



City Of Gary

Department of Finance

401 Broadway

Gary, Indiana 46402

(219) 881-1363 / Fax (219) 881-1340

RUDY CLAY

Mayor

M. CELITA GREEN

Director of Finance

GERALDINE B. TOUSANT

Deputy Mayor

KAREN TINSLEY

Interim Deputy Director of Finance

December 30, 2008

RECEIVED

DEC 30 2008

MAYOR'S OFFICE

Chris Atkins
General Counsel and Policy Director
Indiana Office of Management and Budget
Indianapolis, IN

Dear Mr. Atkins:

Pursuant to your request per Rule 5 of the DUAB Administrative Policies and Procedures, we are submitting the following:

- Exhibit A
 - Letters of Support for the Mayor's Budget Proposals 2009-2012
 - Editorial Support from the Post-Tribune and Times Newspapers
 - Petition for Support for Mayor's Budget Plan
- Exhibit B
 - City of Gary to Participate in Fuel Hedging Program to reduce risk
- List of Witnesses
 - Councilman Kyle Allen, City Council Vice President
 - Police Chief Reginald Harris
 - Commander Cooros-Police Dept
 - Fire Chief Jeffery Ward
 - Firefighter Joe Jamrock
 - Rev. Isaac Culver, President of the Baptist Ministers Conference
 - Rev. Dwight Gardner, Pastor-Trinity Church
 - ASCME-Local 52, David Warrick or Lettie Oliver
 - SEIU - Lorenzo Crowe
 - Barbara Leek, Gary Community School Board Member
 - Joel Rodriguez, City of Gary Economic Development
 - Jackie Drago-Hunter, Gary Community Development
- Power Point Presentation

We are requesting to present Opening Remarks from Mayor Rudy Clay-City of Gary, followed by remarks from the Finance Chair-City Councilwoman Mary Brown; after which the Power Point will be presented.

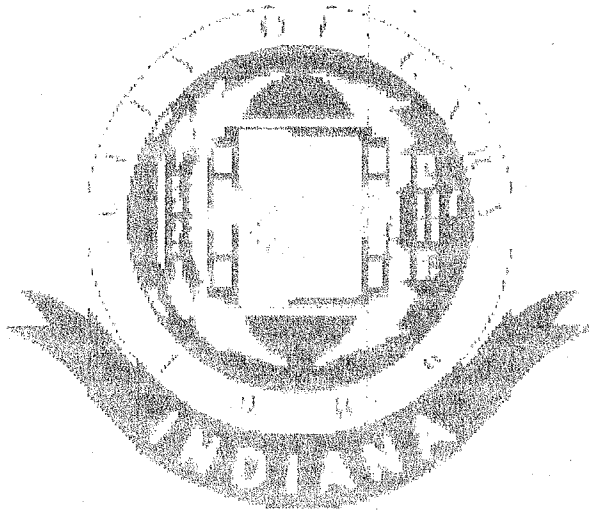
Please contact me at (219) 881-1363 or cgreen@ci.gary.in.us, with any additional request. Thank you.

Sincerely,

M. Celita Green, MBA
City Controller

Copy: Mayor Rudy Clay
Deputy Mayor Tousant
Arlene Colvin, Chief of Staff

EXHIBIT A



December 29, 2008

INDIANA DISTRESSED UNIT APPEALS BOARD
Indiana Office of Management and Budget
200 West Washington Street, Suite #212
Indianapolis, Indiana 46204

Dear Sir or Madam:

The City of Gary's Department of Redevelopment and its' Commission was concerned to hear about the devastating option of cutting the City of Gary's budget by such exorbitant measures under I.C. 6-1.1-20.36 To cut a city government's budget in half will drastically affect the city's opportunities for economic growth, above all, the City of Gary. Obviously, the Department of Redevelopment and its Commission rely heavily on the City of Gary for supportive services and incentives for developer opportunities, and without that support, efforts in fostering housing and economic development will become slim to none.

As the Department of Redevelopment's budget has been cut as well, in making the adjustments, we would rely even more on various services provided by the City of Gary. Those services would include first and foremost, legal services for the developer activities which require legal council to ensure the proper operations, for the Commission; advertisement of bids for the sale of city-owned property, Unsafe Building Hearings, and other legal aids; property insurance for a portion of the numerous city-owned parcels, repairs and/or replacement of antiquated office equipment.

We are one of the few Redevelopment Departments in the nation that directly aligns itself with its City Municipality to generate and promote development throughout the city. As a quasi governmental agency we depend on not only the administrative support of the city government, but essentially, on the basic ground level incentives such as infrastructure, community parks and pavilions, that include public transportation, and police and fire protection all being imperative to luring developers to the city.

For all intensive purposes House Bill 1001 will worsen the state of City of Gary by causing a lesser tax base collection due to the decline in even the current residency rate. This would include commercial/retail and industrial occupancy, as well as residential. Therefore, we would employ you to take some other measure.

It is with great anticipation that the Distressed Unit Appeals Board shows favor to the appeal for relief from City of Gary Municipality, and grant their request as presented.

Sincerely,

Vanesse Dabney
Executive Director

Cc: Honorable Mayor Rudolph Clay
Board of Redevelopment Commission
Atty. Gilbert King, Commission Attorney

12/30/2008

Thalia Moore

From: Russo, Stephanie [srusso@sba.in.gov]
Sent: Friday, January 02, 2009 1:27 PM
To: Thalia Moore
Subject: RE: A PLEA FOR MERCY

Thank you, Ms. Moore. I am in receipt of your email and will be sure the DUAB receives.

Sincerely,

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

From: Thalia Moore [mailto:thmoore@CI.GARY.IN.US]
Sent: Friday, January 02, 2009 1:35 PM
To: Russo, Stephanie
Cc: Governor Mitch Daniels
Subject: A PLEA FOR MERCY

January 2, 2009

Dear Indiana Distressed Unit Appeals Board Members: **Happy New Year**

I am writing to you because we need your help in regards to the Appeals Board decision to the City of Gary's Petition for more tax money in 2009. My prayer is that God will give you a compassionate heart to help the citizens of Gary, Indiana.

Our Mayor, the Honorable Rudy Clay along with its Administration are seeking your assistance to keep the operation of city hall functioning properly, financially, adequately, effectively as well as keeping the city, visitors and its residents safe.

I have a personal interest as well as a community concern as to our future. I was born and raised in the city of Gary. I love this city because it is my home, I have roots here. Therefore, my hope and prayer is that we will be given the same opportunities, fairness and privileges that any other city would receive when faced with a similar situation. I hope that no one would possess an attitude to show respecter of person or city, when determining a resolve, of this matter.

I believe that if you look deep within, you would do the right thing after careful review of the City's submittal. The City's Administration has outlined to you the areas that have been cut in an attempt to trim the budget. You will also see that they have striven to make vast adjustments without compromising the safety of the city or its residents.

There is a daily battle, dealing with uncooperative people, but I believe that you should overcome evil with good. There are those that would love to see this city fail because of their negativity, but that's the nature of man, but overall, we have great people living in Gary who are trusting in the Board's ability to make the right decision when deciding this city's future and welfare.

Thus, I pray that you will put yourselves in our place when considering our fete as if you were in our situation and how would you want the Distressed Board to rule on your behalf!

Remember, we were placed in this dilemma because of HB1001, however, I pray that you would vote unanimously to approve our Appeal Petition for relief and allow us the finances and time needed to keep our city afloat.

I thank you in advance for this privilege and opportunity to write and seek your favorable response.

Sincerely,



Thalia Moore, Gary citizen

328 King St., Gary, IN 46406 - (219) 949-3529

Diane Dancy

From: Russo, Stephanie [srusso@sba.in.gov]
Sent: Friday, January 02, 2009 1:26 PM
To: Diane Dancy
Subject: RE: CITY OF GARY BUDGET

Thank you, Ms. Dancy. I am in receipt of your email and will be sure the DUAB receives.

Sincerely,

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

From: Diane Dancy [mailto:ddancy@CI.GARY.IN.US]
Sent: Friday, January 02, 2009 10:22 AM
To: Russo, Stephanie
Cc: chrissclay@yahoo.com; Nathaniel Williams
Subject: CITY OF GARY BUDGET

Dear Distressed Unit Board,

I am a citizen of the great City of Gary, Tax payer and an employee of the great City of Gary, I am writing to request that you (The Distressed Unit Board) please give the City of Gary an opportunity to appeal for your financial help. The City is in need of financial help; with the cuts that are being asked to take will put the City in a hardship position. We now have a Mayor that is working for the citizens of Gary, please give him a chance to complete the job. Any/all help will be appreciated.

Diane Dancy
2206 Tennessee St
Gary, IN 46407
219 888-9277

January 31, 2009

To: The Distressed Unit Appeal Board

My name of Clara Castro and I am writing to the Distress Unit Appeals Board concerning the financial assistance to the City of Gary.

I am a concerned citizen and understand the reality of financial crisis, as I have been in that situation. And I am just one person, I can't imagine being under hardship for the whole City of Gary. We have a great Mayor and administration that understands the people and works for the people, but he is a human being and can only do so much and needs your help so that he and his administration can move forward to provide the citizens of Gary with the all the services such as education for the children, youth services, Fire and Police, reduce crime rate, school dropout and other programs that are significant to the Citizens of Gary. At the same time, sometimes we need to place ourselves in other people's positions and scenarios to understand what would be the outcome if we did not receive this help. It would be most devastating and tragic and furthermore an unsafe City to live in.

I hope that God touches your hearts that you may approve the help for financial assistance to the City of Gary, so that we can continue our lives in a safe environment for ourselves and our children.

Sincerely,

A handwritten signature in cursive script that reads "Clara Castro". The signature is written in black ink and is positioned above the printed name.

Clara Castro

To Whom It May Concern:

In pursuant to House Bill 1001 legislation, a state wide tax relief for taxpayers under IC. 6-1.1-20.6 and the City of Gary set forth a petition of appeal to the Distress Unit appeals Board (**DUAB**) under IC. 6-1.1-20.3-6.

Although the above legislation intent purposed the reduction of taxes for 2 years, the City of Gary struggle to decrease administration and operation costs from its budget, and being mindful of taxpayers need for services as the financial shortfall continues on Lake County's tax levy. This overwhelming mandate for this substantial reduction is uncommon to any private or public operation, and jeopardizes the future of the City of Gary.

The City's plan identifies those ideologies of a continuum work in progress with build in mechanisms for relief and solvency. I encouraged the strength of the DUAB will to align priorities for the city continued operations and services that affects the status quo.

The above mandated requirements attempts grave challenges instantiated by hasty unfavorable results being multiple effects of the ability to sub standard operations for a second class city regarding foreseen and unforeseeable circumstances in a very short time frame. Consequently, with this said not inexorable or shortsighted but concerned regarding taxpayers and citizens quality of life in the City of Gary. The relief will help assist in the ongoing progress to meet state statue.



Nathaniel T. Williams
Precinct Committeeman G4-8
City of Gary

December 29, 2008


To: The Distress Unit Appeal Board
From: Chief Jeffrey Ward
Gary Fire Department

To Whom It May Concern:

The Gary Fire Department is charged with protecting a population of over 100,000 people in a 56 sq mile area. We are one of the busiest fire departments in the state with over 7,000 Fire calls and approximately 18,000 EMS calls per year. Firefighters assist EMS on most EMS calls.

The fire department is not only the first line of defense for Gary, we are the only line of defense when it comes to Fires, Natural or Man Made disasters, or Acts of Terrorism. When I became Chief in October of 2006 I had a roster of 286 firefighters out of a 290 man budget. Today, due to retirement and resignations my roster is down to 241 firefighters. I am budgeted for 256 firefighters for 2009 and I need to fill these positions but with Gary's current financial crisis I don't expect to get them. I now have one fire station closed and several stations operating at half strength. If I loose the projected 74 firefighters in 2009 the fire department will not be able to properly serve and protect the citizens of Gary. We will also not be able to properly assist the thousands of people that use the highways and railroads to travel through Gary. Loosing any more firefighters will create a very dangerous situation for Gary and loosing 74 firefighters will devastate the Gary Fire Department.

Jeffrey Ward



Fire Chief



RUDOLPH CLAY
Mayor

DEPARTMENT OF PUBLIC WORKS

GERALDINE B. TOUSANT
Deputy Mayor

Rinzer Williams, III, J.D.
Director

December 29, 2008

To: The Distressed Unit Appeals Board

Allow me to begin by introducing myself. My name is Rinzer Williams, III, J.D. I am the Director of the Department of Public Works for the City of Gary. I have held said position since October, 2006. Upon my arrival, the transparency of the daunting task that this administration faced was axiomatic, yet attainable. For example, within the Department of Public Works, there had not been any infrastructure projects undertaken since the spring of 2005. Also our sewers were and remain in great need of repair and several city buildings were barely habitable.

As if this were not enough for the current administration to inherent, we were also faced with the impact of HB1001 coupled with the County Council's ineptness not to pass the 1% income tax. While I can surely appreciate the state's frustration and reluctance to assist the City of Gary, I pray the Distressed Unit Appeals Board equally appreciates that the current economic woes of the City of Gary are not contributed to any actions or inactions taken by the current administration. Additionally, it is my hope that the Board recognizes that failure to assist the City of Gary in a time of economic duress would bring about great devastation to the City of Gary and systematically shut down one of the states most historic cities.

Furthermore, not to give the current administration ample time and resources to correct the fiscal irresponsibility attributed to that of the past administration would be unconscionable and would be a grave disservice to the electorate who have placed their trust in the current administration. Franklin D. Roosevelt put it best when he stated, "One of the duties of the State is that of caring for those of its citizens who find themselves the victims of such adverse circumstances as makes them unable to obtain even the necessities for mere existence without the aid of others.... To these unfortunate citizens aid must be extended by government—not as a matter of charity but as a matter of social duty."

Sincerely,

Rinzer Williams, III, J.D. Director
Department of Public Works and Safety



City of Gary

RUDOLPH CLAY
Mayor
GERALDINE B. TOUSANT
Deputy Mayor

DEPARTMENT OF TRAFFIC CONTROL
900 Madison Street • Gary, Indiana 46402
(219) 881-5280
Fax (219) 880-2059

FELIX V. REALEZA
Traffic Engineer

December 29, 2008

To: The Distressed Unit Appeals Board

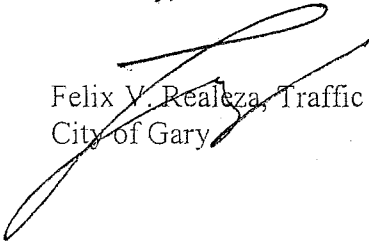
Please listen to my call for help! As City Traffic Engineer, I can attest firsthand to how vital money is in the effort to safeguard the City against lawsuits from possible litigation due to failed traffic signal lights/ devices in traffic safety. To elaborate, the City of Gary's Traffic Budget is solely responsible for the maintenance of *all* regulatory signs, traffic lights, street lighting, roads, alleys, and accident prevention mechanisms such as the barricading of impassable streets (especially when flooding is a problem), erecting traffic signage when needed, and responding to other unforeseen calamities including potholes and broken and damaged sidewalks. But without the necessary monies, the most basic traffic safety services will be difficult if not impossible to provide.

In addition to providing said maintenance of traffic devices, the City *manages* the sidewalks, alleys, roads/ streets on a basis of reasonable expectation and with the present 135 traffic- controlled signalized intersections and of approximately 426 miles of city-maintained streets with installed stop signs, both must be continuously and completely maintained.

Along the same lines, providing general lighting is a preventive measure to crime that the City of Gary underutilizes because of inadequate funding. Sufficient lighting means motorists can drive safely, pedestrians can walk safely, and residents can feel safer entering and leaving their homes.

I urge the Distressed Unit Appeals Board to provide the City of Gary with the desperately needed funding to not only sustain our streets but to make urgently needed repairs and perform routine maintenance. Otherwise, the cost to combat the liability will likely exceed not only the Traffic Control budget but the overall City budget as well.

Please help us.
Sincerely,


Felix V. Realeza, Traffic Engineer
City of Gary



CITY OF GARY

LAW DEPARTMENT

401 Broadway • 4th Floor

Gary, Indiana 46402

(219) 881-1400 / Fax (219) 881-1362

RUDOLPH CLAY
Mayor

GERALDINE B. TOUSANT
Deputy Mayor

HAMILTON L. CARMOUCHE
Corporation Counsel

JEROME M. TAYLOR
City Attorney

Dated: December 30, 2008

To the State of Indiana Appeals Board:

Dear Sirs/Madams:

We urge you with humble hearts and caring spirits to hear our call for monetary support. The City of Gary is in dire need of relief. Faced with a bleak economic outlook, the City of Gary like Wall Street and the automobile industry needs a stimulus to offset its poor housing markets, and decreasing tax base. Remember also that the City of Gary had been a struggling city long before this downturn. Inasmuch as there have been some glimmers of improvements in the city's infrastructure and the removal of blighted buildings, we are still fighting for survival.

We are now facing our hardest challenge: How does the City of Gary maintain its essential city services such as public safety and fire prevention while still keeping a foothold on improving the quality of life for its citizenry? The answer cannot be found in our existing budget, because the money is just not there.

For example, the Law Department which I am a represented member acts not only to defend the city from future liability, but it is tantamount to an insurance department. This means that the City of Gary is self-insured and must have adequate funds every year to defend the thousand or more of lawsuits that have been filed each year in our department. In addition, there are existing settlements and judgments that are court ordered to be paid. On average each year, our judgment account (approximate amount of \$500,000) is all but depleted by the time the first quarter has ended. Oftentimes, the Law Department is operating at a deficit to pay its judgments and settlements.

Considering the source, we need money—NOW! It's not even feasible to look at the alternatives, because there just isn't any to consider at present.

Sincerely,

Hamilton L. Carmouche
Corporation Counsel
City of Gary Law Department



G A R Y , E A S T C H I C A G O , H A M M O N D
EMPOWERMENT ZONE

December 30, 2008

State of Indiana Distress Unit Appeals Board
Attn: Stephanie Russo, Executive Assistant
Office of Management and Budget
200 W. Washington Street, Suite 212
Indianapolis, Indiana 46204

To whom it may concern:


The Gary, East Chicago, Hammond Empowerment Zone is in full support of the City of Gary receiving relief from the Distress Unit Appeals Board. The primary function of the Empowerment Zone is to foster economic development through business development and access to capital for small business. As a repercussion of the proposed tax cuts, the City of Gary may have to cut their civil services employees, including police officers and firefighters. This will be a deterrent to attracting new businesses and encouraging existing businesses to expand. Furthermore, the anticipated financial woes that will cripple the City have already created anxiety among investors and developers. This will have a significant long term effect on the future tax revenues that the City of Gary will be able to collect.

By not allowing the City of Gary additional time to become reorganized, the efforts of organizations like the Empowerment, to revitalize Gary, will go in vain. Since our designation, the Empowerment Zone has provided funding to several projects in the City of Gary that will be adversely affected by city's inability to reorganize. The ground work that the Empowerment Zone has done for the past 9 years will be wasted along with millions of dollars that were invested throughout Gary. We submit that the DUAB should be very mindful of these organizations and the impact of their programs in lieu of the proposed tax cuts.

With the help of DUAB, the City of Gary can prepare to soar above the doldrums of the current financial dark cloud that was created over the past 20 years.

If the Empowerment Zone can provide any further assistance please do not hesitate to contact our office.

Sincerely,


Scott S Upshaw
Executive Director



RUDOLPH CLAY
Mayor, City of Gary

GERALDINE B. TOUSANT
Deputy Mayor, City of Gary



CITY OF GARY
HEALTH & HUMAN SERVICES

RICARDO C. HOOD, MD
Health Commissioner

SHIRLEY J. HAWKINS
Executive Director

December 29, 2008

Honorable Rudolph Clay, Mayor
City of Gary
401 Broadway
Gary, IN 46402

To the Honorable Mayor, Rudolph Clay:

The Department of Health and Human Services (Gary Health Department) and the Gary Health Board fully support the City of Gary's application to the Indiana Distress Unit Appeal Board, seeking relief from the 1 percent cap on property tax.. We further support the City's request to raise property taxes and given additional time (until 2012) to make the drastic budget reduction being sought by the State.

As it now stands, the stated \$31.9 million revenues allocated to the City of Gary, will totally cripple the operations of many city departments. As a city we are already faced with increased crime and economical instability. Ensuring public safety is not optional. We had long dealt with a legacy of decay, neglect, misappropriation, and financial setbacks. Gary must continue to function and maintain the health and wellness of those who choose to make Gary their home.

The cost of living steadily increases—every increase requested by NIPSCO and other utility companies have been granted. The cost of food and medical care has sky rocketed. This factor alone causes our citizens to look to the Health Department for services they can not afford . Our controller continues to seek out ways of containing costs and increasing revenues. For a time we had casino revenues that could be used for emergency purposes, that is now tied up in legal deliberation.

Again, we fully support the efforts of the City Gary and a successful outcome.

Sincerely,

Ricardo C. Hood, MD
Health Commissioner

Shirley Hawkins
HHS Executive Director



CITY OF GARY

DEPARTMENT OF ECONOMIC DEVELOPMENT

RUDOLPH CLAY
MAYOR

GERALDINE B. TOUSANT
DEPUTY MAYOR

401 Broadway, Suite 300
Gary, Indiana 46402
(219) 881.1310 voice (219) 882-7371 fax
JRodriguez@ci.gary.in.us

JOEL RODRIGUEZ
SPECIAL ASSISTANT TO THE MAYOR
DEPARTMENT OF ECONOMIC DEVELOPMENT

12/29/2008

To: The Distressed Unit Appeals Board

I am pleased to learn that you are in the forthcoming process of reviewing the City of Gary's distress package. As you already know, we are with the impact of HB1001 coupled with the County Council's ineptness not to pass the 1% income tax. It is my hope that the Board recognizes that failure to assist the City of Gary in a time of economic duress would bring about great devastation to the City of Gary and systematically shut down one of the state's most historic city.

Our departments have assisted many businesses with location, Zoning, Business Permits, and Licenses that has jump-started many businesses to Gary, Indiana.

This letter will serve as our invitation for you to establish a positive approval for the Distress Unit Board in working with Gary, Indiana in this important matter.

Sincerely,

Joel Rodriguez
Special Assistant to the Mayor
Economic Development



City of Gary
Department of Planning
ZONING DIVISION
401 Broadway, Suite 304
Gary, Indiana 46402
(219) 881-1332 / (219) 886-0817 fax

RUDOLPH CLAY
MAYOR

GERALDINE B. TOUSANT
DEPUTY MAYOR

JAMES D. CRAIG
ZONING MANAGER

December 29, 2008

Indiana Distressed Unit Appeals Board
Indianapolis, Indiana

Dear Sirs:

The City of Gary due to the CAP on Property Tax will be brought to near collapse without the help from this Board, our Governor, and State Legislators. The amount of taxes collected would severely limit our ability to serve our citizens and taxpayers.

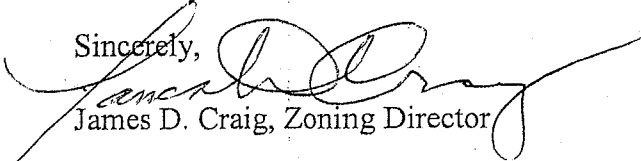
This Department has cut back to a four-day pay week, reduced staff by 25% and continues to do without certain essential supplies.

Our Department is one of a very few agencies who directly serve homeowners, businesses and the general public both in the office and at their site and/or property. Furthermore, land cannot be transferred, licenses cannot be issued and buildings cannot be used until Banks and certain State Agencies receive a report from our Zoning Office.

The recent flood is an example of our duty and commitment to the Citizens of Gary. As part of our First Response Team, we were there, at rivers-edge, in the air over the Levee System and inside damaged homes.

We ask for relief to continue what Gary Citizens deserve and expect.

Sincerely,


James D. Craig, Zoning Director

December 29, 2008

To the Distress Unit Appeal Board,

I am appealing to you not only as the Executive Manager of the City of Gary owned Genesis Convention Center, but, also, as a citizen who has resided in Gary for twenty years.

The challenges which Gary has faced over the years, tho devastating, have been met and to date we , as a city, have survived. These have included businesses leaving the city, reduction in the work force in the steel industry, abandoned properties, decrease in population numbers and rise in crime. Perhaps the one issue that most negatively affected Gary is the drastic and unjust reduction of taxes to be paid by U.S.Steel. This coupled with reassessments that left home and small business owners unable to pay forcing further foreclosures, abandonments, and business closings compounded an already challenging economic situation.

The passage of HB1011, however, is a blow too big for the city to handle all at one time. I believe that the gradual reductions in operational costs and the shift of some costs to other entities inclusive of privatization as outlined in specific detail by Mayor Clay, Controller Celita Green and others who aided in the formulation of the plan submitted to the Distress Unit Appeal Board, address what we, the city of Gary, are able to do immediately and can phase into the future. I believe the plan to be well thought out, fact based, and sound.

The city employees under my supervision accepted a 20% pay cut (4 day week) as they all knew it must be done. They have accepted that there have been and will be no pay increases for the immediate future , in spite of higher food , housing and utility costs. They support the city in its efforts to provide the best possible services within the constraints of an already reduced budget. They continue to provide the clients and customers of the Genesis Convention Center with a quality product and good service, and this in spite of increased work loads and decreased benefits. They are committed to the city in which they live and work.

I , as the Executive Manager of the Genesis Center, and perhaps more importantly as a homeowner and citizen of Gary ask all who serve on the Distress Unit Appeal Board, to review the appeal as presented by the City of Gary and take a serious look at the consequences if relief is not granted.

Sincerely,

Patricia T. Wagner, Executive Manager, Genesis Convention Center

12/30/2008

