

## Russo, Stephanie

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**From:** andrea basarich [abasarich@sbcglobal.net]  
**Sent:** Wednesday, March 18, 2009 9:44 AM  
**To:** Russo, Stephanie  
**Subject:** Fw: There is a 100% guarantee...

--- On Tue, 3/17/09, nglenn <nglenn@netnitco.net> wrote:

**From:** nglenn <nglenn@netnitco.net>  
**Subject:** Fw: There is a 100% guarantee...  
**To:** Undisclosed-Recipient@yahoo.com  
**Date:** Tuesday, March 17, 2009, 6:30 PM

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

**From:** Beach46403@aol.com  
**To:** nglenn@netnitco.net  
**Sent:** Monday, March 16, 2009 9:25 AM  
**Subject:** There is a 100% guarantee...

....that the people of Gary and Miller will continue to get shit on as long as the people of Gary and Miller continue to allow it to happen. The latest group of "shitters" is more familiarly known as the Clay administration, but they are hardly the first, and unless the people of Gary and Miller do something to stop this, they won't be the last.

Of course there are groups that make attempts to stand up to them, but their efforts never seem to represent much more than little inconveniences to the offenders--to the terrorists. One of their primary tools with which these terrorists assault the citizens with is fear. Additionally, they have successfully divided and conquered the entire city. They have seized upon the inherent cultural, racial, and economic differences which exist throughout the city. This didn't take much effort on their part. These significant differences make division almost automatic. To fully unite a community with so many built-in social divisions is an extra big chore. But they (the administrations), instead of doing the first little thing to bring the various communities together, have implemented policies which instead drive them further apart.

Apathy is often the mindset of a conquered people. It flourishes on the futility of the situation. Futility is bred of the seeming impossibility of positive change--the acceptance that this is how things have always been and this is how things will always be. Well, things WILL be like this until the people at-large decide that they aren't willing to accept things like they are anymore. When will everybody decide that enough is enough? I thought it would have been years ago. I certainly thought it would be by now. But I guess not. I guess that there is no amount of getting shit on that the people of Gary and Miller won't endure. I gotta' say one thing; the people of Gary and Miller are a tough bunch. They are able to suffer nearly any and all abuses cast upon them--and without much complaining either. Gary is supposed to have 100,000 residents, yet the number of citizens that complain publicly about the way things are barely hits double digits. This is unheard of. It is impossible. But it is.

In ANY other city, anywhere, after Clay's latest stunt; giving his kid another useless contract to videotape the GSD meetings--and a significant raise to really grind salt into the open sore--would have drawn protests and marches on City Hall. But here, besides a couple of people writing critical emails, not a peep. Not any action. Nothing.

Yeah, there are some groups filing lawsuits and pussyfooting around some of the more vile abuses. But these relatively passive retaliations rarely change anything to any significant or recognizable degree. Too little, too late. Without mass citizen movements things aren't going to change. You can't deal with people like this in a civil manner. These crooks are raping and pillaging and terrorizing our community--every single day! If you need any proof, just take a ride around the city. (If you don't think Gary looks like a city that has been raped and pillaged for years, you need to get out of the house more!) And if suffering these abuses every day weren't torture enough, we have to listen to and read the words of these people patting each other on the back and congratulating each other with these self-generated, undeserved accolades--torturing us even more. But what is the most unbelievable thing of all--impossible to comprehend--is that they get voted back into office time and time again. Battered-spouse Syndrome? Stockholm Syndrome? Emotionally drained? What

could possibly explain it? Don't people know any better? They surely deserve better. They could easily have better. Are they afraid to want better?

So if you like living like this, you don't have to do the first damn thing different. But if you want things to get better--and they can get one helluva' lot better--wake up, get up, stand up, and stick up for yourselves, your friends, your neighbors, and your children. If you don't, we ALL will continue to suffer at the hands of these abusers.

Either submit to and accept the abuses of this most dysfunctional of relationships, or get out of the relationship. Action or inaction--the choice is yours.

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How about a citizen protest next Saturday morning on the steps of City Hall? Let's see if the different communities in the city can come together to stand up for themselves! We got plenty of topics to choose from; better and more responsive government, cheaper and more efficient government, high taxes, potholes, corruption, take your pick! Making a long list of things to complain about shouldn't pose much of a problem!

How 'bout it MCC, CDOP, MBA, Miller Improvement Group, Gary Chamber, Black Oak, Church groups! Whaddaya' say Dwight, Willie, Darryl, L'Sana, Jim, Kwabenna, Judy, Ron, Robert? And what happened to all of those former candidates for public office? They sure got quiet in a hurry!

Let's see if these groups and individuals can put aside their petty differences and come together for the greater good of the city. We'll soon find out! Let's see how good everyone is at turning rhetoric into action!

We'll find out who's just working their own political agenda, and who's willing to do some real work!

Or, you can just sit home and watch TV. I guess it all depends on if you want the future to start now or if you are willing to take your chances and wait a few more years. But there's no guarantee that it will change then either. It is unlikely that it will ever change until the citizens change it--at a minimum, demand that it change.

The treatment we've been receiving calls for torches and pitchforks, but for now, bullhorns, picket signs, posters, and handbills will suffice.

Where apathy lives, corruption thrives! Lake County has proven that beyond any doubt!

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## Russo, Stephanie

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**From:** nglenn [nglenn@netnitco.net]  
**Sent:** Saturday, March 21, 2009 7:14 PM  
**To:** Russo, Stephanie  
**Subject:** Fw: Rule to Show Cause in garbage collection case

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

**From:** [D2ogg1@aol.com](mailto:D2ogg1@aol.com)  
**To:** [nglenn@netnitco.net](mailto:nglenn@netnitco.net)  
**Sent:** Saturday, March 21, 2009 5:55 PM  
**Subject:** Rule to Show Cause in garbage collection case

On March 18, 2009 the MCC Legal Defense Fund filed a Motion for an Order To Appear and Show Cause why the City of Gary by its Mayor Rudy Clay, Acting in his capacity as Mayor and Special Administrator to the Gary Sanitary District and the Gary Sanitary District Board of Commissioners, and in their individual capacity.

The Motion seeks to have the defendants to Show Cause why they should not be punished for contempt of an Order of the Court entered on February 3, 2009. It is our belief that the Court Order prohibits, by permanent injunction, the billing of residents of the City of Gary for the illegal waste hauling and disposal fees associated with the illegal contract.

Send contributions to the MCC Legal Defense Fund, 607 South Lake Street, Gary, IN 46403.

Douglas M. Grimes, President  
MCC

Douglas M. Grimes, P.C.  
6941 Ironwood Avenue  
Gary, IN 46403-1216  
219-939-9511  
[d2ogg1@aol.com](mailto:d2ogg1@aol.com)

NOTICE: This message is from the law office of Douglas M. Grimes, P.C. The information contained in this electronic mail transmission and any attachments may contain legally privileged or confidential information and may be protected by legal privilege. This message is intended only for the individual or entity to which it is directed. If you are not the addressee, or if this message has been addressed to you in error, you are not authorized to use, read, copy or distribute this message and any attachments, and we ask that you please immediately delete this message and attachments (including all copies), and notify the sender by return e-mail or telephone at 219-939-9511 so that our records can be corrected. Delivery of this message and any attachments to any person other than the intended recipient is not intended in any way to waive confidentiality or privilege. All personal messages express views only of the sender, which are not to be attributed to Douglas M. Grimes, P.C. and may not be distributed or copied without this statement.

## Russo, Stephanie

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**From:** nglenn [nglenn@netnitco.net]  
**Sent:** Saturday, March 21, 2009 7:36 PM  
**To:** Russo, Stephanie  
**Subject:** Thanks, I think?

**Importance:** High

# Deal for mayor's son may jeopardize state aid

[Recommend \(4\)](#)  
[Comments](#)

March 21, 2009  
By John Byrne

Post-Tribune staff writer

INDIANAPOLIS -- Gov. Mitch Daniels warned Friday that the \$40,000 contract Gary Mayor Rudy Clay's son has with the city Sanitary District could hurt the beleaguered municipality's case for state aid.

While considering whether to grant Gary relief from property tax caps that will decimate its revenue base this year, the state Distressed Unit Appeal Board should look into the contract Rudy Clay Jr. has to videotape Gary Sanitary District meetings, Daniels said.

The \$39,960 contract for the mayor's son is emblematic of the seemingly wasteful use of public revenue in Lake County, the governor said.

He likened Gary to the major U.S. automakers, which have been forced to justify spending after accepting federal bailouts.

"In the same sense that the auto companies, who are now taxpayer wards of the state, ought to have to show they're going to really change their ways, fundamentally change their ways if they're going to justify what's going on, I would say the very same thing applies to anybody coming to the Distressed Unit Board," Daniels said.

"If you put yourself in bankrupt condition through your past practices, you ought to show you're going to change those practices before you ask the taxpayers to bail you out," he said.

Informed of Daniels' comments, Mayor Clay said he would tell his son to step down rather than jeopardize aid to the city.

"I'm not going to debate my son with the governor, who I respect, and who has the favor of the Distressed Unit Board," Clay said. "I'll discuss it with the Distressed Unit Board, and if it means my son will have to step down, so be it."

Clay Jr. received a raise of \$9,960 this year over the \$30,000 contract with the Sanitary District he had in 2008.

As he has in the past, the mayor Friday defended his son as an accomplished videographer, and said statute dictates the Sanitary District meetings be captured on film.

But Clay said he would focus on the bigger picture.

"We can't let the state use this to cause pain to the rest of the city. That isn't going to happen," the mayor said.

The city of Gary stands to lose about \$24 million to the tax caps in 2009. It is the only city in the state to apply for relief from the caps.

The mayor has already instituted layoffs and deep pay cuts for city workers to deal with the shortfalls, making the contract for his son all the more glaring.

But Daniels, striking a familiar stance when addressing problems in Lake County, said it is ultimately up to the voters and taxpayers to hold officials responsible.

"If you weren't outraged a long, long time ago, maybe you're numb to the misuse of taxpayer dollars and so forth," he said.

"These are matters ultimately for the people of Lake County to judge. They're entitled to all the lousy and sometimes corrupt government they're willing to put up with and pay for," Daniels added.

Contact John Byrne at (317) 631-7400 or [jbyrne@post-trib.com](mailto:jbyrne@post-trib.com). Comment on this story at [www.post-trib.com](http://www.post-trib.com).

## State reviews GSD user fees plan

[Recommend](#)  
[Comments](#)

March 21, 2009  
By Jon Seidel

Post-Tribune staff writer

GARY -- A plan to eliminate the Gary Sanitary District's property tax revenue and run the agency strictly on user fees is among the records under review by a state tax appeals board.

If implemented, the plan shows, GSD's property tax levies would be eliminated but its customers' user and trash collection fees would rise once again.

The analysis, prepared by GSD financial adviser Cender & Co., was requested in a letter in January by Cristopher R. Johnston of the state Office of Management and Budget.

Johnston sent his letter to Gary controller Celita Green after the Indiana Distressed Unit Appeals Board toured the city.

GSD faces a possible \$4 million deficit this year, a state report shows, because of new property tax caps. GSD, the city of Gary and several other Gary taxing units are asking the distressed board to raise those caps for local businesses to make up for the deficit.

According to Cender & Co.'s analysis, GSD would need to increase monthly user fees from \$6.50 per 1,000 gallons to \$8.06 per 1,000 gallons if the sewer operating property tax levy was eliminated.

If the sewer operating and debt service property tax levies were eliminated, GSD would need to increase that fee to \$8.85 per 1,000 gallons.

An 85 percent user fee increase was implemented at the district in June 2008. GSD also started charging customers a trash collection fee for the first time this year after Gary privatized its trash service.

That monthly fee would need to increase from \$12 for residential customers to \$24.39, according to the plan, if property taxes were no longer available to fund the work.

Right now, according to Cender & Co.'s documents, the current cost of trash collection is \$5.7 million, and \$2.8 million of that is funded by the trash collection fee. The rest is funded by property taxes.

Several community groups are protesting that fee because a Lake County judge voided the contract it funds.

Distressed board chairman Ryan Kitchell didn't return calls about the plan, nor did Richard Comer, president of GSD's board of commissioners.

A final date for the distressed board to consider Gary's petition has yet to be scheduled.

Contact Jon Seidel at 881-3148 or [jseidel@post-trib.com](mailto:jseidel@post-trib.com). Comment on this story at [www.post-trib.com](http://www.post-trib.com).

## Russo, Stephanie

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**From:** Ted Prettyman [mcctedp@sbcglobal.net]  
**Sent:** Sunday, March 22, 2009 2:01 PM  
**To:** Russo, Stephanie  
**Cc:** Andy Young; Norm Caplan; Matt Dilts; Tom Eaton; Douglas Grimes; Jim Martin; Wendy Prettyman; Ted Prettyman; Greg Reising; George Rogge

Hi Stephanie:

Following is another example of the City of Gary's refusal to effectively reduce its economic crisis through prudent fiscal policies. Clearly the Board of Public Works has in mind another not-for-profit agency to purchase this property thus removing another source of revenue from the property tax rolls.

This property sits on the northwest corner of a busy "T" intersection in the Miller section of Gary and was originally built as a supermarket which operated for almost thirty years. For a very short time it accommodated a crafts (carpentry, electrical, etc.) training facility owned and operated by the now-defunct Gary Urban Economic Enterprise Association; and is one of some 600 other pieces of property once owned by this agency, most or all of which has been off the property tax rolls for the better part of twenty years.

This is another reason we are opposed to any additional funds coming to the City until there is clear evidence of an improvement in the management of the City of Gary.

Bankruptcy/reorganization remains a viable option to many of us.

Thank you, again, for your assistance in forwarding all of our letters and emails to the members of the Distressed Unit Appeals Board. We appreciate your efforts.

Ted Prettyman  
Miller Citizens Corporation  
Member of the Board of Directors



PT5580 3:16,17,23,24 CITY OF GARY - BOARD OF PUBLIC WORKS AND SAFETY  
INVITATION TO SUBMIT BIDS ON REAL ESTATE NOTICE TO BIDDERS NO. 1-09  
Notice is hereby given that pursuant to I.C. 36-1-11-4, the Board of Public works and Safety of the City of Gary, as the designated disposing agent for property owned by the City of Gary, will receive and consider written bids for the purchase of certain real estate in the City of Gary, Indiana **to be used for the specific purpose of a Building Trades Training School;** hereinafter described, subject to the conditions of sale hereinafter set forth. 6300 Miller Avenue, Gary, Indiana (Store)  
Lots 1 to 6, both inclusive in Block 5, in J.H. Ansbro's First Addition to Miller, in the City of Gary, together with the East ½ of Huntington Street, lying West of and adjoining said lots.  
TOTAL APPRAISED VALUE - \$181,500.00  
Written bids for said property will be accepted at the office of the City of Gary, Board of Public Works and Safety (Board), City Hall, 401 Broadway, Room 300, Gary, Indiana, during the Board's regular business hours, beginning at 8:30 a.m. on March 16, 2009 and

ending promptly at 10:00 a.m. on Wednesday, April 1, 2009. At this time, they will be publicly opened and read when this item is called by the presiding officer of the Board. The Board meeting is scheduled to begin at 10:00 A.M. local time. The bidder must specify the proposed use of the property in its bid. Every bid must contain a lump sum bid price for the complete property and the complete name, address, telephone number, and FAX number, if available, of the bidder. The sale of the property will be awarded to the highest and best bidder as determined by the City of Gary. A bidder may raise its bid and that raise shall be effective after the Board, or its designee, has given written notice of that raise to the other bidders who have submitted bids by the time said notice is given. Sale of real property owned by the City of Gary must be approved by the Mayor. In addition, any such sale of real property having an appraised value of over \$50,000.00 requires the approval of the Common Council of the City of Gary. Before the approval of the Mayor and Common Council can be given, a Public Hearing regarding the proposed sale, for which appropriate notice is given in accordance with I.C. 5-3-1, must be held. The Mayor has designated the Board to give the appropriate notice, conduct the necessary hearing, and, thereafter, provide him with the Board's written recommendation. **CONDITIONS OF SALE**

1. The property may not be sold to a person or the agent of a person who is ineligible to purchase the property pursuant to the terms of I.C. 36-1-11-16. 2. A bid submitted by a Trust (as defined in I.C. 30-4-1-1a) must identify each: a. beneficiary of the Trust; and b. settlor empowered to revoke or modify the Trust. 3. The minimum bid for real estate offered for sale shall be ninety percent (90%) of the appraised value. The Board of Public Works and Safety may sell the property for less than 90% of the appraised value only after having issued an additional notice of sale published in accordance with I.C. 36-1-11-4. The Board reserves the right to reject any and all bids or to withdraw said property from sale at any time up to the formal adoption of a resolution by the Board approving the sale to the highest and best bidder. In determining the best bid, the Board will take into consideration the size and character of the improvements proposed to be made by the bidder on the real estate; his (her) plans and ability to improve real estate with reasonable promptness; whether the real estate, when improved, will be sold or rented; the bidder's proposed sale or rental prices; the financial responsibility, qualifications, experience and ability of proposed Redeveloper to finance and complete the development; consistence with the bidder's plans with the Master Plan Guidelines and other considerations which will further the objectives of the City of Gary, Indiana, and will best serve the interests of the community, both from the standpoint of human and economic welfare. 4. The Board may engage an auctioneer to conduct the sale by public auction. The auction may be conducted either at the time for beginning of the sale in accordance with this Notice or after the beginning of the sale. If an auctioneer is engaged by the Board, each bidder who has submitted a bid will be given written notice of the time and place of the auction. 5. Within ten (10) days after receiving notice of the bid award, the successful bidder must deposit with the City of Gary, Department of Finance, a bid deposit in the form of a certified check, made payable to the "City of Gary", in an amount of at least ten percent (10%) of the bid amount. No extension will be granted for payment of the bid deposit. 6. Within thirty (30) days after the bid is awarded, the successful bidder must deposit with the Finance Department the difference between the bid amount and the bid deposit. An individual may apply to the Board for an extension of thirty (30) days to pay the bid amount and said extension may be granted for "good cause shown". Under no circumstance will a person be granted a longer period than sixty (60) days from the date of award within which to pay the full bid amount. 7. The City of Gary will deliver a Warranty Deed. The Deed will contain covenants forbidding sandmining. 8. The property shall be sold in an "as is" condition subject to existing easements, restrictions of record, local, county, state and federal laws, regulations and

other ordinances limiting or regulating the use of the property. 9. The City of Gary shall not be responsible for, or make any allowance for, damage which may occur to the property after the date of award of same to the successful bidder and will not reduce the sale price based upon any damages occurring after the award date. The successful bidder may request written permission from the Board authorizing said bidder to secure the property. 10. All persons who bid on properties being offered through the herein described bid procedures shall be deemed to have consented and agreed to the above terms and conditions. For more information, interested parties should contact the City of Gary Board of Public Works and Safety, 401 Broadway, Suite 300, Gary, IN 46402, (219) 881-1310. Copies of this Notice, containing the complete legal descriptions of the parcel being offered in this Notice can be picked up there any business day between 8:30 a.m. and 5 p.m. Board of Public Works and Safety Of The City of Gary, Indiana By: Geraldine B. Touissant, President

Dated 3/11/09 Attest: Rinzer Williams Executive Director

Source: **Post-Tribune Sub-classification: Legals 3/17/2009**

TedP

## Russo, Stephanie

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**From:** Mark Christopher [ktw58@hotmail.com]  
**Sent:** Friday, March 20, 2009 5:38 PM  
**To:** Russo, Stephanie  
**Subject:** Gary Article and Opinion

Greetings Ms. Russo,

I have written to you before in order to announce my opposition to the City of Gary's appeal before the DUAB. Just as a follow-up, I am forwarding a link to an article in today's NWI Times: Gov. Daniels: Gary Sanitary District contract stinks

[http://www.thetimesonline.com/articles/2009/03/20/updates/breaking\\_news/doc49c3e2c883ca1570764174.txt](http://www.thetimesonline.com/articles/2009/03/20/updates/breaking_news/doc49c3e2c883ca1570764174.txt)

I trust you are already aware of this article, but perhaps, if you have a moment, you might take a look at the comments at the bottom of the page. In particular, I can vouch for the person who noted that they had inquired with the City of Gary regarding potential opportunities to provide video taping and editing services. I too have inquired several times over the years if such opportunities might be (or might become available), since I have significant experience in this field. However, I have always been told by City Hall, the GSD, and other departments that no such positions or contract opportunities were, or would become, available. I am a Gary citizen - not from out of town. I am well aware of the technological needs of these activities and could easily have provided equal or better service for far less (probably less than half) of the contract value given to the Mayor's son. I believe this is yet another example of our current city administration's brazen lack of concern for how it spends tax payers' money. Yes, there are needs, but until our city and citizens wake up and CLEAN HOUSE, Gary does not deserve ANY financial bail out.

Please pass this message along to the DUAB board at your convenience.

Best Regards,  
Kurt Weiss  
Gary, IN

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## Russo, Stephanie

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**From:** d2ogg1@aol.com  
**Sent:** Monday, March 23, 2009 12:07 AM  
**To:** mcctedp@sbcglobal.net; Russo, Stephanie  
**Subject:** Re: (no subject)

I agree. I question the logic of using such a valuable property for a training school when there are other sites, including, the Career Center where such training could take place. That property should be put to a commercial use and added to the tax roll. As Yogi might say "its de ja vu all over again." Shades of GUEA.

Doug

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

**From:** Ted Prettyman <mcctedp@sbcglobal.net>  
**To:** Stephanie Russo <srusso@sba.in.gov>  
**Cc:** Andy Young <AYoung7550@aol.com>; Norm Caplan <ngcaplan@jorsm.com>; Matt Dilts <madilts@finsvcs.com>; Tom Eaton <mceaton@aol.com>; Douglas Grimes <d2ogg1@aol.com>; Jim Martin <jwm@netnitco.net>; Wendy Prettyman <wprettyman@sbcglobal.net>; Ted Prettyman <mcctedp@sbcglobal.net>; Greg Reising <reisinglaw@aol.com>; George Rogge <george@roggeinsurance.com>  
**Sent:** Sun, 22 Mar 2009 1:01 pm  
**Subject:** (no subject)

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Miller Citizens Corporation  
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Written bids for said property will be accepted at the office of the City of Gary, Board of Public Works and Safety (Board), City Hall, 401 Broadway, Room 300, Gary, Indiana, during the Board's regular business hours, beginning at 8:30 a.m. on March 16, 2009 and ending promptly at 10:00 a.m. on Wednesday, April 1, 2009. At this time, they will be publicly opened and read when this item is called by the presiding officer of the Board. The Board meeting is scheduled to begin at 10:00 A.M. local time. The bidder must specify the proposed use of the property in its bid. Every bid must contain a lump sum bid price for the complete property and the complete name, address, telephone number, and FAX number, if available, of the bidder. The sale of the property will be awarded to the highest and best bidder as determined by the City of Gary. A bidder may raise its bid and that raise shall be effective after the Board, or its designee, has given written notice of that raise to the other bidders who have submitted bids by the time said notice is given. Sale of real property owned by the City of Gary must be approved by the Mayor. In addition, any such sale of real property having an appraised value of over \$50,000.00 requires the approval of the Common Council of the City of Gary. Before the approval of the Mayor and Common Council can be given, a Public Hearing regarding the proposed sale, for which appropriate notice is given in accordance with I.C. 5-3-1, must be held. The Mayor has designated the Board to give the appropriate notice, conduct the necessary hearing, and, thereafter, provide him with the Board's written recommendation. **CONDITIONS OF SALE**

1. The property may not be sold to a person or the agent of a person who is ineligible to purchase the property pursuant to the terms of I.C. 36-1-11-16. 2. A bid submitted by a Trust (as defined in I.C. 30-4-1-1a) must identify each: a. beneficiary of the Trust; and b. settlor empowered to revoke or modify the Trust. 3. The minimum bid for real estate offered for sale shall be ninety percent (90%) of the appraised value. The Board of Public Works and Safety may sell the property for less than 90% of the appraised value only after having issued an additional notice of sale published in accordance with I.C. 36-1-11-4. The Board reserves the right to reject any and all bids or to withdraw said property from sale at any time up to the formal adoption of a resolution by the Board approving the sale to the highest and best bidder. In determining the best bid, the Board will take into consideration the size and character of the improvements proposed to be made by the bidder on the real estate; his (her) plans and ability to improve real estate with reasonable promptness; whether the real estate, when improved, will be sold or rented; the bidder's proposed sale or rental prices; the financial responsibility, qualifications, experience and ability of proposed Redeveloper to finance and complete the development; consistence with the bidder's plans with the Master Plan Guidelines and other considerations which will further the objectives of the City of Gary, Indiana, and will best serve the interests of the community, both from

the standpoint of human and economic welfare. 4. The Board may engage an auctioneer to conduct the sale by public auction. The auction may be conducted either at the time for beginning of the sale in accordance with this Notice or after the beginning of the sale. If an auctioneer is engaged by the Board, each bidder who has submitted a bid will be given written notice of the time and place of the auction. 5. Within ten (10) days after receiving notice of the bid award, the successful bidder must deposit with the City of Gary, Department of Finance, a bid deposit in the form of a certified check, made payable to the "City of Gary", in an amount of at least ten percent (10%) of the bid amount. No extension will be granted for payment of the bid deposit. 6. Within thirty (30) days after the bid is awarded, the successful bidder must deposit with the Finance Department the difference between the bid amount and the bid deposit. An individual may apply to the Board for an extension of thirty (30) days to pay the bid amount and said extension may be granted for "good cause shown". Under no circumstance will a person be granted a longer period than sixty (60) days from the date of award within which to pay the full bid amount. 7. The City of Gary will deliver a Warranty Deed. The Deed will contain covenants forbidding sandmining. 8. The property shall be sold in an "as is" condition subject to existing easements, restrictions of record, local, county, state and federal laws, regulations and other ordinances limiting or regulating the use of the property. 9. The City of Gary shall not be responsible for, or make any allowance for, damage which may occur to the property after the date of award of same to the successful bidder and will not reduce the sale price based upon any damages occurring after the award date. The successful bidder may request written permission from the Board authorizing said bidder to secure the property. 10. All persons who bid on properties being offered through the herein described bid procedures shall be deemed to have consented and agreed to the above terms and conditions. For more information, interested parties should contact the City of Gary Board of Public Works and Safety, 401 Broadway, Suite 300, Gary, IN 46402, (219) 881-1310. Copies of this Notice, containing the complete legal descriptions of the parcel being offered in this Notice can be picked up there any business day between 8:30 a.m. and 5 p.m. Board of Public Works and Safety Of The City of Gary, Indiana By: Geraldine B. Touissant, President

Dated 3/11/09 Attest: Rinzer Williams Executive Director

Source: **Post-Tribune Sub-classification: Legals 3/17/2009**

TedP

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## Russo, Stephanie

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**From:** KRISeKRIS00@aol.com  
**Sent:** Tuesday, March 24, 2009 9:54 AM  
**To:** Russo, Stephanie  
**Subject:** Paper cuts

Dear DUAB Members:

Well, you probably don't need me to tell you this, after having received and read the City's pitiful responses to the requests for information that you presented to them! I would have thought your requests for the various information from the various departments, from various years, would have filled several wheelbarrows. Oddly though, the City was able to condense it down to 27 pages. Twenty-seven pages?

By now you must have a pretty clear picture of the level of professionalism that you are dealing with--none! Their monthly bank statement is likely 27 pages. But somehow, they have figured out how to cram all of the information that your board needs to make the decision which will decide the fate of this entire city -- of this entire area -- into a stack of papers that doesn't require anything more than a desktop stapler to bind.

The City couldn't even provide this scant, incomplete, pathetic response without having to recruit outside help to get it done. The taxpayers had to foot the bill for the City to hire Cender and Company to supplant their own ineptness and incompetence. We get stuck with the bill that paid for the City trying to stick it to us more. Again!

I would like to bring your attention to the bar graph in the City's PowerPoint presentation in which they show the gross budget amounts for years 1996 through 2010. If you'll note that in 2005, the budget is noted as approx. 68 million, therefore; if the City had made the cuts they continually state that they have, we'd be at 35 million, which would be at or near the necessary, targeted amount. But as you probably know, the City's budget is still somewhere north of 60 million. This is just another example of the deception and lies generated by City Hall on a daily basis.

Please don't be afraid to make the only decision that makes sense, the only decision which will lead this city and the surrounding area out of the dark ages. Don't worry that the State will have to babysit this city. If you make this right decision, all you are going to have to do is sit back and watch this city turn on a dime.

Give them no quarter, as they have earned none. They deserve no sympathy. They have made their bed, make them lie in it. The citizens and taxpayers have been waiting for salvation for years. They deserve the most immediate of gratification as can be made possible. No effort to soften the actions which will engender these long-awaited and well-deserved remedies should be considered. The monster that is our city government will surely suffer as it writhes in the throes of hunger pangs, but the city -- the real city -- as a living body can come out of its forced hibernation and come to life once again. This great city which was once so vibrant and full of life -- that is until the monstrosity of local government choked the life from it -- will breathe healthily again, and in time rise to the prosperity and greatness that it was first built of.

I don't try to make your decision harder by attaching such importance to it, I mean to make it easier. Not only have taxpayers been crushed by this oppressive tax rate, but the proceeds from it have been and are being used to further oppress them, as well as repress any improvements in the quality of life which would naturally occur. The citizenry and the taxpayers will realize a twofold benefit immediately following the implementation of the tax caps as the legislature intended them. This city will develop naturally if it is allowed and enabled to. It is only because of the unnatural conditions that have been supported and maintained by this distorted local government -- that deliberately stifle and constrict its natural growth -- that we have not witnessed this natural type of growth. We need relief now! We the taxpayers deserve this relief. They don't. WE the people can bring this city back to life. They are only interested in keeping it in a coma.

Gary was great once, and will be great again. We have geography in our favor. We have the best rail access around. We are transected by the nation's busiest highways. We have the longest lakefront in the state. We are home to Lake County's largest employer in USX. We are 35 minutes from downtown Chicago. When Gary's founders picked this location, they knew what they were doing. It has only been by the intentional, premeditated, and calculated efforts to impede, impair, and countermand the natural growth of this city that we sit here now in ruins. Take away the fuel which provides them the ability to restrict and restrain the natural growth of commerce and industry. Cut this city loose from these costly and energy-draining tethers and watch it soar again!

Kris Edwards

## Russo, Stephanie

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**From:** carole barnes [cbarnes805@yahoo.com]  
**Sent:** Wednesday, March 25, 2009 10:59 AM  
**To:** Russo, Stephanie  
**Subject:** State and Gov Daniels

Dear Ms. Russo,

As seen by Mayor Clay's reaction to Gov Daniels comment on Clay, Jr's job, only the State of Indiana or the Governor himself can get any results from this administration. We (citizens of Gary) have spoken and demonstrated at various GSD meetings to no avail. You can view our comments on those wonderful video's, if they are available anywhere. Despite public outrage, there have been no positive changes.

Once again, please do not pour any additional funds into the hands of Mayor Clay, et al.

Sincerely,  
Carole Barnes  
739 N Montgomery St  
Gary IN 46403

## Russo, Stephanie

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**From:** police\_chief@comcast.net  
**Sent:** Thursday, March 26, 2009 4:47 PM  
**To:** Russo, Stephanie  
**Subject:** Additional Information

Stephanie,

When will the board meet to make a decision about assisting Gary? I am preparing some additional pertinent information for their consideration. I will overnight it later today if necessary. 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"

**Russo, Stephanie**

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**From:** KRISeKRIS00@aol.com  
**Sent:** Friday, March 27, 2009 9:55 AM  
**To:** Russo, Stephanie  
**Subject:** More of the same in Gary

## **Gary pitches transparency at closed-door meeting**

- [Story](#)
- [Discussion](#)

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By Christine Kraly  
[christine.kraly@nwi.com](mailto:christine.kraly@nwi.com), (219) 662-5335 | Friday, March 27, 2009 | [\(No comments posted.\)](#)

GARY | A Thursday meeting that had been pitched by city leaders as a means to encourage transparency in Gary's bid for federal stimulus dollars was closed to the public and media.

At the closed-door meeting, Gary officials asked civic, business and community leaders to support the city's bid for hundreds of millions in federal stimulus dollars, some who attended the meeting said.

Though advertised through a news release to the media earlier in the week, neither press nor public were permitted to attend, a city spokeswoman confirmed.

The irony of a meeting preaching transparency being closed to the public wasn't lost on one attendee.

"That kind of confuses me," said Speros Batistatos, president and CEO of the South Shore Convention and Visitors Authority. Throughout the meeting, Batistatos said, "all I kept hearing was 'transparency, transparency.'"

On March 20, city officials notified the media about the meeting but did not include a date, time or location information.

In the release issued by the city, Mayor Rudy Clay said: "We want the business community to be involved in the process as it relates to transparency, accountability and spending of stimulus dollars."

Despite the notice, city spokeswoman LaLosa Burns later told The Times that neither the media, nor the public, was allowed.

In a packet of information provided to those who attended, Clay expressed his regret at missing Thursday's meeting. He met instead with the state's Distressed Unit Appeal Board and the Department of Local Government Finance, his letter stated.

Clay did not respond to several calls seeking comment Thursday.

John Vinzant, of the Miller Citizen Corp., however, said the meeting's privacy encouraged candidness without the media's presence.

"I think it made a lot of sense, actually," Vinzant said.

Vinzant said Gary officials discussed the ways the group could support the city's stimulus projects, including with help

navigating the complex grant process.

"It's a lot of work," Vinzant said. He called it a "real good idea" that officials are seeking community support.

Clay has touted that the \$400 million worth of stimulus projects the city has pitched would create about 18,000 Gary jobs.

Clay's letter also invited group members to create a Stimulus Transparency Advisory Committee, "charged with ensuring accountability for the use of the stimulus dollars coming to Gary."

"It's exactly what needs to happen," Vinzant said. "It's just got to be as transparent as hell."

The group is expected to meet again soon, though neither Vinzant nor Batistatos knew of a set date.

Batistatos said he is eager to learn more about the city's plans to partner with agencies to leverage grant requests.

## Transparency meeting? You can't see it!

- [Story](#)
- [Discussion](#)

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By Mark Kiesling

[mark.kiesling@nwi.com](mailto:mark.kiesling@nwi.com), (219) 933-4170 | Friday, March 27, 2009 | [\(No comments posted.\)](#)

It's more than a little ironic that a meeting Thursday in Gary on government transparency was closed to the public, don't you think?

The meeting was so transparent, in fact, that almost no one saw it.

Last week Gary Mayor Rudy Clay invited about two dozen public and private leaders to meet Thursday and discuss distributing Gary's portion of federal stimulus money under the title "stimulus spending transparency."

"Transparency" is this week's government-speak, a bit of shorthand for no more deals behind closed doors, for public business to be done as much as possible under public scrutiny.

"We want the business community to be involved in the process as it relates to transparency, accountability and spending of stimulus dollars," Clay said. "Use of stimulus funds will be used only for earmarked projects."

That sentence was so filled with government-speak that there is likely no one outside Washington, D.C., who could explain what it means in English, but I digress.

Despite the repeated pledges to transparency and accountability, the doors to the Thursday meeting were unaccountably closed to the public and to the media, an announcement made by city Press Secretary LaLosa Burns.

Not that those invited necessarily knew this.

South Shore Convention and Visitors Authority Executive Director Speros Batistatos, for instance, said he was not told the meeting was by invitation only.

"That kind of confuses me," he said, given that throughout the meeting he said all he kept hearing was "transparency, transparency."

So let's see. Call together a bunch of people to discuss how to spend a potential \$400 million of public money on 43

different projects that could employ more than 18,000 people. Discuss how to make it "transparent."

Then close the meeting to the public.

In the interest of full disclosure, transparency in government has not always proved profitable for the Clay family.

For example, when it became transparently known this week that the mayor's son, Rudy Clay Jr., was signed to a \$40,000 annual contract to record meetings of the Gary Sanitary District, there was enough public outrage that his contract vanished.

Questioned earlier about his \$31,000 salary from the GSD as well as his son's contract, the mayor's response was simply, "God is good."

Which may explain why six of the 22 people invited were Gary clergymen.

I believe it was Benjamin Franklin who said "God helps those who help themselves," and thanks to transparency in government, the public found out the Rudy Clay family was helping itself, all right.

To your money.

The opinions are solely those of the writer. He can be reached at [markk@nwitimes.com](mailto:markk@nwitimes.com) or (219) 933-4170.



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## Russo, Stephanie

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**From:** nglenn [nglenn@netnitco.net]  
**Sent:** Sunday, March 29, 2009 10:36 AM  
**To:** Russo, Stephanie  
**Subject:** Fw: A raise for Clay

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

**From:** Barb Hansen  
**To:** nglenn  
**Sent:** Sunday, March 29, 2009 7:21 AM  
**Subject:** A raise for Clay

This is in this mornings' Post:

### Gary mayor receives windfall from his other job

Recommend  
Comments

March 29, 2009  
By Jon Seidel

Post-Tribune staff writer

GARY -- A payroll error caught by state auditors at the Gary Sanitary District last year resulted in a \$58,000 windfall for Mayor Rudy Clay, and officials there now say he is in line for a 70 percent pay raise.

An annual review of local spending by the State Board of Accounts found Clay received \$30,848.39 in 2007 as GSD's special administrator, but his salary had actually been set at \$54,075. According to the state's analysis, Clay was underpaid by \$21,837 that year.

When the error was discovered in December, GSD officials said they adjusted for Clay's entire term, beginning in April 2006, and granted him \$57,980 in back pay.

Clay wound up grossing a total of \$173,210 in 2008, city records show, including \$82,605 at City Hall and \$32,625 at GSD in addition to the back payment. The mayor said the extra money was a surprise, and that he didn't pursue it.

"I didn't ask anybody to look into it for me," he said. "I really didn't care. The State Board of Accounts stated that this should happen."

GSD officials said as late as last week that the mayor's 2008 special administrator salary was \$30,888. This week, in response to repeated Post-Tribune inquiries, they confirmed that the annual pay for that job was actually \$52,500 in 2006, 2007 and 2008.

Vern Webbs, GSD's finance manager, said Thursday that the district plans to amend the 2009 budget to reflect a \$52,500 GSD salary for Clay, as well. She said it is now set at \$30,888, meaning he will see a 70 percent increase.

"A miscommunication occurred between the City of Gary and GSD staff," Webbs said in an e-mail, explaining the discrepancy.

Todd Austin, an office supervisor with the State Board of Accounts, said the \$21,837 Clay had been shorted was accurate as of Dec. 31, 2007, but he couldn't comment on the full \$57,980 returned to Clay.

"We don't have any support for that number," Austin said.

Clay defended his paycheck from GSD, where he is not intimately involved with day-to-day operations, explaining it is simply "supplemental" to his pay at City Hall. He pointed out that "other mayors get this money, too."

The U.S. Attorney's Office asked Clay to resign as special administrator one year ago, several months before federal investigators raided the district. Clay refused.

"The reason I took the mayor's job was for the love of the city, not the money," Clay said.

The extra payments were made in December, at the same time that the city and Sanitary District officially filed a joint petition for relief from the Indiana Distressed Unit Appeals Board.

A state report shows the Sanitary District is facing a \$4 million loss this year without state help. That assistance might have been jeopardized by the approval this month of a \$39,960 contract for Clay's son, Rudy Clay Jr., at GSD that drew the wrath of Gov. Mitch Daniels. Clay said Wednesday that his son's contract will be rescinded.

"The people of Gary come first," Clay said.

Records do confirm that the mayor took a pay cut, beginning Sept. 12, that was imposed on several city employees to help make up for last year's \$13 million deficit. His twice-monthly paycheck from City Hall dropped by 20 percent from \$3,385 to \$2,708, resulting in a total loss of \$5,416.

The mayor pointed out that state law puts restrictions on decreasing pay for elected officials, meaning he took that pay-cut voluntarily.

# Douglas M. Wright, Chief of Police (Retired)

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Post Office Box 64783  
Gary, Indiana 46401-0783  
(219) 902-6963

March 26, 2009

Stephanie N. Russo  
Executive Assistant to Ryan Kitchell and Chris Ruhl  
Indiana Office of Management and Budget  
State House Room 215  
Indianapolis, Indiana 46204

## **RE: GARY'S REQUEST FOR BAILOUT ASSISTANCE**

Dear Ms. Russo:

I previously emailed a list of concerns for the Distress Unit Appeals Board's consideration regarding the above referenced. Since that time many incidents have occurred that supports my position that no assistance should be provided until Gary has a competent administration in place.

I have taken the liberty of forwarding numerous newspaper articles that graphically illustrate the serious lack of fiscal responsibility. In reviewing these articles the board will find continued waste and misapplication of taxpayer dollars. Let me point out just a few:

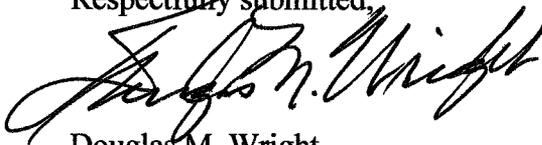
- The Job Resource Center (in city hall) duplicates the responsibilities of Work One (located in the Village Shopping Center on Grant Street). Article in March 26, 2009 Post Tribune, Job Center offers opportunities in quest for work.
- Rudy Clay, Jr. contract with the Gary Sanitary District (cancelled only because the Governor voiced displeasure). Article in March 26, 2009 Post Tribune, People first, Clay says of son's loss of job.
- Placing city employees on layoff and hiring replacements on contract. Article in September 1, 2008 Post Tribune, Unions question city hiring practices.
- Continued mismanagement of the Gary Sanitary District and failure to repay the loans totaling \$16M. Article in January 5, 2008 Post Tribune, Gary mayor refuses to quit post with Sanitary District.
- Employees bidding on 260 properties at county tax sales in their own names and paying with checks from the city. Article in August 28, 2008 Post Tribune, Despite budget woes, Gary buys lots of lots.
- Mayor serving as special administrator of Gary Sanitary District and rarely visits. In a previous newspaper article he admitted to having been there twice. Now for the benefit of the DUAB he is requesting a tour. Article in March 25, 2009 The (Hammond) Times, Gary mayor wants tour of district.

- The County Market facility has been vacant since 2005 despite the Mayor's promise two years ago in a local church to 'have someone in there in 45 days.' There has been no discussion about the funds from the city on site preparation for the facility, or the loan from the empowerment zone to build it. The Job Resource Center will staff it rather than applications being taken by Work One or the store itself. I question their ability to interview and screen. Article in Post Tribune (past few days), County Market store showing signs of life.

I have included several other articles that suggest new leadership, state takeover, or other steps to ensure that any assistance provided Gary would be used for that purpose. I encourage the members of the Distress Unit Appeals Board to peruse these newspaper articles as well as any information provided by the city, and note the disparities. Additionally, any funding provided this city should have very strict oversight.

I thank you in advance for any consideration given this information. I speak only for myself individually however I am cognizant that my comments are echoed by many.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Douglas M. Wright". The signature is written in a cursive style with a large initial "D" and "W".

Douglas M. Wright

Enclosures

# People first, Clay says of son's loss of job

By Jon Seidel

Post-Tribune staff writer

GARY — Rudy Clay Jr.'s work at the Gary Sanitary District is done. Mayor Rudy Clay, his father, confirmed Wednesday that his son's contract for video and editing services at the district will be rescinded.

The people of Gary come first," Mayor Clay, who is also GSD's special administrator, said. "My son feels the same way." The contract, worth \$39,960 and lasting until the end of this year,

was approved by the Gary Sanitary District board of commissioners earlier this month. That amount was an increase from last year's contract, worth \$30,000.

Several Gary taxing districts, including the Gary Sanitary District, are asking for aid from the Indiana Distressed Unit Appeals Board this year.

New property tax caps threaten to put a \$4 million hole in GSD's operating budget, according to a state report.

Gov. Mitch Daniels blasted the contract 10 days after it was

approved, likening it to excessive spending by U.S. automakers asking for federal bailouts.

"In the same sense that the auto companies, who are now taxpayer wards of the state, ought to have to show they're going to really change their ways, fundamentally change their ways if they're going to justify what's going on, I would say the very same thing applies to anybody coming to the Distressed Unit Board," Daniels said.

Clay Jr. was absent from Tuesday's GSD meeting, the first since Daniels' comments.

A \$25,000 contract for Clay Jr. to provide video services for the city in 2008 was rescinded in August.

Mayor Clay announced a 20 percent pay cut for his employees that he will have to cancel his son's contract again, adding that Clay Jr. is "extremely good" at his job. "All that equipment is his," Mayor Clay said.

Contact Jon Seidel at 881-3148 or [jseidel@post-trib.com](mailto:jseidel@post-trib.com). Comment on this story at [www.post-trib.com](http://www.post-trib.com).



Clay Jr.

A6 Thursday, March 26, 2009

## Job center offers opportunities in quest for work

By Jon Seidel

Post-Tribune staff writer

GARY — As work continues to dry up in the region, hundreds of people find themselves turning to Gary's Job Resource Center at City Hall for help every month.

"We call it the traffic report," project coordinator Lynn Watkins said.

That report, which Watkins said does not include repeat visitors, amounts to about 250 people a month. Many of them will visit with Watkins today at City Hall annex, where she and her colleagues are sponsoring an open house.

It's a chance for job seekers to learn what is expected of them as a client of the center, Watkins said. Criteria include registration and regular follow-up visits.

"Inform us if they have been interviewing with anybody that we sent them to," Watkins said.

The venture is partially funded by the Gary-East Chicago-Hammond Empowerment Zone. Scott Upshaw, the Empowerment Zone's director, said he's hoping it eventually will be combined with a job incubator his agency is planning to open on Broadway.

Meanwhile, Watkins said, the job center has helped place 150 people in jobs around Northwest Indiana.

Clients are invited to attend one workshop a month, she said, where they can learn basic interviewing and resume-writing skills, as well as learn about proper hygiene and attire.

Mayor Rudy Clay said most visitors at the job center are Gary residents, but anyone from the region is welcome to visit.

The open house is scheduled for 1 p.m. today at the Empowerment Zone, 839 Broadway, Suite 202.

For more information, call 882-6050.

## YOUR VIEW

8-18-08

### FOP: City must open all financial records

Gary Mayor Rudy Clay recently wrote a 14-paragraph column describing Gary's financial situation. Only two paragraphs outlined any plausible explanation for what the administration plans to do. The other 12 were dedicated to exotic weather metaphors and laying the blame on every other governmental entity and the previous mayoral administration.

His account couldn't be farther from the truth, and as we have learned from this administration in its short tenure, it is business as usual at 401 Broadway.

With over 100 newly hired full- and part-time employees this year, the Board of Works continues to dole out patronage contracts. Over \$427 million in assessed property is mysteriously not on the tax rolls and with continued use of take-home vehicles by non-emergency personnel (including both the mayor's Hummer and the previous administration's Expedition), it appears this administration has no intention of making tough decisions besides reducing public safety.

With the threat of an illegal 20 percent reduction in pay, a

haphazard change in police shifts, and a reduction in other compensation such as uniform allowance and compensatory time, the police officers you rely on in an emergency have been forced to choose between their jobs and their families. Several already have begrudgingly signed retirement papers, taken jobs elsewhere or are in an application process. As of today, we are 25 officers short of our authorized strength and below the minimum number of officers per capita as recommended by the International Association of Chiefs of Police.

We implore the fiduciary of this city and its citizens to intercede and stop this crisis before it gets any worse. All of the city books need to be examined by an independent accountant or other analyst who can outline exactly how much money there is today and prioritize spending accordingly. Because the city will not negotiate with us in good faith and because their actions speak much louder than their words, we have been forced to continue to reject any proposals for contract concessions, and we will continue to do so until we have a complete understanding of the financial situation.

I want the public, and especially the citizens of Gary, to

know that the top priority for the members of the Gary Fraternal Order of Police continues to be protecting the public to the best of our ability with what we are given. Unfortunately, city officials don't seem to have the same priority.

**Del Stout**

President, Gary FOP Lodge 61

**Send us your opinion:** Letters to the editor should be no more than 300 w your name, address and telephone number for verification. To send us your ptvoice@post-trib.com. If you have questions, call Rich James, editorial pag

## REGION

## CITY ON THE BRINK: GARY'S BUDGET CRISIS

## Unions question city hiring practices

■ New hires, duplicating jobs need scrutiny as cuts to payroll loom, SEIU says.

By JON SEIDEL

Post-Tribune staff writer

GARY — Mayor Rudy Clay defended his hiring practices recently against claims that too many people joined Gary's payroll in 2008.

"Since I've been mayor," Clay said, "we've never been on a hiring binge and don't intend to go on one."

As they fight to save their members' paychecks, union leaders point to records that show Gary hired more than 100 employees this year. City officials say the records are misleading, though. By the city's explanation, the real number of full-time employees hired this year could be closer to 25.

The ambiguous and difficult-to-obtain city records only fuel union leaders' frustration and suspicion.

"They never leave any records for you to understand," Raynard Robinson, president of Firefighters Local 359, said.

"They don't want you to understand it."

Gary is facing a \$13 million budget shortfall that its leaders blame on uncollected property taxes, assessment errors and an excess levy appeal denied by the state.

Clay warns Gary will run out of money by Oct. 1 without drastic action, and he's tried to implement a 32-hour work week. He's had mixed results, having been thwarted by police and firefighter unions in Lake County's courts.

Gary's clerk, judge and council haven't gone along with the cutbacks, either, and agencies that fund city grant programs have asked the city to restore their employees to 40-hour work weeks.

"There should have been a hiring freeze, period," the SEIU's Lorenzo Crowell Jr. said.

According to the records, 12 full-time employees were hired in 2008, as well as nine police officers and four Teamsters. That's a total of 25 new employees likely working full-time hours.

Of those full-time employees, one was hired by the City Council and one was hired by Clerk

Suzette Raggs.

The comprehensive list goes on to name every other city employee, along with their hire dates, including elected officials.

That means the two people who joined the City Council this year, Ragen Hatcher and Kimberly Robinson, are on the list of 2008's new hires.

City Controller Celita Green said another 38 "seasonal" employees hired in 2008, according to the list, represent Gary's summer youth hiring program.

Their paychecks were funded with casino revenue and a \$100,000 donation from U.S. Steel. That donation was earmarked specifically for the summer youth program.

Finally, the list includes another 37 "part-time" employees hired in 2008. All but nine of them work at the Genesis Convention Center.

City spokeswoman LaLosa Burns said part-time employees at the Genesis Center are hired on an "as-needed" basis.

"When they do return, particularly after a year, they have to do paperwork over again," Burns said.

That means they show up on

the list as new hires every year. Some of those employees' paychecks, Green said, are funded with revenue from the event they are hired to work.

Green said a hiring freeze has been in effect at City Hall since the state denied Gary's excess levy appeal in July. Before that, she said, the administration hired only as necessary.

"If we can get the job done without hiring a person, we do it," Clay said.

The SEIU's Lorenzo Crowell Jr. said more scrutiny of Gary's hiring practices is needed. Specifically, Crowell said he's concerned about who the city is hiring and whether jobs are being duplicated.

"This reeks of fiscal irresponsibility to us," Crowell said.

Ayanna Wright, president of AFSCME Local 4009, said those new hires should be the first people to go when layoffs finally hit the city of Gary.

"It appears as if we're paying for the new people to be able to keep working at our expense," Wright said.

Contact Jon Seidel at 881-3148 or [jseidel@post-trib.com](mailto:jseidel@post-trib.com).

## REGION

# Gary mayor refuses to quit post with Sanitary District

Federal investigators allege mismanagement, rate increase may be next.

By JON SEIDEL

Post-Tribune staff writer

GARY — The U.S. Attorney's Office has asked Mayor Rudy Clay to resign as special administrator of the Gary Sanitary District alleging mismanagement of funds, a city attorney said Friday.

Hamilton Carmouche, the attorney for the Gary Sanitary District and corporation counsel for the city of Gary, said Clay has refused the request from Assistant U.S. Attorney Wayne Ault.

Meanwhile, Carmouche said the district is likely to raise its rates for the first time in about five years. He said it probably should have happened sooner, but he said Ault put additional pressure on the commissioners.

The Gary Sanitary District also serves the communities of Hobart, a portion of Merrillville, Lake Station and Calumet Township.

"The U.S. attorney wants us to increase the rates," Carmouche said, "and they will do it themselves if we don't do it."

Ault declined to comment on Carmouche's statement.

The Gary Sanitary District is governed by a consent decree, approved in 2003, that created a special administrator position with the power to supercede the authority of other elected officials to ensure its enforcement, Ault said.

Scott King, the former mayor

of Gary, was the first special administrator. Clay succeeded King, after King's resignation as mayor, in June 2006, according to federal court records.

Later that same year, the city borrowed about \$11 million from the sanitary district to cover operating expenses.

"For purposes of ensuring police and fire fighters were paid," Carmouche said.

In March 2007, then-U.S. Attorney Joseph Van Bokkelen sent a letter to Clay inquiring about the debt owed to the district by the city.

Then, in May 2007, U.S. District Court Judge Rudy Lozano issued an order in the consent decree case allowing federal officials to review the district's financial records.

At the time, Carmouche said the order was a follow-up to Van Bokkelen's letter.

Since then, piles of documents have been turned over to the U.S. Attorney's Office, apparently culminating in the latest request from Ault.

However, Carmouche said Clay's financial management hasn't deviated from the way King managed the finances of the Gary Sanitary District.

King, as mayor, also borrowed \$5 million from the sanitary district, Carmouche said, a loan which hadn't been paid back before King resigned.

"The U.S. attorney never said anything about that money," Carmouche said.

That loan, King said, was made either late in 2005 or early in 2006. It was necessary, he said, because the city hadn't received its tax draw yet and



Clay

still hadn't received it when he stepped down in 2006.

"They (the Clay administration) borrowed a substantially larger amount without pay-

ing back the previous amount," King said.

The city has already made a \$1 million payment toward the debt, Carmouche said, and is scheduled to make another \$2 million payment Monday. That would bring the total amount due to about \$13 million.

Every year, Carmouche said, the city will make a \$3 million payment to reduce the amount due, unless funding is found to pay the loan faster.

Ault said no specific mechanism exists in the consent decree for removing a special administrator.

However, Ault said, it allows the city and the sanitary district to nominate an administrator who must then be approved by the U.S. Attorney's Office.

Ault said the ultimate authority to remove or appoint rests with the judge presiding over the case.

Carmouche said the Gary Sanitary District's board of commissioners is likely to consider a rate increase at its next meeting, which is typically held the second and fourth Tuesdays of each month.

Contact Jon Seidel at 881-3148 or [jseidel@post-trib.com](mailto:jseidel@post-trib.com)

# REGION

## TODAY IN THE NEWS

**LAKE COUNTY:** One-year-old child dies and teen girl is injured in Gary house fire

**PORTER COUNTY:** County buying \$355,000 software in hope of avoiding repeat of late tax bills

**ILLINOIS:** Unemployment rate again rises; jobless at highest level since 1983

# Gary mayor wants tour of district

## Garbage removal contract confusion still lingers

BY CHRISTINE KRALY

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**GARY** Mayor Rudy Clay has requested a tour of Gary Sanitary District operations, a board member said.  
Sanitary Board Vice President Charles Jackson said Tuesday that Clay asked him to help arrange a tour of the district.

Clay has acted as special administrator of the district since taking mayoral office in 2006. He could not be reached for comment Tuesday night.

Jackson's announcement came the same day that a judge further explained his ruling in a legal dispute between the city and Gary citizen group, the Miller Citizens Corp.

Under his decision, Gary officials have to put out to bid the city's contract for garbage removal, Judge Thomas Webber said.

In October, the group and 28 Miller

residents filed a lawsuit seeking to stop a contract between the GSD and Allied Waste Services, including collection fees. Webber affirmed his February ruling, which deemed the contract "null and void."

His ruling, Webber said, meant the district must put the trash pickup contract out to bid, which it did not do when signing with Allied Waste.

"They have to pick up trash," Webber said. "But they just need to make a bid."

Allied has continued to collect trash, and GSD attorney Hamilton Carmouche

said Tuesday that customers withholding city trash collection fees could face GSD-prompted water shutoffs.

Webber confirmed Tuesday that he lost jurisdiction over the case after the city filed an appeal of his ruling earlier this month.

Because it is no longer in his jurisdiction, Webber did not say whether the city is in contempt of his order by continuing the pickup.

He cannot and would not rule on any contempt issue unless the case is returned to his courtroom, he said.

## Gary to honor lawmakers and native actor, football player

**GARY** Mayor Rudy Clay has scheduled a party for Saturday celebrating local political and film stars.

Clay has planned the event at the Genesis Convention Center to honor U.S. Rep. Danny David, D-Ill., and Gary native actor and pro football player Fred Williamson.

During the event — meant as a salute to Gary's role in electing President Barack Obama — Indiana state Sen. Earline Rogers, D-Gary, and former Gary Mayor Johnny Visclosky are set to receive keys to the city.

The event will include food, music and entertainment by The Billy Foster Trio. Doors at the Genesis Center at 408 Broadway in Gary open at 6 p.m. The event starts at 7.

For ticket information, call (219) 977-0715 or e-mail [friendsofmayorclay@mayorrudyclay.com](mailto:friendsofmayorclay@mayorrudyclay.com). — **BY TIMES STAFF**

## GROCERY IN GARY



MICHAEL MCARDLE/POST-TRIBUNE

The owner of the County Market building at 25th Avenue and Grant Street in Gary confirms that a lease has been signed.

# County Market store showing signs of life

By JON SEIDEL

Post-Tribune staff writer

GARY — The owner of the former County Market grocery store confirmed Monday that a lease has been signed with a tenant who plans to reopen the store by July 1.

Patrick Lee of Lee Companies said the security deposit has been paid and accepted, but he declined to identify the tenant, deferring to city officials.

LaLosa Burns, a spokeswoman for Mayor Rudy Clay, said work with a new tenant is in the "finalization stage." Clay could not be reached.

Cars sat in the County Market parking lot as people walked in and out of the store Monday afternoon. They declined to comment on the possible reopening.

Empowerment Zone director Scott Upshaw, meanwhile, said his agency has partnered with Gary's Job Resource Center at City Hall to staff a new store there.

An advertisement that ran in local newspapers Sunday directs job applicants for a new northern Lake County grocery store to City Hall.

"The Job Resource Center is going to take in the applications," Upshaw said.

Upshaw said the building's owners asked him not to name the potential tenant.

"They're not ready to divulge any of the information for the potential lessee due to some confidentiality requirements," Upshaw said.

County Market opened in 2005 as an anchor for a new shopping center at 25th Avenue and Grant Street. It closed less than four months after its grand opening.

The city and the Empowerment Zone helped finance the shopping center where the building sits.

A Walgreens store and a Family Dollar store continue to operate in the shopping plaza, and Peoples Bank built a new branch there last year.

# State takeover is needed in Gary

**G**ary Mayor Rudy Clay is appealing for outside help in rescuing his city. Stimulus money? He'll take it. State or county income tax? He'll take it.

But that's not the outside help the city needs, and it's not what the state Distressed Unit Appeals Board should do for the city.

Gary is the only city to appeal to that agency for help. That appeal was a foregone conclusion. Gary's situation was precisely why that board was set up.

A rescue plan cooked up by Democrats in the Indiana House of Representatives would steer millions of dollars to Gary.

"We cannot allow the city of Gary to go bankrupt," said state Rep. Mara Candelaria Reardon, D-Munster.

But isn't that what going before the Distressed Unit Appeals Board amounts to?

To hear Clay talk, he's looking for an irrational rescue.

"So when that stimulus money comes, we want to be the first in line," Clay said last week. "The bill passed the Senate with approximately \$5 billion coming to the state of Indiana. We're not asking for a lot of money out of that. We're only asking for \$400 million, which would create about 18,000 jobs in Gary."

That's on top of the mayor's plea last month for relief from the new state property tax caps.

"If Gary is not afforded relief from the state at this time, the city will be unable to guarantee adequate public safety since we will immediately be forced to drastically reduce the scope and size

of our public safety apparatus," he said.

The city's appeal to the Distressed Unit Appeals Board not only asks permission to delay property tax caps for businesses but also presupposes a county income tax will be put in place.

Clay points out that Gary has been slashing millions of dollars in spending from the city budget. But even that isn't enough.

Gary, like its taxpayers, must be forced to live within its means. A bailout with stimulus money or a new state or county tax will not bring this necessary change soon enough.

Gov. Mitch Daniels should use the Distressed Unit Appeals Board to run the city and get its costs in line with available funds.

Why should the folks all over Indiana or all over Lake County pay to run a city that has been mismanaged for so many years?

~~Gary's revitalization is important for all of Northwest Indiana, but it must begin with the city coming to grips with fiscal reality. A state takeover is what the city needs most right now.~~

## OUR OPINION

**Gary should be bailed out with neither stimulus money nor a new state or county tax nor easing up on the property tax caps. It's time for the state to take control of the city.**

# Clay says he's cut public costs

## Gary mayor says city has eliminated 148 employees from its payroll

BY BILL DOLAN

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GARY | Mayor Rudy Clay portrayed his administration Tuesday as a team of cost-cutters that has improved city services in the face of financial challenges.

"We are living in good times and bad times at the same time. But considering that the world is all messed

up ... and recession is all around us, I would still rather be mayor today than any other time in history," Clay told a crowd of hundreds during his State of the City speech.

Clay appeared to speak not only to city employees enjoying the luncheon event at the Genesis Convention Center, but also state officials weighing Clay's petition for relief from new property tax caps that would sap more than \$30 mil-

lion this year from the city.

"We have spent many hours streamlining city operations," Clay told the gathering.

"We have contracted out our (garbage collection) services, realizing a tremendous savings approximately \$3 million and our complaints about garbage pick-up have gone down almost to zero."

"As of Jan. 1 this year, 148 positions have been eliminated from our budget. We have had to close six of

our park pavilions. We are tightening our financial belt by the end of the year we will have cut \$30 million over the past 20 months."

"We appeared before the Dispressed Unit Appeals Board in Indianapolis to make our case for relief and to show them what we have done to help ourselves."

The mayor added that none of the cuts have affected public safety services.

# CLAY BACKS RED LIGHT CAMERAS

BY PATRICK GUINANE

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**INDIANAPOLIS** | A state Senate panel voted 7-3 Tuesday to legalize the type of red light cameras Hammond wanted to install last summer.

Senate Bill 389, sponsored by Sen. Earline Rogers, D-Gary, would allow any Indiana city or county to deploy the traffic safety tool, which



**MAYOR RUDY CLAY**

overworked. They're underpaid," Gary Mayor Rudy Clay told the

already is in use by Chicago and dozens of other Illinois municipalities.

"Gary has the best police department, I think, in the entire country. ... But they're

overworked. They're underpaid," Gary Mayor Rudy Clay told the

committee. "This particular bill, when passed, will help lift some of the burden from our police department."

A driver who runs a red light would be mailed a fine of up to \$100, though the citation would be treated like a parking ticket - not a moving violation - unless the motorist contests the penalty in court. The legislation, which is much broader than a 10-city pilot program that failed overwhelming-

ly in the House four years ago, now goes before the full Senate.

Legislative analysts have not estimated how much the red light fines might fetch. And legislators insisted Tuesday that the revenue generated by the tickets is incidental in comparison to the public safety concern.

The Indiana Association of Chiefs of Police supports the proposal, which failed in 2005 largely because of privacy concerns.

# Gary wants \$400M of stimulus package

Mayor Clay meets with the state House speaker

BY PATRICK GUINANE

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317.637.9078

**INDIANAPOLIS** | Gary Mayor Rudy Clay on Tuesday went to Indianapolis seeking a sizable slice of the \$5-billion windfall Indiana would receive from the economic stimulus package being debated by Congress.

Clay noted that Gary is the only city petitioning the state Distressed Unit Appeals Board for relief from new property tax caps, which threaten to sap

more than \$30 million this year from the city budget.

"So when the stimulus money comes, we want to be first in line," Clay told reporters. "The bill passed the (U.S.) Senate with approximately \$5 billion coming to the state of Indiana. We're not asking for a lot of money out of that. We're only asking for \$400 million, which would create about 18,000 jobs in Gary."

Clay said he had a meeting scheduled with Indiana House Speaker Pat Bauer, D-South Bend, and he planned to drop in on state Commerce Secretary Mitch Roob, an appointee

of Republican Gov. Mitch Daniels.

A copy of Gary's presentation was not immediately available Tuesday. But Joel Rodriguez, the mayor's special assistant for economic development, said the city primarily is seeking funding for shovel-ready infrastructure projects.

Clay said he has yet to receive word about the scheduling of a second hearing to determine Gary's distressed unit appeal. The state panel requested additional financial information from the city Jan. 29, and Clay said the city plans to respond this week.

# Region submits stimulus projects

## NWI's \$859 million wish list will get chopped to meet \$21 million budget

BY KEITH BENMAN

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Nearly \$859 million in Northwest Indiana road projects are chasing the \$21 million in federal stimulus funds

that may flow to Northwest Indiana. "We're ready to break the bank," Northwestern Indiana Regional Planning Commission planner Gary Evers told a meeting of its Transportation Policy Committee on Tuesday.

The Indiana Department of Transportation is expecting to receive about \$800 million in stimulus funds. It plans to divvy out 25 percent of that for local projects. Evers presented the NIRPC committee with a list of 419 road projects

local municipalities and counties want to fund with stimulus money. And there is another list of almost \$72 million in other transportation projects that would like a

**Continued from A3**  
boost from the same \$21 million pot of gold. Both lists have been submitted to INDOT.

Also this week, NIRPC planners are meeting with local public transit providers to decide how to divvy up some \$25 million in stimulus money that is expected to flow to them.

"We have to be prepared to move as quickly as we can because no one will be waiting for us," Evers said.

Projects Northwest Indiana communities have requested range from a \$175 million railroad overpass in Munster to a \$100,000 bridge rehabilitation on Old Lincoln Highway over Deep River.

Details still are emerging on how projects actually will be chosen, NIRPC planner Tom Vander Woude said. He expects

NIRPC to have a hand in the selection process.

A couple of months ago, INDOT asked planning groups across the state to submit lists of shovel-ready local projects that could use the stimulus money.

INDOT already has included one Northwest Indiana project, the resurfacing of Ind. 149 between U.S. 6 and U.S. 20, in its own list of 27 projects that may get stimulus money.

The discussion on which projects should get funding is quickly becoming more than just an academic one, with both houses of Congress having passed stimulus bills in the past two weeks. Now the two bills have to be reconciled into one that both chambers can pass.

The House bill calls for \$820 billion in spending and tax cuts and the Senate version for \$838 billion.

### THINKING BIG

Below is just a sampling of some of the largest of the 419 road and other projects local communities and counties hope can receive federal stimulus funds:

**Cedar Lake:** \$5.74 million for road widening and reconstruction on 133rd Avenue

**Crown Point:** \$22 million for road and intersection improvements on Broadway

**East Chicago:** \$24 million for extending Cline Avenue

**Gary:** \$250 million for flood relief measures at Indiana University Northwest

**Hobart:** \$6 million for reconstruction on 69th Avenue

**Hammond:** \$8.8 million for reconstruction on 165th Street

**Portage:** \$4.7 million for improving Hamstron Road

**Schererville:** \$9.3 million for flood relief projects along Kennedy Avenue

# Mayor defends increase in discretionary budget

'Grants and subsidies' fund, used to help churches, non-profits, grew by 15%.

By JON SEIDEL

Post-Tribune staff writer

GARY — Mayor Rudy Clay was at a loss last week to explain how a discretionary fund for his office grew by 15 percent this year, and he said he

## Copies online

Find copies of the records detailing spending from Mayor Clay's discretionary fund online at [www.post-trib.com](http://www.post-trib.com)

At the height of Gary's 2008 cash crisis, Clay proposed a 2009 mayoral operating budget for City Council approval that reflected an overall cut of \$127,000.

But projected spending for one account, used mostly as a donation pool for churches and not-for-profit groups, grew from \$87,000 in 2008 to \$100,000 in 2009, records show.

That was news to the mayor who insisted he slashed that fund, officially known as "grants and subsidies," by 50 percent.

"We wanted it cut," Clay said. Unable to explain the bump, the mayor directed further questions to Deputy Mayor Geraldine Tousant, who then deferred to spokeswoman LaLosa Burns.

Burns said Gary begins its budgeting process early each year, and the need for an increase was projected before the city's downward financial spiral began.

"It could be that (the mayor) would not use the entire amount that's appropriated," Burns said.

Indeed, Clay spent just \$50,248 of that cash in 2008, 58 percent of the money approved by the City Council.

City records also indicate a slight reduction in spending

from that account upon news of a 20 percent pay cut for his employees.

That pay cut, announced at the end of July, was mandated after the discovery of a \$13 million deficit.

Records show Clay spent \$31,429 between January and July, averaging \$4,489 each month.

Clay spent another \$18,818 from August to December, averaging \$3,763 a month.

The largest payment out of the account, by far, was a check worth \$8,798 written to Aramark Sports & Entertainment on Dec. 29.

When asked about payment, Clay once again deferred questions to Burns, who said that money covered the 2008 food tab at the city's U.S. Steel Yard baseball stadium skybox.

"The mayor's the person who uses it," Burns said of the skybox.

Clay also spent at least \$11,790, mostly doled out \$100 at a time, by donating to local churches or other groups with religious ties.

The mayor said it is important to assist religious groups in his city, estimating that 256 churches are found here.

"If you donate to the church, you're helping the people," Clay said.

The Rev. Raymond McDonald II, pastor at St. John Baptist Church, said a \$100 donation to his church paid for an ad in its annual anniversary booklet.

A separate \$1,000 donation, meanwhile, was used to fund its Martin Luther King Jr. programs, including scholarships.

"It's not a donation that's just given to the church, per se, although it's given in the name of the church," McDonald said.

"They are specifically for community and outreach programs that the church put on."

The mayor also gave \$3,500 to the Gary Freedom House, a substance-abuse rehabilitation center.

Squire Dixon, one of its founders, said he asked Clay for the donation to help pay rent and utility bills.

"It helped," Dixon said



"If you donate to the church, you're helping the people."

— Rudy Clay,  
Gary mayor

The Gary Literacy Coalition also accepted \$1,000 from the mayor in October.

Executive Director Era Twyman said she'd actually like to see the mayor give more, pointing out that mayors of other cities make local literacy coalitions a

line item in their budget.

"I know that the mayor does support us and the work that we do," Twyman said, "but we've not been able to get that kind of sponsorship or anything."

Whether these groups will see more money in 2009 isn't clear.

Clay's office set aside an additional \$13,000 for that fund this year, but new property tax caps still threaten to cut the overall operating budget by \$24 million.

Gary asked the state Distressed Unit Appeals Board to raise those tax caps locally to make up for the deficit, and a decision is pending.

Its members are appointed by Gov. Mitch Daniels, who has said Gary must cut its budget as much as possible before it qualifies for "special treatment."

In a letter to the city controller last month, the distressed board asked for further financial information, including a description of "grants and subsidies" earmarked in the 2009 budget.

"I would love to continue to help people, you know," Clay said, "but it's going to be a tough year for us."

Contact Jon Seidel at 881-3148 or [jseidel@post-trib.com](mailto:jseidel@post-trib.com). Comment on this story at [www.post-trib.com](http://www.post-trib.com).

## City approves \$862,000 for variety of contracts

By JON SEIDEL

Post-Tribune staff writer

GARY — The Board of Public Works and Safety approved several 2009 contracts totaling \$862,000 Wednesday, \$172,000 of which will come from Gary's general fund.

The largest of the general fund contracts is with Ricardo Hood, who will make \$73,016 this year as the city's health commissioner.

Hood made the same amount in 2008 as an employee on the city's payroll. However, City Controller Celita Green said Gary will save \$19,000 by contracting with Hood because it won't have to provide benefits.

The board also approved health department contracts worth \$7,072 for Karen Dates to work as a certified lab assistant and \$16,912 for Ellaree Gault to work as a medical lab technologist on an as-needed basis.

Green said the money paid by

the city to Dates and Gault fulfills a 20 percent match requirement so the city can keep a federal grant.

Two contracts approved Wednesday for the finance department will also be paid out of Gary's general fund. Merrillville-based Cender & Co. will make \$60,000 to do consulting for the finance department, an amount Green said is down from an \$80,000 contract in 2008.

Eleanor Carter also now has a contract worth \$15,000 to provide support services to the finance department. Green said that's \$5,000 less than Carter made last year.

The board also modified a \$250,000 contract with Midwestern Electric to do maintenance on city traffic signals, and it modified a \$200,000 contract with Great Lakes Electrical Maintenance to maintain city street lights. Both, Green said, will be funded through the motor vehicle highway fund.



**rudy clay**  
guest commentary

## Gary puts solid plans in place for leadership

I invite the media and public to fairly examine all facts concerning Gary's efforts to survive the city's economic challenges. Gary's strategies mirror or predate job-preserving practices across the nation.

Gary's employees and municipal leaders have maintained services and simultaneously slashed an average of nearly \$1 million per week from the budget during my tenure as mayor. These budget reductions total more than \$30 million, yet Gary has maintained or improved city services and avoided massive layoffs.

Moreover, to avoid layoffs, Gary was first to adopt a four-day work week for civilians, which reduced salaries 20 percent at the end of 2008. This was consistent with President Obama's repeated statements encouraging American workers to accept pay reductions if necessary to preserve the jobs of fellow workers.

Additionally, I might be the only mayor in America to voluntarily take a 20 percent pay cut, and my cabinet heads might have been the first to work five days a week while only being paid for four. Obviously, the state found this to be a solid leadership strategy since state leaders opted to reduce salaries as well.

Furthermore, our decisions to expand the outsourcing of garbage collection to eliminate an estimated \$3.1 million in escalating costs and to ensure

consistent trash service made good sense. Our consolidation and elimination of city departments is consistent with streamlining taking place in America's most progressive private and public institutions.

Gary's comprehensive and stellar presentation Jan. 5 to the state's Distressed Unit Appeals Board helped to demonstrate how the imposition of recent tax legislation would devastate Gary's ability to continue to provide adequate police and fire protection. As we continue to work with the Distressed Unit Appeals Board, we look forward to learning of specific suggestions that can be implemented without eradicating Gary's ability to maintain vital services and keep its citizens safe.

We remain open to new ideas that will assist our city in receiving the regulatory relief it seeks. However, we believe that among cities of comparable size, Gary is among the nation's leaders in implementing extreme cost reductions without shutting down city services.

My administration also inherited a fiscal ship that must be steered out of existing storms as we navigate our way into greater prosperity.

The national media has adequately informed us of what this means for the White House, but locally one is hard pressed to find extensive analysis of how nearly \$1.1 billion (including \$300 million of casino revenue) was spent before I became mayor.

At the end of the day, a true and fully contextual review of what my administration has done will demonstrate that we have not mismanaged city finances but have instead, successfully managed inherited debts, implemented historic cost cutting and maintained city services.

In essence, we have done and continue to do what we must to keep Gary alive until the fiscal cavalry arrives.

Rudy Clay is mayor of Gary. The opinion expressed in this column is the writer's and not necessarily that of The Times.

# REGION

## TODAY IN THE NEWS

**LAKE COUNTY:** Hanover struggles to balance enrollment among elementaries

**PORTER COUNTY:** Valparaiso, VU close to V-Line agreement on route serving the campus

**ILLINOIS:** Seton Academy holds rally as the boys varsity basketball team heads to state finals

# Sanitary contract roils leaders

## Gary mayor defends son's \$40,000 deal

BY CHRISTINE KRALY

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**GARY** | A sizeable pay hike for city work given to Gary Mayor Rudy Clay's son has Clay defending and other officials boiling. Sanitary District board members awarded this week a 33 percent raise — to

\$39,960 — to Rudy Clay Jr. for video recording and editing services.

Merrillville Town Councilman Richard Hardaway called the new 12-month contract — up from \$30,000 last year — a “slap in the face” to residents.

“I just think that it's horrible,” said Hardaway, whose town relies on the district's services. “I was totally appalled.”

**Meanwhile Mayor Clay again backed his son's controversial deal Wednesday, calling him the best person for the job and questioning the criticism.**

**“Why him? Clay asked, incredulous. ‘He's just a citizen.’”**

The contract pays Clay Jr. \$200 apiece to record meetings, with the lion's share of the deal paying for editing.

Board members did not respond to calls from The Times seeking comment.

In addition to Gary, the district provides sewage treatment to 180,000 residents, including those in Merrillville, Hobart, Lake Station and New Chicago.

The contract boost never would have passed if proxies for those communities

were on the board, Hardaway said.

“I'm sure that anybody we would've appointed to serve on that board would have spoke out against that,” he said.

Hobart 4th District Councilman David Vhazant berated the contract as “more of the same. To me, it's a waste of money.”

A woman at the Sanitary District on Wednesday said Clay Jr. does not have an office there nor is reachable there. An attempt to reach him through his father also was unsuccessful.

# Officials question spending on videos

Clay's son paid \$40K  
to tape dad's meetings

**BY CHRISTINE KRALY**

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In an era of tax caps zapping municipal budgets, several local leaders, reform advocates and the governor question the wisdom of cash-starved Gary paying the mayor's son nearly \$40,000 annually to videotape sanitary district meetings.

No Northwest Indiana community compensates as generously as the Gary Sanitary District for the recording of meetings, a Times review of municipalities shows.

Members of the Gary Sanitary District board recently rehired Rudy Clay Jr. to record meetings for the

**ONLINE:** Visit [NWI.COM](http://NWI.COM)



to watch  
an entire

uncut video of a  
Gary Storm Water  
Management board  
meeting and  
excerpts of two  
videos from Storm  
Water Management  
board and Gary  
Sanitary District  
board meetings.

**MORE INSIDE:**  
Professional  
videographer from  
Hobart questions  
the quality of  
recordings versus  
cost. Read more on  
Page A11.

See **MEETING VIDEOS** on Page A11

# Quality of videos, cost questioned by videographer

BY CHRISTINE KRALY

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A local professional videographer said the Gary Sanitary District could be overpaying for its video contract with the mayor's son.

The Times showed Gary Sanitary District and Storm Water Management meeting videos and contract information to Michael Reinhart, of video production

company M & M Productions in Hobart.

Reinhart said he did not want to critique the artistic quality of Rudy Clay Jr.'s work.

Editing takes time, Reinhart said, adding that Clay's \$65 per hour editing rate is fair.

But there appears to be little editing in the videos, he said, questioning whether the content justified Clay Jr.'s contract hours.

"If all of his meetings are like this, no," he said.

The meeting videos contain opening and closing credits — starting the group's board.

The storm water board credits — where in "administrator" is spelled incorrectly in the mayor's title — show members strut next to graphics of their names. In Mayor Clay's cameo, he appears to playfully knock away his special administrator graphic.

The sanitary videos open with pictures of the mayor and board members, flashing names and shooting arrows.

But the rest of each video is a single-run shot of the meeting, with occasional panning and zooming. There are no cuts, and Reinhart questioned whether Clay Jr. was allowed to edit the content of a public meeting.

Given the scope of the work he saw, Reinhart said, "I can't see a way I would have come up with \$40,000 for a bid."

Clay Jr. has not responded to Times requests for comment.

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## Meeting videos

agency where his father — also the mayor — acts as special administrator.

### OFFICIAL OUTRAGE

Indiana Gov. Mitch Daniels on Friday criticized the district for approving the contract while also seeking state permission to hike local property taxes by up to \$2.9 million.

"If you put yourself in bankrupt condition through your past practices, you ought to show you're going to change those practices before you ask the taxpayers to bail you out," Daniels said.

Gary Sanitary District lawyer Hamilton Carmouche defends the taping, saying it's "the best way for citizens to know" by watching the meetings on the city's public access television channel, WJPN. Gary officials, including Mayor Clay, also have defended the \$39,960 contract.

Clay Jr. did not respond to Times requests for comment.

The contract also is drawing criticism from local leaders striving for efficient government practices.

"It's totally inappropriate for a city with such significant needs" said Dan Lowery, who helped formulate the Good Government Initiative.

"It sends every possible wrong message."

### DOING WITHOUT

Lowery questioned why a cash-starved city would spend money for services other communities do without.

A Times survey shows most local municipalities do not videotape meetings, opting for audio recording and later transcription of sanitary district meetings.

At the Hammond Sanitary District for example, audio recording is part of assistant Michelle Miller's job, she said.

In Valparaiso, without audio or video, an assistant takes notes and works up minutes from water reclamation board meetings.

At the county level, boards and committees use magnetic recorder systems to

take audio, Lake County Council President Larry Blanchard said.

"It's as old as dirt and probably needs to be replaced someday," Blanchard said. But, he said, "Times are too tough right now" for anything else.

The municipalities that outsource recording duties do so for much cheaper than the Gary Sanitary District's contract with Clay Jr.

### THE GOING RATE

Recording the East Chicago Sanitary District's two monthly meetings is \$85 per meeting, for a total of \$2,040 annually.

Spread out over 36 various meetings, Clay Jr.'s \$39,960 contract provides him with more than \$1,100 per meeting.

In Dyer, a woman audio records and transcribes minutes for \$75 a meeting, for a total of \$1,800 annually.

And unlike those from other communities, neither the Gary Sanitary District videos nor minutes of the meetings are posted on that district's Web site.

As it is city-owned, WJPN records Gary city meetings and events for free —

### MORE IN THE CONTRACT:

Rudy Clay Jr.'s 2009 Gary Sanitary District contract:

Board meetings: 24

Board meetings: \$200/hour

Pre-bid/pre-construction meetings: 12

Defined/undefined events: \$2,080

Editing hours billed: 472

Editing rate: \$65/hour

Total editing: \$30,680

By the end of this year, Clay Jr. will have collected \$108,755 from contracts signed with the district beginning in June 2007. He also previously had a \$25,000 deal to photograph the city that the mayor canceled last fall.

except for the sanitary district. City spokeswoman Lalosa Burns said while WJPN staff tape city meetings, they cannot cover all of them.

Carmouche calls it "a nonissue."



# Need a job? Look in, well, uh, Gary?



JERRY  
DAVICH

I was born in Gary.  
I was raised in Gary.  
And I left Gary — at age 18.  
I always hear similar tales of escape and excuses from readers when I write about my hometown. The only wording that changes is their age when they left: 12 years old, 23 years old, 46 years old. Even 68 years old, I've recently heard.

But one thing always remains constant with these readers. They have passionate feelings about the Steel City — good, bad, sometimes unprintable.

In short, they still care.  
So when I wrote in my on-line blog last week that the Gary metro area was ranked 39th out of 100 by Forbes Magazine in its annual "Best Cities for Jobs in 2008," I knew it would extract a response. And it did.

Maybe it's because I poked fun at Forbes for ranking Gary and its surrounding area so high on its list.

Maybe it's because I poked fun at Gary Mayor Rudy "Hey, We've Got Jobs" Clay, who was quoted as welcoming unemployed Gary citizens to his new Hey, We've Got Jobs Department, or something like that.

Or maybe it's because I poked fun at exactly what kind of jobs there are for the taking, besides the always-available political snow-jobs there.

"That was a cheap shot against Gary," I was told.

"Gary is coming back," I was told.

"You'll see," I was told.

And I sincerely hope you're all correct.

~~But why after I poked fun at the city's ranking would anyone offer to write about someone who found a new job through Gary's new found job department?~~

I would not only write about how they got their new job, and what it is they now do for a buck, I would also get a photo of them doing it. Plus, I would then mail that column and photo to Forbes to show the experts there just how smart they are.

Trouble is, of all the blog responses I received from Gary residents and former

Gary residents — more than all my the other blog comments combined —

~~the response from [redacted] who found a new job through Gary's new depart-~~

So here I am today, making the same exact offer in print, specifically for anyone who wouldn't know a web blog from a wet log.

## No, I blame you

Last week I was accused by more than one reader of writing something on my blog that I wouldn't dare write in print.

Call me a sucker for such obvious baiting, but to prove them wrong I feel compelled, even double-dog dared, to print it here. So here's the gist of it.

"Hey," an old man recently barked at me, "why don't you write more about crooked politicians in this region?"

I've heard this question from readers every so often the past decade or so, and here's my typical reply.

Sure, there's plenty of political fodder in this region, especially in Lake County. But every time I write about such shenanigans, I get tripped up by the same recurring thought.

I don't entirely blame crooked politicians, or even those pols who have "lapses in judgment." Let's face it, they're going to lie, cheat, and steal as much as they possibly can.

No, I blame you — the region's voters and citizens who elect them into office.

I blame you for keeping them in office year after year, decade after decade.

I blame you for choosing to whine about it, joke about it, or forget about it rather than actually do something about it. I see this year after year, pol after pol, election after election.

But who wants to admit that maybe, just maybe, they are the ones who keep voting these same jokers into office, or who don't bother to vote at all?

And who wants to read a newspaper column — or two, or three, or 10 — that muddies up the blame department about our region's dirty politics?

Yeah, that's what I thought.

For the record, that old man didn't care for my reply either.

Contact Jerry Davich at 648-3107 or [jdavich@post-trib.com](mailto:jdavich@post-trib.com), and visit his new online blog at <http://blogs.sun-times.com/davich/>

# Gary trash fee dispute continues

By JON SEIDEL

Post-Tribune staff writer

GARY — The Miller Citizens Corp. wants Gary Sanitary District attorneys to explain why GSD shouldn't be held in contempt of court for billing residents a fee for trash collection.

In a motion filed Thursday by MCC attorney John Reed, the community group argues that an order issued last month by Lake County Judge Thomas W. Webber fully favored its complaint against GSD.

That ruling voided a contract with Allied Waste that privatized Gary's garbage collection.

However, in the complaint that prompted the ruling, the MCC also argued that only City Council, not the GSD board, has authority to implement the fee.

"It requested that the fee be invalidated," Reed said Monday.

The Sanitary District began charging residential customers \$12 a month, or \$7 monthly for senior citizens, to fund trash collection. It was approved by the GSD board but the City Council never took a vote.

GSD attorney Hamilton Carmouche said Webber's court, where Reed filed his latest motion, lost jurisdiction when the city filed an appeal this month. Moreover, he said, the court never said the fee was void. "All it ruled on was the contract," Carmouche said.

Whether residents are required to pay the fee has been a point of confusion since Webber issued his ruling, which says "judgment is entered for plaintiffs on their complaint and against defendants," but only specifically mentions Allied's contract.

Community leaders, including members of the MCC, have suggested residents deduct the collection fee from their GSD bill.

Along with his motion, Reed requested that the court order the collection fee "in protest" of the ruling. Reed has said that any money paid toward a GSD bill in protest toward the fee would not be levied against the city.

GSD would then exercise its agreement with Indiana American Water Co. to have water to those customers shut off, he said.

Reed said it might be necessary for Webber to clarify his original ruling, but he said GSD could also resolve the matter by inviting bids before awarding the trash contract again.

## Stimulus plans presented

GARY — Mayor Rudy Clay has invited community leaders to hear about projects proposed for Gary through federal and state stimulus dollars.

Officials from Indiana University Northwest, Ivy Tech College, U.S. Steel and The Methodist Hospitals, and elected officials and religious and business leaders, are among invitees. ~~Statements from the officials were not made available at the time of the meeting.~~