total assessed valuation of any property that is part of a bankruptcy estate, which is protected under the federal bankruptcy code, should be subtracted from the net assessed valuation upon which this proposed budget has been based. We the undersigned, do not believe that the proper adjustments as required by law were made to the listed net assessed valuation upon which this proposed budget is based and should be rejected on these grounds.

\*\* Additionally, with the casino in Chapter 11, the normal payments which it makes to the City may be on hold for an indefinite period. As the City had been shoring up general operating expenses with this casino revenue (even though it was originally intended for use only on capital improvements) they will no longer be able to tap this fund as a fallback. And as a reversal of fortune, as it were, they may now need to shore up the few capital project budgets (if any are in process) which the casino money was funding from the General Fund.

\* Count fourteen of the objection petition: We the undersigned, believe and allege, that the City of Gary is obligated to pay dues to the RDA in the annual amount of 3.5-million dollars. We also believe that these dues have not been paid for at least two

years. We also believe that there was no provision made in the proposed budget for the payment of either these current or any payment of any delinquency of these dues. If these are meant to be paid from casino revenues, it should be then noted that the City of Gary recently took out a loan from Fifth/Third Bank for several million dollars, which was securitized by future soon-to-be-unencumbered casino revenues; which to use for general operating expenses for the 2010 calendar year. Since we do not see a line item for the payment of these dues to the RDA listed in this proposed budget, yet knowing that the City is in fact obligated by an agreement to pay these dues, we believe this proposed budget to have been prepared in error and it should be rejected on these grounds.

\* Count fifteen of the objection petition: We the undersigned, believe and allege, that the City of Gary may be commingling regular tax revenues and the extra .5% added to the local tax rates in Lake County that is specifically designated to pay down long-term debt. It is believed that this practice may be occurring primarily due to the fact that there is no separate listing for this debt service listed on the detail of the distribution of tax proceeds on the tax bill breakdown.

It is also believed and alleged that the additional percentage of approximately .4% which was added to the tax rate, above and beyond the increased rate that the DUAB had approved, may also be getting commingled with the other regular tax revenues. The DLGF has previously stated that this additional percentage of tax-rate increase, was to pay down some other class of exempt debt. (although they could not explain exactly what this meant with specificity) As we believe the City of Gary may be commingling the extra .5% and the extra .4%; which are to be specifically directed towards the payment of these two separate classifications of debt, with monies in the General Fund. We also believe that if the income projections were properly based without the inclusion of these extra .5% and .4% amounts, that there would not be enough projected revenue to fund this proposed budget and that it should therefore be rejected on these grounds.

\*\* The City still owes the Gary Sanitary District millions of dollars from an inter-agency loan they made to the City under the King administration. It has already been shown by the Federal government through numerous indictments that much of the money from the proceeds of this inter-agency loan was misappropriated by both individuals that have been indicted and are currently serving prison sentences in Federal prison. It has also been shown that others were involved and were listed as unindicted co-conspirators. Some of these individuals are still employed by the City; others have resigned. Yet, the taxpayers of Gary are still expected to support the repayment of this loan which was made by insiders to fund the very same conspiracy which they took part in and received direct proceeds from.

\*\*\* The City of Gary just recently borrowed millions from Fifth/Third Bank for general operating expenses just to make it through this year. To do so, they obligated casino revenues five years out. What will they do next year?

\* Count sixteen of the objection petition: We object to the City of Gary's proposed budget because in its current form as they have submitted it, there will be an

enormous shortfall. And with this shortfall, they will be forced to go before the DUAB to seek relief in an attempt to obtain permission from the DUAB to raise the tax rates of all taxpayers within this taxing district well beyond the statutory limits set by the State Legislature. We believe and allege that they are well aware that there is no possibility of funding this budget as it is proposed; but due to their refusal to reel in their flagrant and extravagant spending practices, and their overall resistance to taking the advice of professional advisors, have essentially submitted a budget which guarantees the City's insolvency; and that this budget proposal should be rejected on these grounds. No budget should be submitted that can only be funded if the DUAB grants relief to the administration of the City of Gary, as this relief is not relief at all, but it is instead a greater burden to the taxpayers of the City of Gary. Any budget that forces the administration of the City of Gary to seek relief from the DUAB should be considered unbalanced on its face and should be summarily rejected on these grounds.

\*Count seventeen of the objection petition: We the undersigned, object to the proposed budget because there will simply not be enough income to fund it. If the DLGF approves this budget, we recognize that another branch of the DLGF, the DUAB, will effectively be forced to give them relief through the means of the DUAB enabling the City to increase the tax rates to all taxpayers within this taxing district. We the undersigned, don't want the DUAB/DLGF to be forced into a position to award "relief" to the administration of the City of Gary; that comes at direct expense to the taxpayers of the City of Gary. We believe that this administration has not even begun to cut its budget as it could have. We recognize wasteful practices just about everywhere we look within the management of this city. We believe that it is high time that incompetence and fiscal irresponsibility are no longer rewarded. Without a significant amount of "relief" to this administration being awarded by the DUAB/DLGF, there will be a significant shortfall and we believe it should be rejected on these grounds.

We object to the City of Gary's proposed budget in its current form because it ensures that they will be forced to plead before the DUAB for another year of "relief"; (which is just the opposite of relief to taxpayers) and that it should be rejected on these grounds.

\*Count eighteen of the objection petition: We the undersigned, believe and allege, that the City of Gary has not implemented most of the recommendations of the fiscal monitor, PFM, and has disregarded many of the other recommendations and suggestions that were discussed both privately with officials of the DUAB, and in open public forum at several public meetings with the DUAB. The City effectively is refusing to significantly alter their way of doing business as usual. The Mayor has publicly rebuffed and rebuked the DUAB's and PFM's intrusion into local Gary matters on several occasions. It is believed to be the City's plan to use stall tactics in regards to implementing the necessary changes long enough until this State oversight goes away. We believe that this administration has no intention of voluntarily complying with the fiscal restraints foisted upon it by current budgetary limitations. We believe that since this administration has shown no good-faith effort to reduce its profligate spending, that this budget proposal should be rejected.

\*Count nineteen of the objection petition: We the undersigned, believe and

allege, that the administration of the City of Gary, in its property inventory, holds title to approximately 8000 parcels of property. When the DUAB and PFM learned of this, they recommended that the City of Gary strive to divest themselves of these properties so that they could hopefully become tax-producing properties instead of tax-consuming properties. They could find no clear strategy upon which the City's ownership of the majority of these properties was based. It should be noted that the administration of the City of Gary has made virtually no effort to divest itself of these extraneous properties; in fact, it should also be noted, that rather than divest itself of this unnecessary portfolio, they have instead been engaged in an aggressive property acquisition initiative over the very same recent years during which they go before the DUAB for relief. The expenses associated with this acquisition initiative continue--up to and through this very day; as the administration of the City of Gary has purchased properties at tax sale as recently as last month; and has also purchased properties at prior tax sales which have taken place during the same periods of time which the administration of the City of Gary appeared before the DUAB and sought and was granted relief from the State-mandated tax caps by the DUAB. The other costs associated with the acquisition of taxpayers' properties at tax sales will need to be funded from this proposed budget. (Does anyone see anything a little wrong with this picture?) At least there was still a chance of collecting property tax from the taxpayer whose property the City of Gary recently purchased at tax sale; but with the City of Gary as its new owner, there is no possibility whatsoever of collecting property taxes on it--now or in the near future. Because portions of this proposed budget will be used to fund this reckless, destructive, and irresponsible behavior by the administration of the City of Gary, it should be rejected on these grounds.

\* Count twenty of the objection petition: We the undersigned, believe and allege, that the administration of the City of Gary intends to pass this budget as proposed with the foreknowledge that it has materially been prepared in error; and that there may be a deliberate effort underway to have it approved by the Common Council without the proper public vetting. We also believe that this proposed budget is based on so many false presumptions, that there is no possible way that it can be funded by the actual property tax collections that should be anticipated and that it should be rejected on these grounds.

We also believe that there may be a concerted effort underway--involving numerous parties--to artificially prop up the City's depleted net assessed valuation. We believe that this effort may be underway for the sole purpose of creating the pretense that there will be enough property tax collected to be able to fund budget proposals such as this one currently under consideration. Later on, when it becomes apparent that this artifice actually cannot support the proposed budget that has been based upon it, the administration will have no alternative except to go before the DUAB again--for the third year in a row--to plead for the DUAB/DLGF to give this administration relief on the backs of the taxpayers of the City of Gary. And we also believe, that at this point, the DUAB will not have any alternative *but* to award relief to the administration, as so much time will have elapsed by the time the City presents their petition to the DUAB, that the DUAB will actually be forced to grant the relief asked for by the City. We therefore believe, that the DLGF must intervene now, before this administration has the

opportunity to spend money which they will not receive, and reject this proposed budget on the grounds that it can not be balanced by the actual property tax revenue that is likely to be collected in the year that funds the 2011 budget.

Furthermore, we believe and allege that there are plenty of budget cuts which could be made which could significantly reduce the burden to taxpayers. We believe that this proposed budget is still being used to fund numerous patronage positions. It is believed that there are many employees still on the City's payroll that produce no useful function to the day-to-day operations of the City; and that they are employed solely for political reasons, or because of the systemic practice of nepotism and cronyism; and as such, there is a strong likelihood that these particular employees are not the most qualified and/or productive in their positions. We also believe that because of the poor work product of many employees of the City of Gary, that the budget requirements to fund the City's payroll are excessive, and that this proposed budget should be rejected on these grounds.

\*Count twenty-one of the objection petition: We the undersigned, believe and allege, that numerous departments operating within the City of Gary, and under the direct authority of this administration, are operating with gross inefficiencies; and that many of these departments' staffs have been co-opted to do political favors for selected citizens, rather than operate in such a manner that provides services best for the city as a whole. we believe that the Department of Redevelopment, the In-House Demolition Department, and the General Services Department, are being used primarily to support the function of doing politically popular jobs that don't necessarily benefit the city as a whole. Furthermore, it is believed that the methods by which these departments are delivering these politically based favors to certain favored citizens, is being done in the most costly, destructive, inefficient, and most environmentally irresponsible manner possible. Because this proposed budget provides funding to these departments which we believe are not operating in the best interests of the citizens and city as a whole, we object to this proposed budget which seeks to fund the continued wasteful, irresponsible, and costly actions of these departments and it should be rejected on these grounds.

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In Conclusion: We the undersigned citizens and taxpayers in the City of Gary, are ready and willing to pitch in and help to fix this city and restore her to her former glory of not so long ago; however, we are not willing to do so as long as this administration continues to engage in its wasteful and destructive behavior and flagrant fiscal irresponsibility. Once the miasma of corruption, nepotism, cronyism, favoritism based on political affiliations, patronage, and incompetence is lifted, and the clear light of day can shine on this city, this healing process can begin.

As long as taxpayer dollars continue to fund the very same behavior and practices

which have led to this city's downfall--and continue to keep it down--there is no hope. But once the lifeblood of taxpayer dollars which funds these very same wasteful practices that restrain this city from realizing its deserved prosperity, are no longer allowed to fund this aberrant and undesirable fiscal behavior, but are instead used to provide the most basic services which people need to survive in Gary's urban setting, the road to recovery can begin--and not until then!

We therefore ask the Common Council of the City of Gary to reject this proposed budget on these grounds. We also ask that the DLGF intervene and also ensure that this proposed budget is rejected on any or all of the grounds listed within this Objection Petition to the City of Gary's proposed budget for 2011.

This is much worse than just a perfect storm. This is an oil spill and a train wreck in a perfect storm.

The City is way beyond insolvency. They need to file for Chapter 9 municipal bankruptcy protection forthwith. And besides this, they need to get their spending under control immediately. Under the Clay administration, they have done absolutely nothing to rein in expenses; despite what the mayor says.

People that choose to live in cities usually do so for a reason: they want and/or need the additional services which are normally made available to them. And as such, people that choose to live in cities are aware that taxes may be higher as the need to provide these additional services costs more money. But here in Gary, taxpayers are required to pay the highest tax rate in the state, yet we get far less in the way of municipally provided services than if we were in some remote area of the county.

As the City's income has been reduced, they have not made any real cuts to the payroll; therefore, they still insist on keeping hundreds of unneeded employees on the payroll, even though they haven't enough money to do anything. Nearly all of the property tax revenue that the City collects goes to fund salaries. Even though the payroll roster remains at or near historic levels, the actual level of services received from the City is down to nothing.

It is believed that this administration continues with this practice solely for political reasons. Politics have led to the total destruction of the City of Gary. All that is left to do now is to pick up the pieces and rebuild this city from scratch--from the ground up.

We're ready when you are!

**\*\*Note about the preparation of this *Objection Petition to the City of Gary's proposed budget for 2011*:** All of the aforementioned allegations are supported by sufficient factual documentation. It should be noted however that when attempting to get certain information from the Lake County Assessor and the administration of the City of Gary, which may have been helpful to facilitate a more comprehensive petition, these requests were met with a certain amount of resistance. We feel that the preparation of something as critically important to the welfare and well-being of the citizenry as the proposed budget for the City of Gary for 2011--(which may be a determining factor in the quality of life and budgets of individuals and businesses situated within the limits of

the City of Gary's taxing authority)--should be a far more transparent process than we have observed it to have been.